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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2020
OR

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

For the transition period from to
Commission File Number: 001-36596

TRILLIUM THERAPEUTICS INC.

(Exact name of registrant as specified in its charter)

British Columbia, Canada	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Trillium Therapeutics USA Inc. **100 CambridgePark Drive, Suite 510** **Cambridge, Massachusetts, 02140** **USA** (Address of principal executive offices)	**N/A** (Zip code)

(416) 595-0627
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of exchange on which registered
Common Shares, no par value per share	**TRIL**	**The Nasdaq Capital Market**

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

As of June 30, 2020, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of common stock held by non-affiliates of the registrant (based on the last reported sale price on the Nasdaq Global Market as of such date) was approximately $684 million.

As of March 16, 2021, the registrant had 103,032,563 shares of common stock, no par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates by reference certain information from the registrant's definitive proxy statement for its 2021 annual meeting of shareholders, or the Proxy Statement, which the registrant intends to file pursuant to Regulation 14A with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year end of December 31, 2020. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as part of this Form 10-K.

Trillium Therapeutics Inc.
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements that involve risks and uncertainties. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical facts contained in this Annual Report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expects", "intends", "plans", "anticipates", "believes", "estimates", "predicts", "potential", "continue" or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- our expected future loss and accumulated deficit levels;
- our projected financial position and estimated cash burn rate;
- our requirements for, and the ability to obtain, future funding on favorable terms or at all;
- our projections for the SIRPαFc development plans and progress of each of our products and technologies, particularly with respect to the timely and successful completion of studies and trials and availability of results from such studies and trials;
- our plans to focus our intravenous TTI-621 & TTI-622 programs on large hematologic malignancy indications, specifically multiple myeloma, acute myeloid leukemia, or AML, peripheral T-cell lymphoma, or PTCL, and diffuse large B-cell lymphoma, or DLBCL, as well as on solid tumors;
- our expectations about our products' safety and efficacy;
- our expectations regarding our ability to arrange for and scale up the manufacturing of our products and technologies;
- our expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory approval process;
- our expectations about the timing of achieving milestones and the cost of our development programs;
- our observations and expectations regarding the relative low binding of SIRPαFc to red blood cells, or RBCs, compared to some anti-CD47 monoclonal antibodies and proprietary CD47 blocking agents and the potential benefits to patients;
- our expectation that TTI-621 and TTI-622 are likely to be more effective in combination with other agents;
- our plans to market, sell and distribute our products and technologies;
- our expectations about the timing of data announcements or other clinical updates;
- our expectations regarding the acceptance of our products and technologies by the market;
- our ability to retain and access appropriate staff, management and expert advisers;
- our ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- our expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us in respect of such arrangements;
- our expectations regarding the impact of the COVID-19 pandemic on our operations;
- our strategy with respect to the protection of our intellectual property; and
- other risks and uncertainties, including those discussed in Part 1A, Risk Factors in this Annual Report.

Any forward-looking statements in this Annual Report reflect our current views with respect to future events and with respect to our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those described under Part 1A, Risk Factors and elsewhere in this Annual Report. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

We may from time to time provide estimates, projections and other information concerning our industry, the general business environment, and the markets for certain diseases, including estimates regarding the potential size of those markets and the estimated incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events, circumstances or numbers, including actual disease prevalence rates and market size, may differ materially from the information reflected in this Annual Report. Unless otherwise expressly stated, we obtained this industry, business information, market data, prevalence information and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data, and similar sources which we believe to be reliable, in some cases applying our own assumptions and analysis that may, in the future, prove not to have been accurate. As a result, although we believe that these sources are reliable, we have not independently verified such information.

Summary of the Material Risks Associated with Our Business

- If we are unable to advance our current or future product candidates through clinical trials, obtain marketing approval and ultimately commercialize any product candidates we develop, or experience significant delays in doing so, our business will be materially harmed.

- Our prospects depend on the success of our product candidates which are at early stages of development, and we may not generate revenue for several years, if at all, from these products.

- Clinical product development involves a lengthy and expensive process, with uncertain outcomes. We may experience delays in completing, or ultimately be unable to complete, the development and commercialization of our current and future product candidates.

- We may expend our limited resources to pursue a particular program, product candidate or indication and fail to capitalize on programs, product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

- Interim, “topline,” and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

- Positive results from preclinical and early clinical research of TTI-622 and TTI-621 are not necessarily predictive of the results of later clinical trials of TTI-622 or TTI-621. If we cannot replicate the positive results from preclinical and early clinical research in our later clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize TTI-622 or TTI-621.The outbreak of the novel coronavirus disease, COVID-19, has adversely impacted and we expect will continue to adversely impact our business, including our preclinical studies and clinical trials.

- We rely and will continue to rely on third parties to plan, conduct and monitor our preclinical studies and clinical trials, and their failure to perform as required could cause substantial harm to our business.

- We rely on contract manufacturers over whom we have limited control. If we are subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, or any issues related to COVID-19, our business operations could suffer significant harm.

- We require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials. If we do not have commercial grade drug supply when needed, we may face delays in initiating or completing pivotal trials and our business operations could suffer significant harm.

- We may not achieve our publicly announced milestones according to schedule, or at all.
- We face competition from other biotechnology and pharmaceutical companies and our financial condition and operations will suffer if we fail to effectively compete.
- We heavily rely on the capabilities and experience of our key executives and scientists and the loss of any of them could affect our ability to develop our products.
- We expect to expand our organization and, as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.
- Negative results from clinical trials or studies of others and adverse safety events involving the targets of our product candidates or of competitors in the field of immune-oncology may have an adverse impact on our future commercialization efforts.
- If we are unable to adequately protect and enforce our intellectual property, our competitors may take advantage of our development efforts or acquired technology and compromise our prospects of marketing and selling our key products.
- If we lose our licenses from third-party owners we may be unable to continue a substantial part of our business.
- Our common share price has been volatile in recent years, and may continue to be volatile.

PART I

As used in this Annual Report, unless the context otherwise requires, references to the "company," "we," "us" and "our" refer to Trillium Therapeutics Inc. together with its consolidated subsidiaries.

Item 1. Business

Overview

We are a clinical stage immuno-oncology company developing innovative therapies for the treatment of cancer. Immunotherapy is a rapidly evolving field that is redefining cancer care by harnessing a patient's own immune system to eliminate tumor cells. Our focus is on developing inhibitors of CD47, a checkpoint of the innate immune system. CD47 is emerging as a promising next generation immuno-oncology target following the scientific, clinical and commercial success of T-cell checkpoint inhibitors. We have two product candidates in early stages of clinical development – TTI-622 (a SIRPα-IgG4 Fc fusion protein) and TTI-621 (a SIRPα-IgG1 Fc fusion protein). Both molecules are highly differentiated from the rest of the CD47 field by meaningful monotherapy activity demonstrated across a range of hematologic malignancies, and minimal binding to red blood cells, hence reducing the risk of anemia, a common side effect of some other CD47 agents. In 2021, our immediate goal is to complete ongoing dose escalation studies, and initiate a phase 1b/2 program across a range of both hematologic and solid tumor malignancies.

Our Strategy

Our goal is to become a leading innovator in the field of oncology by targeting the CD47-SIRPα axis, an immune-regulatory pathway that tumor cells exploit to evade the host immune system. We believe we have a differentiated and comprehensive approach to targeting CD47, with the development of two SIRPαFc fusion proteins, TTI-622 and TTI-621. We intend to:

- ***Rapidly advance the clinical development of TTI-622 and TTI-621***. We are currently in the process of identifying the maximum tolerated or recommended phase 2 doses for both TTI-621 and TTI-622, and plan to rapidly advance both molecules into phase 1b/2 studies.

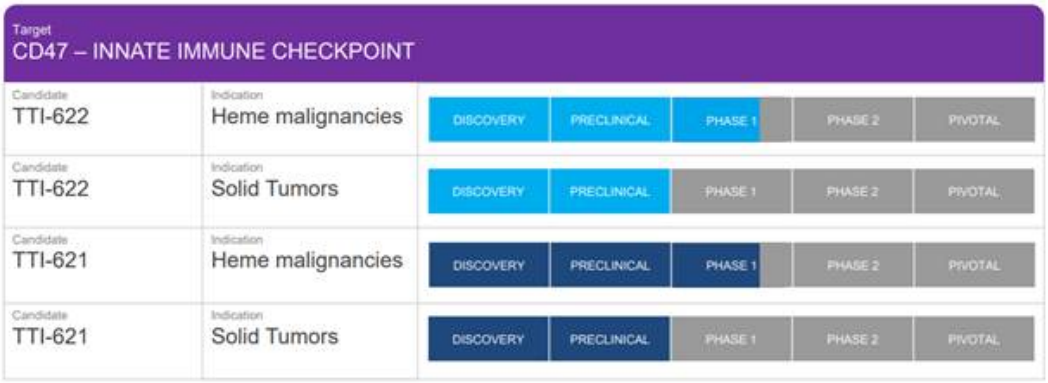
- ***Focus our TTI-622 and TTI-621 clinical programs on promising cancer indications.*** Because CD47 is highly expressed by multiple hematologic and solid tumors, and high expression is often correlated with negative clinical outcomes, we believe our SIRPαFc fusion proteins have the potential to be effective in a range of cancers. Through our early stage clinical trials we have identified several cancers where we saw monotherapy responses to our SIRPαFc fusion proteins in patients, including B- and T-cell lymphomas.

- ***Focus our TTI-622 and TTI-621 clinical programs on promising combinations***. While we believe that there may be a monotherapy path in certain indications for our programs, we are planning to evaluate TTI-622 and TTI-621 primarily in combination with other agents.

Our Product Candidates (SIRPαFc)

Our Pipeline

We have two SIRPαFc fusion proteins, TTI-622 and TTI-621, in clinical development. TTI-622 consists of the CD47-binding domain of human SIRPα linked to the Fc region of IgG4. It is designed to enhance macrophage-mediated phagocytosis and anti-tumor activity by blocking the CD47 "don't eat me" signal and generating a moderate activating "eat" signal via the IgG4 Fc. TTI-621 consists of the same CD47-binding domain as TTI-622 but linked to the Fc region of IgG1, which generates a stronger "eat" signal than IgG4. It is anticipated that the distinct "eat" signals will result in different tolerability profiles, thus achieving different levels of drug exposure and CD47 blockade in patients. Specifically, TTI-622 is expected to achieve a high level of CD47 blockade and deliver a moderate "eat" signal, whereas TTI-621 is expected to achieve a lower level of CD47 blockade but deliver a strong "eat" signal. Both agents have been well tolerated and have demonstrated monotherapy activity in patients with B- and T-cell lymphomas.



Mechanism of Action: Blocking the CD47 "don't eat me" signal using a SIRPαFc decoy receptor

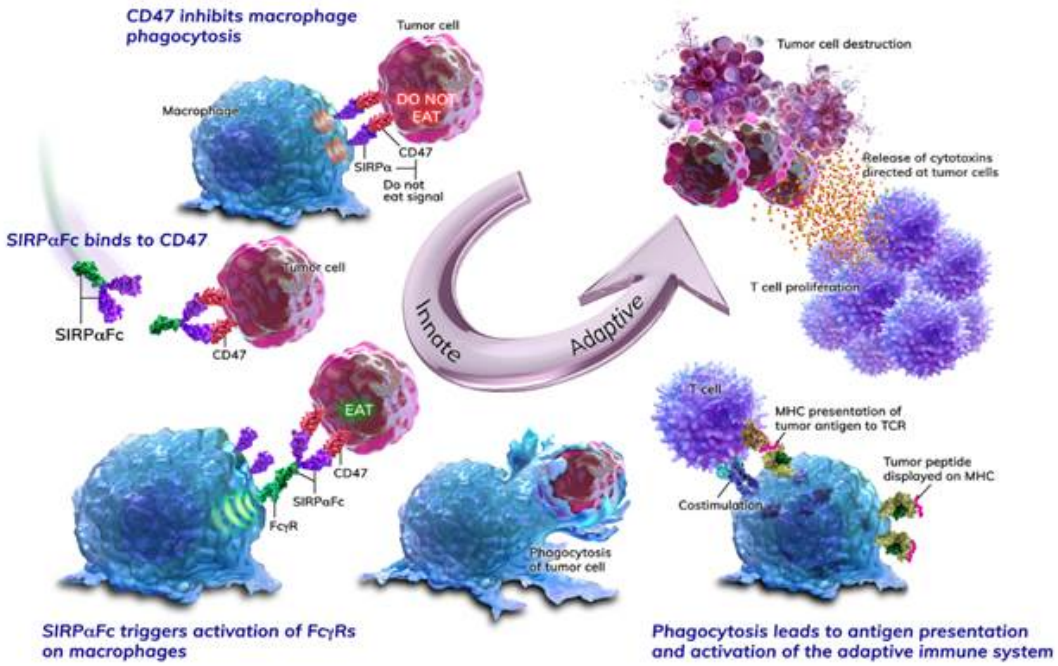
The immune system is the body's mechanism to identify and eliminate pathogens, and can be divided into the innate immune system and the adaptive immune system. The innate immune system is the body's first line of defense to identify and eliminate pathogens and consists of proteins and cells, such as macrophages, that identify and provide an immediate response to pathogens. The adaptive immune system is activated by, and adapts to, pathogens, creating a targeted and durable response. Cancer cells often have the ability to reduce the immune system's ability to recognize and destroy them.

Macrophages are a type of white blood cell that can ingest and destroy (phagocytose) other cells. Macrophage activity is controlled by both positive "eat" and negative "don't eat me" signals. Recently, a role for macrophages in the control of tumors has been described. Tumor cells may express "eat" signals (e.g. calreticulin) that make themselves visible to macrophages. To counterbalance this increased visibility the tumor cells often express high levels of CD47, which transmits a "don't eat me" signal by binding SIRPα on the surface of macrophages. High expression of CD47 has been observed across a range of hematologic and solid tumors. In many cases, high CD47 expression was shown to have negative clinical consequences, correlating with more aggressive disease and poor survival.

In preclinical studies, TTI-622 and TTI-621 frequently triggered significant macrophage-mediated phagocytosis of tumor cells in vitro compared to control treatment. In vivo, both fusion proteins exhibited anti-tumor activity in human xenograft models.

In addition to their direct anti-tumor activity, macrophages can also function as antigen-presenting cells and stimulate antigen-specific T-cells. Thus, it is possible that increasing tumor cell phagocytosis after SIRPαFc exposure may result in enhanced adaptive immunity. In support of this, CD47 blockade has been recently shown to augment antigen presentation and prime an anti-tumor cytotoxic T-cell response in immune-competent mice. In 2016, we presented data demonstrating that TTI-621 can augment antigen-specific T-cell responses in vitro. CD47 blockade has also been reported to promote tumor-specific T-cell responses through a dendritic cell-based mechanism, although the effect of SIRPαFc on dendritic cells is currently unknown.

The figure below illustrates how SIRPαFc blocks the CD47 "don't eat me" signal and engages activating Fc receptors on macrophages, leading to tumor cell phagocytosis and possibly increased antigen presentation and enhanced T-cell responses.



By inhibiting the CD47 “don’t eat me” signal, we believe SIRPαFc has the ability to promote the macrophage-mediated phagocytosis of tumor cells in a range of cancers, including but not limited to, acute myeloid leukemia, B-cell lymphoma, T-cell lymphoma, multiple myeloma, and solid tumors, both as a monotherapy and in combination with other agents. Both SIRPαFc fusion proteins enable CD47 blockade with different levels of Fc receptor engagement on macrophages and thus may have unique applications.

We have also demonstrated that our SIRPαFc fusion proteins exhibit minimal binding to red blood cells, or RBCs, ex vivo in contrast to some CD47-specific antibodies and a mutated high affinity SIRPαFc. We believe that this property has the potential to confer several possible advantages, including avoidance of drug-induced anemia, avoidance of the “antigen sink effect” (i.e. removal of drug from circulation by RBCs) and non-interference with laboratory blood typing tests.

Combination Therapy

We believe that SIRPαFc enhancement of macrophage activity, and possibly T-cell responses, could be synergistic with other immune-mediated therapies. Since many cancer antibodies work at least in part by activating cells of the innate immune system, it may be possible to enhance the potency of these agents by blocking the CD47 “don’t eat me” signal that tumor cells deliver to macrophages. We hypothesize that SIRPαFc may act synergistically with other immunological agents, including T-cell checkpoint inhibitors (e.g. pembrolizumab and nivolumab), anti-cancer antibodies, cancer vaccines, oncolytic viruses or chimeric antigen receptor, or CAR T-cells.

TTI-622 Clinical Development

A two-part, multicenter, open-label, phase 1a/1b study of TTI-622 in patients with advanced relapsed or refractory lymphoma and multiple myeloma is currently in progress (NCT03530683). In the ongoing phase 1a dose-escalation part, relapsed or refractory lymphoma patients are being enrolled in sequential dose cohorts to receive TTI-622 once weekly to characterize safety, tolerability, pharmacokinetics, and to determine the maximum tolerated dose. In the phase 1b part, patients with untreated AML and multiple myeloma will be treated with TTI-622 in combination with other agents.

On September 8, 2020, we released an update on the ongoing TTI-622 study. In the phase 1a portion of the study, the safety assessment of the 8 mg/kg dosing cohort has been successfully completed. One Grade 4 thrombocytopenia DLT was reported among the six evaluable patients; no additional Grade 3 or higher thrombocytopenia events have been observed. A total of six objective responses (33%; 1 complete response, 5 partial responses) have been observed among 18 response-evaluable patients treated at dose levels of 0.8, 2.0, 4.0 and 8.0 mg/kg. Clinical responses have occurred across all dose levels in this range, with three of six (50%) patients achieving responses in the 8.0 mg/kg cohort (response assessment for one additional patient at 8 mg/kg dose was not available). Clinical responses have been observed across multiple lymphoma indications, including DLBCL, CTCL, PTCL and follicular lymphoma. All responses were observed at the first assessment at 8 weeks.

We provided a data update at the American Society of Hematology, or ASH, annual meeting on December 7, 2020 with a data cut-off as of November 3, 2020. Specifically, we updated that a total of 31 patients had been enrolled in the first seven cohorts, receiving weekly intravenous doses between 0.05-12 mg/kg. All dose levels were well tolerated and a maximum tolerated dose, or MTD, was not reached. Adverse events, or AEs, were predominantly Grade 1-2; related AEs ≥Grade 3 were neutropenia (13%), thrombocytopenia (3%) and anemia (3%). Dose-dependent increases in TTI-622 serum exposure supported continued dose escalation beyond 12 mg/kg, and dose-dependent increases in receptor occupancy, or RO, durability were observed. Objective responses were achieved in six of 22 (27%) response-evaluable patients, with an overall response rate, or ORR, of 35% (6/17) among response-evaluable patients at dose levels ≥0.8 mg/kg. Relative to September 8, 2020, the ORR at 8 mg/kg was updated from 3/6 (50%) to 3/7 (43%), after one patient had a 77% target lesion reduction but developed a new concurrent lesion and thus was classified as progressive disease. All responses occurred within the first eight weeks of treatment across multiple lymphoma indications, and included one complete response, or CR, and five partial responses, or PRs. The CR patient treatment was ongoing at 534 days and showed evidence of expansion of new and existing T-cell clones. Among the five patients achieving PRs, three patients discontinued therapy due to progression and two for reasons other than progressive disease. We completed a safety evaluation of the 12 mg/kg dose level, with results indicating no observed dose-limiting toxicity or other major safety concerns, and we escalated dosing to 18 mg/kg. One patient at the 12 mg/kg dose level achieved a stable disease assessment and continued on therapy.

Overall, we believe the results presented at the ASH annual meeting demonstrate that TTI-622 exhibits monotherapy activity across multiple lymphoma indications among heavily pre-treated patients (3-9 prior systemic therapies in responders) and a broad potential therapeutic window (0.8-8.0 mg/kg).

We intend to provide a further update on our ongoing TTI-622 study in the second quarter of 2021. *See "2021 Guidance and R&D Day".*

TTI-621 Clinical Development

A phase 1 multicenter, open-label study in which patients with advanced relapsed or refractory hematologic malignancies receive intravenous TTI-621 is currently in progress (NCT02663518). The study consists of four parts: (a) completed "Parts 1-3" in hematologic malignancies, with dosing up to 0.5 mg/kg, conducted under initial dose-limiting toxicity, or DLT, criteria; and (b) ongoing "Part 4" in CTCL, which allows for dosing above 0.5 mg/kg. Given the transient nature of thrombocytopenia observed in Parts 1-3 of the study, the DLT definition for thrombocytopenia was revised, from Grade 4 of any duration in Parts 1-3, to Grade 4 lasting >72 hours or a platelet count less than 10,000/microliter at any time in Part 4.

On September 8, 2020, we released an update on the TTI-621 intravenous study. Preliminary data from Part 4 indicate the weekly infusions of TTI-621 up to 1.4 mg/kg are well tolerated without dose-limiting thrombocytopenia. Platelet decreases generally occurred on dosing days, recovered in 2-4 days, and have not worsened with increasing dose levels. Infusion-related reactions, or IRRs, typically occurred during initial infusions and often resolved without recurrence. One Grade 3 IRR DLT was observed at 1.0 mg/kg. Anti-tumor activity in the 1 mg/kg cohort included one partial response and one skin complete response (overall assessment stable disease) in six evaluable patients; two patients were bridged to allogeneic transplantation. Preliminary data suggest dose-dependent improvements in modified severity weighted assessment tool, or mSWAT, scores in the 0.5 to1.0 mg/kg cohorts (1.4 mg/kg cohort data were not yet available). We reported that the study was dosing at the 2.0 mg/kg level, and the protocol allows for higher dosing if appropriate.

We provided a data update at the ASH Annual Meeting on December 7, 2020 with a data cut-off of November 3, 2020. Specifically, we reported that a total of 17 CTCL patients had completed DLT evaluation, including two at the 2 mg/kg dose level. One Grade 4 thrombocytopenia DLT event was observed at 2.0 mg/kg and this cohort was expanded to six patients. Across Parts 1-4, the most common treatment-related AEs were infusion-related reactions (44%) and thrombocytopenia (30%), which was transient and not dose-limiting. Monotherapy activity was observed in CTCL (17% ORR), PTCL (18% ORR) and DLBCL (29% ORR). The majority of these patients received doses of 0.5 mg/kg or lower; a dose-activity relationship in Part 4 was difficult to ascertain due to the small sample sizes. Dose-dependent increases in drug exposure and RO of 40-65% at doses 0.5-1.4 mg/kg were observed. Evidence of changes in both innate and adaptive immune cells was apparent in a responding CTCL patient.

We have also conducted an open-label phase 1 trial in which TTI-621 was delivered by intratumoral injection in patients with relapsed and refractory, percutaneously-accessible cancers. As reported at the ASH 60th Annual Meeting in December 2018, local delivery of TTI-621 was well tolerated, and reductions in Composite Assessment of Index Lesion Severity, or CAILS scores, which measure local lesion responses, were observed in 91% of evaluable mycosis fungoides patients, with 41% exhibiting reductions of 50% or greater. These responses occurred rapidly within the 2-week induction period. Collectively, these data provide clinical proof-of-concept for TTI-621. As announced in October 2019, the intratumoral study has been closed and we are now focused on intravenous delivery of TTI-621.

TTI-621 was granted an Orphan Drug Designation by the U.S. Food and Drug Administration, or FDA, for the treatment of CTCL. Orphan Drug Designation qualifies the sponsor of the drug candidate for various development incentives, which may include tax credits for qualified clinical testing, an exemption from fees under the Prescription Drug User Fee Act, or PDUFA, and a seven-year marketing exclusivity period following approval.

We intend to provide a further update on our ongoing TTI-621 study in the second quarter of 2021. *See "2021 Guidance and R&D Day"*.

Key Takeaways

We have a diversified approach to CD47 blockade, with two decoy receptors – TTI-622 (SIRPαFc-IgG4) and TTI-621 (SIRPαFc-IgG1) – in clinical development. We believe that both agents are highly differentiated and have best-in-class potential in the CD47 field due to the following three characteristics:

- ***Monotherapy activity***. Both TTI-622 and TTI-621 have demonstrated class-leading monotherapy activity (including complete responses), specifically in patients with B- and T-cell lymphomas. We believe this monotherapy activity has the potential to de-risk our CD47 program, and provides us with a strong foundation for combination therapies, a strategy we intend to pursue going forward.

- ***Strong safety profile***. Both TTI-622 and TTI-621 have been well tolerated in patients following intravenous administration. Notably, treatment-related anemia has occurred very infrequently, consistent with the minimal binding of both agents to human RBCs.

- ***Potential solid tumor advantage***. Both TTI-622 and TTI-621 are half the molecular weight (approximately 75 kDa) of monoclonal antibodies (approximately 150 kDa), which we believe may provide for greater penetration into solid tumors.

2021 Guidance and R&D Day

In the second quarter of 2021, we plan to hold an R&D Day, at which we will:
- Provide a data update for TTI-622 and TTI-621, including data for the 18 mg/kg and 2 mg/kg dose cohorts, respectively;
- Announce key strategic priorities in terms of target indications and drug combinations across hematologic malignancies and solid tumors; and
- Outline clinical development plan and clinical studies to be initiated in 2021.

Plan of Operations

Our main focus in the immediate term is to identify the maximum tolerated or recommended phase 2 doses for both TTI-622 in the ongoing study NCT03530683 and TTI-621 under the revised DLT criteria in Part 4 of study NCT02663518. We expect to significantly expand our staffing in 2021, primarily in clinical development and chemistry, manufacturing and controls, or CMC, as we intend to initiate multiple phase 1b/2 combination studies. We will also undertake research, manufacturing and regulatory activities to support the CD47 clinical programs.

Competition

The biotechnology and pharmaceutical industries are characterized by rapid innovation of new technologies, fierce competition and strong defense of intellectual property. While we believe that our pipeline and our knowledge, experience and scientific resources provide us with competitive advantages, we face competition from major pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions, among others. These companies include divisions of large pharmaceutical companies and biotechnology companies of various sizes. Any product candidates that we successfully develop and commercialize will compete with currently approved therapies and new therapies that may become available in the future from segments of the pharmaceutical, biotechnology and other related markets that pursue oncology therapeutics. Key product features that would affect our ability to effectively compete with other therapeutics include the efficacy, safety and convenience of our products.

There are a number of other CD47-SIRPα blocking agents in development, including other SIRPαFc fusion proteins, CD47-specific antibodies, SIRPα-specific antibodies, bispecific antibodies and fusion proteins, and small molecule inhibitors. The most advanced competitor molecule is magrolimab (developed by Forty Seven, Inc., recently acquired by Gilead Sciences Inc.), a CD47-specific antibody currently in phase 3 development.

Our competitors may obtain regulatory approval of their products more rapidly than we may or may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our agents. Our competitors may also develop drugs that are more effective, more convenient, more widely used and less costly or have a better safety profile than our products and these competitors may also be more successful than us in manufacturing and marketing their products.

Furthermore, we also face competition more broadly across the market for cost-effective and reimbursable cancer treatments. The most common methods of treating patients with cancer are surgery, radiation and drug therapy, including chemotherapy, hormone therapy and targeted drug therapy or a combination of such methods. There are a variety of available drug therapies marketed for cancer. In many cases, these drugs are administered in combination to enhance efficacy. While our product candidates, if any are approved, may compete with these existing drug and other therapies, to the extent they are ultimately used in combination with or as an adjunct to these therapies, our product candidates may not be competitive with them. Some of these drugs are branded and subject to patent protection, and others are available on a generic basis. Insurers and other third-party payors may also encourage the use of generic products or specific branded products. We expect that if our product candidates are approved, they will be priced at a significant premium over competitive generic, including branded generic, products. As a result, obtaining market acceptance of, and gaining significant share of the market for, any of our product candidates that we successfully introduce to the market will pose challenges. In addition, many companies are developing new therapeutics, and we cannot predict what the standard of care will be as our product candidates progress through clinical development.

License agreement with University Health Network (UHN) and The Hospital for Sick Children (HSC)

On February 1, 2010 we entered into a License Agreement with the UHN and HSC pursuant to which we licensed intellectual property relating to methods and compounds for the modulation of the SIRPα - CD47 interaction for therapeutic cancer applications. The license agreement requires us to use commercially reasonable efforts to commercialize the licensed technology. The license agreement will terminate on a country-by-country basis, in countries where a valid claim exists, when the last valid claim expires in such country, or if no valid claim exists, when the last valid claim expires in the United States. Our continuing obligations include the payment of development milestones of $0.2 million and $0.2 million on the initiation of phase 2 and phase 3 clinical trials respectively, and payments upon the achievement of certain regulatory milestones as well as royalties of either 3% or 1% of net revenues on commercial sales. The regulatory milestone payments amount to $0.8 million on each of the submission of a first biologics license application, or BLA in the U.S. and receipt of first regulatory approval in the U.S. and proportionate payments in other territories worldwide. The aggregate milestones payable on their first achievement under the agreement in the major markets of the U.S., Europe and Asia combined are $4.5 million.

Intellectual Property

We control two main patent families relating to SIRPα. One family claims the two species of SIRPαFc (TTI-621 and TTI-622) currently in clinical trials and their anti-cancer use. These patent rights are owned outright by Trillium and patent filings have been arranged in the major pharmaceutical markets. In October 2020, we announced that we received a Notice of Allowance from the United States Patent and Trademark Office, or USPTO, for the patent application covering TTI-622 composition of matter. On February 2, 2021, this patent was issued as U.S. No. 10,906,954. This patent has claims that cover TTI-622 composition of matter comprising human SIRPα linked to an IgG4 Fc region, as well as claims covering pharmaceutical compositions that contain TTI-622. A composition of matter patent for TTI-621 (SIRPα linked to an IgG1 Fc) has already been granted in the U.S. (U.S. 9,969,789). Composition of matter patents are also granted in Europe, Australia, Japan and China. Patents emerging from this family begin to expire in 2033.

A second SIRPα patent family was in-licensed on an exclusive basis from co-owners UHN and HSC and is a method of use application. This family has been filed in the major markets. In October 2020, we announced that we received a Notice of Allowance from the USPTO for this application, which was issued U.S. Patent No. 10,907,209 on February 2, 2021. This patent provides coverage for the use of SIRPαFc biologics to treat all CD47+ cancer cells and tumors, including hematologic and solid cancers. The claims cover the use of various forms of SIRPα to treat CD47-positive cancers. Method of use patents have also been granted in Japan, Canada and Australia. Patents in this family begin to expire in the year 2029. The foregoing patent granted in Europe was revoked following an opposition and is currently under appeal.

We have also filed for patent protection covering additional inventions relating to SIRPα, including anti-cancer drug combination therapies that utilize SIRPαFc, and biomarkers that identify SIRPαFc responders.

Government Regulation

The development and manufacture of our product candidates are subject to regulation for safety, efficacy, quality and ethics by various governmental authorities around the world. In the United States, biological products are licensed by the FDA for marketing under the Public Health Service Act, or PHS Act, and regulated under the Federal Food, Drug, and Cosmetic Act, or FDCA. Both the FDCA and the PHS Act and their corresponding regulations govern, among other things, the research, development, testing, clinical trial, manufacturing, quality control, safety, purity, potency, efficacy, approval, labeling, packaging, storage, record keeping, distribution, import, export, reporting, advertising and other promotional practices, post-approval monitoring and post-approval reporting involving biological products. The FDA must receive and allow to proceed an investigational new drug, or IND, application before clinical testing of biological products, and each clinical study protocol is reviewed by the FDA. FDA licensure also must be obtained before marketing of biological products. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. In Canada, these activities are regulated by the Food and Drugs Act and the rules and regulations thereunder, which are enforced by the Therapeutic Products Directorate, or TPD.

U.S. Biological Products Development Process

An applicant seeking approval from the FDA to market a biological product in the United States must typically undertake the following:

- completion of nonclinical laboratory tests and preclinical animal studies according to good laboratory practices, or GLPs, and applicable requirements for the humane use of laboratory animals and formulation studies or other applicable regulations;
- preparation of clinical trial material in accordance with current good manufacturing practices, or cGMPs;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval of the protocol and related documentation by an independent institutional review board, or IRB, or ethics committee representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials according to the FDA's regulations commonly referred to as good clinical practice, or GCPs, and any additional requirements for the protection of human research subjects and their health information, to establish the safety, purity, potency, and efficacy of the proposed biological product for its intended use;
- submission to the FDA of a BLA for marketing approval that includes sufficient evidence of safety, purity, potency, and efficacy of the proposed biological product for its intended indication, including from results of nonclinical testing and clinical trials;
- potential FDA audit of the nonclinical and clinical study sites that generated the data in support of the BLA;
- review of the product by an FDA advisory committee to elicit expert input on critical issues, where appropriate or if applicable;
- satisfactory completion of one or more FDA inspections of the manufacturing facility or facilities where the biological product is produced to assess compliance with cGMP to assure that the facilities, methods and controls are adequate to preserve the biological product's identity, strength, quality and purity;
- payment of user fees for FDA review of the BLA (unless a fee waiver applies);
- FDA review and approval of the BLA, resulting in the licensure of the biological product for commercial marketing; and
- compliance with any post-approval requirements, including Risk Evaluation and Mitigation Strategies, or REMS and post-approval studies required by the FDA.

Preclinical Studies

Before testing any biological product candidate in humans, the product candidate enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry, toxicity and formulation, as well as animal studies to evaluate pharmacokinetics, metabolism and possible toxic effects to provide evidence of the safety of the product candidate. The conduct of preclinical studies is subject to federal regulations and requirements, including GLP regulations.

Prior to commencing an initial clinical trial in humans with a product candidate in the United States, an IND must be submitted to the FDA and the FDA must allow the IND to proceed. An IND is an exemption from the FD&C Act that allows an unapproved product candidate to be shipped in interstate commerce for use in an investigational clinical trial and a request for FDA allowance that such investigational product may be administered to humans in connection with such trial. Such authorization must be secured prior to interstate shipment and administration. In addition, the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature to support the use of the biological product and plans for clinical studies, among other things, are also submitted to the FDA as part of an IND.

Clinical Trials

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCP requirements, which include, among other things, the requirement that all research subjects provide their informed consent in writing before their participation in any clinical trial. Clinical trials are conducted under written trial protocols detailing, among other things, the objectives of the trial, dosing procedures, subject selection and exclusion criteria, and the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to a proposed clinical trial and places the trial on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. In Canada, this application is called a CTA. An IND/CTA application must be filed and accepted by the FDA or TPD, as applicable, before human clinical trials may begin.

An IRB representing each institution participating in the clinical trial must review and approve many aspect of the clinical trial including the trial protocol and informed consent information to be provided to trial subjects before a clinical trial commences at that institution. The IRB must conduct continuing reviews and reapprove the trial at least annually. An IRB must operate in compliance with FDA regulations. An IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product candidate has been associated with unexpected serious harm to patients.

Some trials are overseen by an independent group of qualified experts organized by the trial sponsor, known as a data safety monitoring board or committee. This group provides authorization as to whether or not a trial may move forward at designated check points based on access that only the group maintains to available data from the trial and may recommend halting the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy.

Certain information about certain clinical trials must also be submitted within specific timeframes to the National Institutes of Health, or NIH, for public dissemination on its ClinicalTrials.gov website.

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

Phase 1 Clinical Trials. The investigational product is initially introduced into healthy human subjects and tested for safety. Phase 1 clinical trials for cancer therapeutics are typically conducted on a small number of patients to evaluate safety, dose limiting toxicities, tolerability, pharmacokinetics and to determine the dose for phase 2 clinical trials in humans.

Phase 2 Clinical Trials. Phase 2 clinical trials typically involve a larger patient population than phase 1 clinical trials and are conducted to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of a product candidate for specific targeted diseases and to determine dosage tolerance, optimal dosage and dosing schedule. Multiple phase 2 clinical trials may be conducted to obtain information prior to beginning phase 3 clinical trials.

Phase 3 Clinical Trials. Phase 3 clinical trials typically involve testing the investigational product on a much larger population of patients suffering from the targeted condition or disease. These studies involve testing the investigational product in an expanded patient population at geographically dispersed test sites (multi-center trials) to further evaluate dosage, clinical efficacy, potency and safety. These trials also generate information from which the overall risk-benefit relationship relating to the investigational product can be determined and provide an adequate basis for product labeling.

In most cases the FDA requires two adequate and well controlled phase 3 clinical trials to demonstrate the efficacy of the investigational product. A single phase 3 trial with other confirmatory evidence may be sufficient in rare instances where the trial is a large multicenter trial demonstrating internal consistency and a statistically very persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible.

During all phases of clinical development, regulatory agencies require extensive monitoring and auditing of all clinical activities, clinical data, and clinical trial investigators. Annual progress reports detailing the results of the clinical trials must be submitted to the FDA. Written IND safety reports must be promptly submitted to the FDA and the investigators for serious and unexpected adverse events, any findings from other studies, tests in laboratory animals or in vitro testing that suggest a significant risk for human subjects, or any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor must submit an IND safety report within 15 calendar days after the sponsor determines that the information qualifies for reporting. The sponsor also must notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction within seven calendar days after the sponsor's initial receipt of the information. Phase 1, phase 2 and phase 3 clinical trials may not be completed successfully within any specified period, if at all. The FDA or the sponsor, acting on its own or based on a recommendation from the sponsor's data safety monitoring board may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the biological product has been associated with unexpected serious harm to patients.

Concurrent with clinical trials, companies usually complete additional animal studies and also must develop additional information about the chemistry and physical characteristics of the biological product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP. To help reduce the risk of the introduction of adventitious agents with use of biological products, the PHS Act emphasizes the importance of manufacturing control for products whose attributes cannot be precisely defined. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the sponsor must develop methods for testing the identity, strength, quality, potency and purity of the final biological product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the biological product candidate does not undergo unacceptable deterioration over its shelf life.

U.S. Review and Approval Processes

After the completion of clinical trials of a biological product, FDA approval of a BLA must be obtained before commercial marketing of the biological product. The BLA must include results of product development, laboratory and animal studies, human studies, information on the manufacture and composition of the product, proposed labeling and other relevant information.

Under the PDUFA, as amended, each BLA must be accompanied by a significant user fee. Under federal law, the submission of most applications is subject to a substantial application user fee. The sponsor of an approved application is also subject to an annual program fee. These fees are typically increased annually. No user fees are assessed on BLAs for product candidates designated as orphan drugs, unless the product candidate also includes a non-orphan indication.

Within 60 days following submission of the application, the FDA reviews a BLA submitted to determine if it is substantially complete before the agency accepts it for filing. The FDA may refuse to file any BLA that it deems incomplete or not properly reviewable at the time of submission and may request additional information. If not accepted, the BLA must be resubmitted with the additional information and is subject to review before the FDA accepts it for filing. The application must be published and submitted in an electronic format that can be processed through the FDA's electronic systems. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the BLA to determine, among other things, whether the proposed product is safe, potent, and effective, for its intended use, and has an acceptable purity profile, and whether the product is being manufactured in accordance with cGMP to assure and preserve the product's identity, safety, strength, quality, potency and purity. The FDA may refer applications for novel biological products or biological products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions. During the biological product approval process, the FDA also will determine whether a REMS is necessary to assure the safe use of the biological product. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS; the FDA will not approve the BLA without a REMS, if required.

Before approving a BLA, the FDA typically will inspect the facilities at which the product is manufactured. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving a BLA, the FDA will typically inspect one or more clinical trial sites to assure that the clinical trials were conducted in compliance with IND study requirements and GCP requirements. To assure cGMP and GCP compliance, an applicant must incur significant expenditure of time, money and effort in the areas of training, record keeping, production, and quality control.

Notwithstanding the submission of relevant data and information, the FDA may ultimately decide that the BLA does not satisfy its regulatory criteria for approval and deny approval. If the agency decides not to approve the BLA in its present form, the FDA will issue a complete response letter that usually describes all of the specific deficiencies in the BLA identified by the FDA. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application.

If a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. The FDA may impose restrictions and conditions on product distribution, prescribing, or dispensing in the form of a risk management plan, or otherwise limit the scope of any approval. In addition, the FDA may require post marketing clinical trials, sometimes referred to as Phase 4 clinical trials, designed to further assess a biological product's safety and effectiveness, and testing and surveillance programs to monitor the safety of approved products that have been commercialized. As a condition for approval, the FDA may also require additional non-clinical testing as a phase 4 commitment.

One of the performance goals agreed to by the FDA under the PDUFA is to review standard BLAs in 10 months from filing and priority BLAs in six months from filing, whereupon a review decision is to be made. The FDA does not always meet its PDUFA goal dates for standard and priority BLAs and its review goals are subject to change from time to time. The review process and the PDUFA goal date may be extended by three months if the FDA requests or the BLA sponsor otherwise provides additional information or clarification regarding information already provided in the submission within the last three months before the PDUFA goal date.

Post-Approval Requirements

Biological products manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, significant changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual user fee requirements for any marketed products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data.

In addition, manufacturers and other entities involved in the manufacture and distribution of approved biological products are required to register their establishments with the FDA and state agencies, and are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. As part of the manufacturing process, the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. After a BLA is approved for a biological product, the product also may be subject to official lot release. If the product is subject to official release by the FDA, the manufacturer submits samples of each lot of product to the FDA together with a release protocol showing a summary of the history of manufacture of the lot and the results of all of the manufacturer's tests performed on the lot. The FDA also may perform certain confirmatory tests on lots of some products before releasing the lots for distribution by the manufacturer. In addition, the FDA conducts laboratory research related to the regulatory standards on the safety, purity, potency, and effectiveness of biological products.

Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Sponsors also must comply with the FDA's advertising and promotion requirements, such as those related to direct-to-consumer advertising, the prohibition on promoting products for uses or in patient populations that are not described in the product's approved labeling (known as "off-label use"), industry-sponsored scientific and educational activities, and promotional activities involving the internet. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product or withdrawal of the product from the market;
- fines, disgorgement of profits, warning or untitled letters or holds on clinical trials;
- refusal of the FDA to approve pending applications, withdrawal of an approval or license revocation;
- product seizure or recalls, or refusal to permit the import or export of products; or
- administrative or judicial civil or criminal sanctions and adverse publicity.

Orphan Drug Designation and Exclusivity

TTI-621 has been granted an Orphan Drug Designation by the FDA for the treatment of cutaneous T-cell lymphoma. Orphan Drug Designation qualifies the sponsor of the investigational product for various development incentives, which may include tax credits for qualified clinical testing, an exemption from fees under the Prescription Drug User Fee Act, and a seven-year marketing exclusivity period following approval. We may, in the future, seek additional orphan drug designations for our product candidates. Under the Orphan Drug Act, the FDA may designate a drug or biological product as an "orphan drug" if it is intended to treat a rare disease or condition (generally meaning that it affects fewer than 200,000 individuals in the United States, or more in cases in which there is no reasonable expectation that the cost of developing and making a drug or biological product available in the United States for treatment of the disease or condition will be recovered from sales of the product). A company must request orphan product designation before submitting an NDA. If the request is granted, the FDA will disclose the identity of the therapeutic agent and its potential use. Orphan product designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product with orphan status receives the first FDA approval for the disease or condition for which it has such designation, the product generally will receive orphan product exclusivity. Orphan product exclusivity means that the FDA may not approve any other applications for the same product for the same indication for seven years, except in certain limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that is can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Competitors may receive approval of different products for the indication for which the orphan product has exclusivity and may obtain approval for the same product but for a different indication. If an investigational product designated as an orphan product ultimately receives marketing approval for an indication broader than what was designated in its orphan product application, it may not be entitled to exclusivity. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the BLA application user fee.

Expedited Development and Review Programs

The FDA has various programs, including fast track designation, breakthrough therapy designation, accelerated approval and priority review, that are intended to expedite or simplify the process for the development and FDA review of drugs and biologics that are intended for the treatment of serious or life-threatening diseases or conditions. To be eligible for fast track designation, new drugs and biological product candidates must be intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a new drug or biologic may request the FDA to designate the drug or biologic as a fast track product at any time during the clinical development of the product. One benefit of fast track designation, for example, is that the FDA may consider for review sections of the marketing application on a rolling basis before the complete application is submitted if certain conditions are satisfied, including an agreement with the FDA on the proposed schedule for submission of portions of the application and the payment of applicable user fees before the FDA may initiate a review.

Under the FDA's breakthrough therapy program, a sponsor may seek FDA designation of its product candidate as a breakthrough therapy if the product candidate is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that it may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Breakthrough therapy designation comes with all of the benefits of fast track designation. The FDA may take other actions appropriate to expedite the development and review of the product candidate, including holding meetings with the sponsor and providing timely advice to, and interactive communication with, the sponsor regarding the development program.

A product candidate is eligible for priority review if it treats a serious or life-threatening disease or condition and, if approved, would provide a significant improvement in the safety or effectiveness of the treatment, diagnosis or prevention of a serious disease or condition. The FDA will attempt to direct additional resources to the evaluation of an application for a new drug or biological product designated for priority review in an effort to facilitate the review. Under priority review, the FDA's goal is to review an application in six months once it is filed, compared to ten months for a standard review. Priority review designation does not change the scientific/medical standard for approval or the quality of evidence necessary to support approval.

Additionally, a product candidate may be eligible for accelerated approval. Drug or biological products studied for their safety and effectiveness in treating serious or life-threatening illnesses and that provide meaningful therapeutic benefit over existing treatments may receive accelerated approval, which means that they may be approved on the basis of adequate and well-controlled clinical trials establishing that the product has an effect on a surrogate endpoint that is reasonably likely to predict a clinical benefit, or on the basis of an effect on an intermediate clinical endpoint other than survival or irreversible morbidity or mortality, that is reasonably likely to predict irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA generally requires that a sponsor of a drug or biological product receiving accelerated approval perform adequate and well-controlled post-marketing clinical trials to verify the clinical benefit in relationship to the surrogate endpoint or ultimate outcome in relationship to the clinical benefit. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product. The FDA may withdraw approval of a drug or indication approved under accelerated approval if, for example, the confirmatory trial fails to verify the predicted clinical benefit of the product.

Pediatric information

Under the Pediatric Research Equity Act, or PREA, a BLA or supplement to a BLA for a novel product (*e.g.*, new active ingredient, new indication, etc.) must contain data to assess the safety and effectiveness of the biological product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of data or full or partial waivers. The FD&C Act requires that a sponsor who is planning to submit a marketing application for a product candidate that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan, or PSP, within 60 days of an end-of-phase 2 meeting or, if there is no such meeting, as early as practicable before the initiation of the phase 3 or phase 2/3 study. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach an agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from preclinical studies, early phase clinical trials and/or other clinical development programs. Unless otherwise required by regulation, PREA does not apply to a biological product for an indication for which orphan designation has been granted, except that PREA will apply to an original NDA or BLA for a new active ingredient that is orphan-designated if the biological product is a molecularly targeted cancer product intended for the treatment of an adult cancer and is directed at a molecular target that FDA determines to be substantially relevant to the growth or progression of a pediatric cancer.

Marketing Exclusivity

Depending upon the timing, duration and specifics of the FDA approval of the use of our product candidates, some of our United States patents may be eligible for limited patent term extension under the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of a BLA plus the time between the submission date of a BLA and the approval of that application. Only one patent applicable to an approved biological product is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. In addition, a patent can only be extended once and only for a single product. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we may intend to apply for restoration of patent term for one of our patents, if and as applicable, to add patent life beyond its current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant BLA.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the ACA, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009, or BPCIA, which created an abbreviated approval pathway for biological products shown to be biosimilar to, or interchangeable with, an FDA-licensed reference biological product. This amendment to the PHS Act attempts to minimize duplicative testing. Biosimilarity, which requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency, can be shown through analytical studies, animal studies, and a clinical trial or trials. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product and, for products administered multiple times, the biologic and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic.

FDA will not accept an application for a biosimilar or interchangeable product based on the reference biological product until four years after the date of first licensure of the reference product, and FDA will not approve an application for a biosimilar or interchangeable product based on the reference biological product until twelve years after the date of first licensure of the reference product. "First licensure" typically means the initial date the particular product at issue was licensed in the United States. Date of first licensure does not include the date of licensure of (and a new period of exclusivity is not available for) a biological product if the licensure is for a supplement for the biological product or for a subsequent application by the same sponsor or manufacturer of the biological product (or licensor, predecessor in interest, or other related entity) for a change (not including a modification to the structure of the biological product) that results in a new indication, route of administration, dosing schedule, dosage form, delivery system, delivery device or strength, or for a modification to the structure of the biological product that does not result in a change in safety, purity, or potency.

The BPCIA is complex and continues to be interpreted and implemented by the FDA. In addition, government proposals have sought to reduce the 12-year reference product exclusivity period. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. As a result, the ultimate implementation and impact of the BPCIA is subject to significant uncertainty.

In addition to exclusivity under the BPCIA, a biological product can obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods, including some regulatory exclusivity periods tied to patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric trial in accordance with an FDA-issued "Written Request" for such a trial.

Raw Materials, Manufacturing, and Supply

We have limited experience in manufacturing products for clinical or commercial purposes. We produce small quantities of our product candidates in our laboratories for internal use. We believe that sources of raw materials pertinent to our laboratory operations and for manufacturing of our products by a contract manufacturing organization, or CMO, are generally available, although we have and may continue to experience supply chain issues due to COVID-19, or other factors.

We have established a contract manufacturing relationship for the supply of SIRPαFc that we believe will provide sufficient material for early clinical trials. In addition, we are establishing the basis for long-term commercial production capabilities. However, there can be no assurance that our contract manufacturer will be successful at scaling up and producing our product candidates with the required quality and in the quantities and timelines that we will need for clinical and/or commercial purposes.

We expect to similarly rely on contract manufacturing relationships for any product candidates that we may further develop, or in-license or acquire in the future. However, there can be no assurance that we will be able to successfully contract with such manufacturers on terms acceptable to us, or at all.

Contract manufacturers are subject to ongoing periodic and unannounced inspections by the FDA, the U.S. Drug Enforcement Administration and corresponding state agencies to ensure strict compliance with cGMP and other state and federal regulations. We do not have control over third-party manufacturers' compliance with these regulations and standards, other than through contractual obligations and periodic auditing. If they are deemed out of compliance with such regulations, approvals could be delayed, product recalls could result, inventory could be destroyed, production could be stopped and supplies could be delayed or otherwise disrupted.

The CMOs that we contract with produce some COVID-19 vaccines and we have experienced delays in the scheduled manufacture of our product candidates due to orders under the Defense Production Act and delays in acquiring certain raw materials. We may face further delays in the future due to staffing shortages, production slowdowns or stoppages, raw material shortages, government intervention, lack of availability of production capacity and disruptions in delivery systems, or otherwise, which could cause us to lose access to manufacturing for our products resulting in a lack of drug supply for use in our clinical trials.

If we need to change manufacturers after commercialization, the FDA and corresponding foreign regulatory agencies must approve these new manufacturers in advance, which will involve testing and additional inspections to ensure compliance with FDA regulations and standards and may require significant lead times and delay, and disruption of supply. Furthermore, switching manufacturers may be difficult because the number of potential manufacturers is limited. It may be difficult or impossible for us to find a replacement manufacturer quickly or on terms acceptable to us, or at all.

Property, Plant and Equipment

We operate from approximately 3,200 square feet of leased office space at 100 CambridgePark Drive, Suite 510, Cambridge, Massachusetts, USA, 02140 and approximately 22,000 square feet of leased laboratory and office space at 2488 Dunwin Drive, Mississauga, Ontario, Canada, L5L 1J9. We perform research and development in our Dunwin facility and use qualified vendors and collaborators to conduct research and development and manufacturing on our behalf. We incur capital expenditures mainly for laboratory equipment, office equipment, computer equipment and leaseholds in the operation of our business.

Employees

As at December 31, 2020, we had 33 full-time employees including 6 senior management, 22 research and development staff and 5 finance and administrative staff. Five employees were located at our office in Cambridge, Massachusetts, United States and 28 employees were located at our office and lab facilities in Mississauga, Ontario, Canada.

We also use consultants and outside contractors to carry on many of our activities, including preclinical testing and validation, toxicology, assay development, manufacturing, formulation, clinical and regulatory affairs, and clinical trials.

None of our employees are covered by collective bargaining agreements and we consider relations with our employees to be good. We focus on identifying, recruiting, developing and retaining a team of highly talented and motivated employees. The principal purposes of our equity and cash incentive plans are to attract, retain and reward personnel through the granting of stock-based and cash-based compensation awards in order to increase stockholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our objectives. The success of our business is fundamentally connected to the well-being, health and safety of our employees. In an effort to protect the health and safety of our employees, we took proactive action from the earliest signs of the COVID-19 outbreak, which included implementing social distancing policies at our facilities, facilitating remote working arrangements and imposing employee travel restrictions.

Legal Proceedings

To our knowledge, there have not been any legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, those involving any third party, and governmental proceedings pending or known to be contemplated, which may have, or have had in the recent past, significant effect on our financial position or profitability.

Also, to our knowledge, there have been no material proceedings in which any director, any member of senior management, or any of our affiliates is either a party adverse to us or any of our subsidiaries or has a material interest adverse to us or any of our subsidiaries.

Company Information

We were incorporated under the Business Corporations Act (Alberta) on March 31, 2004 as Neurogenesis Biotech Corp. On October 19, 2004, we amended our articles of incorporation to change our name to Stem Cell Therapeutics Corp., or SCT, and on November 7, 2013 SCT was continued under the Business Corporations Act (Ontario). Articles of amalgamation were filed on June 1, 2014 to amalgamate SCT with its wholly-owned subsidiary, Trillium Therapeutics Inc., and the amalgamated entity continued to operate under the name Trillium Therapeutics Inc. On December 18, 2019, we were continued under the laws of the Province of British Columbia. We are now governed under the Business Corporations Act (British Columba), or the BCBCA. Additionally, on December 18, 2019, we adopted new articles which are substantially similar to our previous by-laws but for changes that were required to be made in accordance with the BCBCA.

Our U.S. office is located in Cambridge, Massachusetts and our Canadian office is located in Mississauga, Ontario. Our registered office address is Suite 1750-1055 W. Georgia Street, P.O. Box 11125, Vancouver, British Columbia, V6E 3P3. We have one wholly-owned subsidiary, Trillium Therapeutics USA Inc., which was incorporated March 26, 2015 in the State of Delaware. Our website address is www.trilliumtherapeutics.com. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report. We have included our website address in this Annual Report solely as an inactive textual reference.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. Careful consideration should be given to the following risk factors, in addition to the other information set forth in this Annual Report and in other documents that we file with the Securities and Exchange Commission, or SEC, and the Canadian securities regulators, in evaluating us and our business. If any of the following risks and uncertainties actually occurs, our business, prospects, financial condition and results of operations could be materially and adversely affected. The risks described below are not intended to be exhaustive and are not the only risks facing us. New risk factors can emerge from time to time, and it is not possible to predict the impact that any factor or combination of factors may have on our business, prospects, financial condition and results of operations.

Risks Related to Our Business and Our Industry

If we are unable to advance our current or future product candidates through clinical trials, obtain marketing approval and ultimately commercialize any product candidates we develop, or experience significant delays in doing so, our business will be materially harmed.

We are early in our development efforts and our product candidates are in early clinical development. We have invested substantially all of our efforts and financial resources into our clinical studies as well as the identification of targets and preclinical development of our product candidates.

Our ability to generate product revenues, which we do not expect will occur for several years, if ever, will depend heavily on the successful development and eventual commercialization of the product candidates we develop, which may never occur. Our current product candidates, and any future product candidates we develop, will require additional preclinical and clinical development, management of clinical, preclinical and manufacturing activities, marketing approval in the United States and other markets, demonstrating effectiveness to pricing and reimbursement authorities, obtaining sufficient manufacturing supply for both clinical development and commercial production, building of a commercial organization, and substantial investment and significant marketing efforts before we generate any revenues from product sales. The success of our current and future product candidates will depend on several factors, including the following:

- successful completion of clinical trials and preclinical studies;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- acceptance of INDs for our planned or future clinical trials;
- successful enrollment and completion of clinical trials;

- successful data from our clinical program that supports an acceptable risk-benefit profile of our product candidates in the intended populations;
- receipt of regulatory and marketing approvals from applicable regulatory authorities;
- maintenance of marketing approvals from applicable regulatory authorities;
- establishing agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if our product candidate is approved;
- entry into collaborations to further the development of our product candidates;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- successfully launching commercial sales of our product candidates, if and when approved;
- acceptance of the product candidate's benefits and uses, if and when approved, by patients, the medical community and third-party payors;
- maintaining a continued acceptable safety profile of the product candidates following approval;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors; and
- enforcing and defending intellectual property rights and claims.

If we are not successful with respect to one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize the product candidates we develop, which would materially harm our business. If we do not receive marketing approvals for any of our product candidates that we develop, we may not be able to continue our operations.

Our prospects depend on the success of our product candidates which are at early stages of development, and we may not generate revenue for several years, if at all, from these products.

Given the early stage of our product development, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we, alone or with others, must successfully develop, gain regulatory approval, and market our future products. We currently have no products that have been approved by the FDA, Health Canada, or HC, or any similar regulatory authority. To obtain regulatory approvals for our product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. While we have commenced clinical trials for TTI-621 and TTI-622, we have not yet completed later stage clinical trials for any of our product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause us or our collaborators to abandon commitments to that program.

The early stage of our product development makes it particularly uncertain whether any of our product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of our product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing our current and future product candidates into approved products, we will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If we are unable to successfully commercialize any of our products, our financial condition and results of operations may be materially and adversely affected.

Clinical product development involves a lengthy and expensive process, with uncertain outcomes. We may experience delays in completing, or ultimately be unable to complete, the development and commercialization of our current and future product candidates.

To obtain the requisite regulatory approvals to commercialize any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our products are safe, pure and potent or effective in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process and our future clinical trial results may not be successful.

We may experience delays in completing our clinical trials or preclinical studies and initiating or completing additional clinical trials. We may also experience numerous unforeseen events during our clinical trials that could delay or prevent our ability to receive marketing approval or commercialize the product candidates we develop, including:

- regulators or IRBs, or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations, or CROs;
- the number of patients required for clinical trials may be larger than we anticipate;
- it may be difficult to enroll a sufficient number of patients with a predictive biomarker or enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of these clinical trials or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require that we add new clinical trial sites or investigators; and
- the supply or quality of materials for product candidates we develop or other materials necessary to conduct clinical trials may be insufficient or inadequate.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted or ethics committees, by the Data Safety Monitoring Board, or DSMB, for such trial or by the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our product candidates.

If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Significant clinical trial delays could also allow our competitors to bring products to market before we do or shorten any periods during which we have the exclusive right to commercialize our product candidates and impair our ability to commercialize our product candidates and may harm our business and results of operations.

Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates or result in the development of our product candidates being stopped early.

We may expend our limited resources to pursue a particular program, product candidate or indication and fail to capitalize on programs, product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we must focus on a limited number of research programs and product candidates and on specific indications. As a result, we may forego or delay pursuit of opportunities with other programs and product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future discovery and preclinical and clinical development programs and product candidates for specific indications may not yield any commercially viable products.

Interim, "topline," and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary or topline data from our preclinical studies and clinical trials, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline or preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available.

From time to time, we may also disclose interim data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available or as patients from our clinical trials continue other treatments for their disease. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. Further, disclosure of interim data by us or by our competitors could result in volatility in the price of our common stock.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate and our company in general. In addition, the information we choose to publicly disclose regarding a particular completed study or clinical trial is typically based on extensive review of information, and certain of our shareholders or other third parties may not agree with what we determine is material or otherwise appropriate information to include in our interim, topline and preliminary disclosures.

If the interim, topline, or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

Positive results from preclinical and early clinical research of TTI-622 and TTI-621 are not necessarily predictive of the results of later clinical trials of TTI-622 or TTI-621. If we cannot replicate the positive results from preclinical and early clinical research in our later clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize TTI-622 or TTI-621.

Positive results of preclinical and early clinical research of TTI-621 and TTI-622 may not be indicative of the results that will be obtained in later-stage clinical trials. For example, our dose escalation trial for TTI-621 is focused on T-cell malignancies based on preliminary results of our intravenous and intratumoral trials. There can be no assurance that the preliminary results we have seen in a small number of T-cell lymphoma patients will be reproducible in a larger population of patients. We can make no assurance that any future studies, if undertaken, will yield favorable results.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA approval. If we fail to produce positive results in our clinical trials of TTI-621 or TTI-622, including identifying the optimal dosage for TTI-622 or TTI-621, the development timeline and regulatory approval and commercialization prospects for our product candidates, and, correspondingly, our business and financial prospects, would be materially adversely affected.

The outbreak of the novel coronavirus disease, COVID-19, has adversely impacted and we expect will continue to adversely impact our business, including our preclinical studies and clinical trials.

In December 2019, a novel strain of the coronavirus disease, COVID-19, was identified in Wuhan, China. This virus spread globally, including within the United States and in March 2020 the World Health Organization declared COVID-19 a pandemic. The pandemic and government measures taken in response have also had a significant impact, both direct and indirect, on businesses and commerce, as worker shortages have occurred; supply chains have been disrupted; facilities and production have been suspended; and demand for certain goods and services, such as medical services and supplies, has spiked, while demand for other goods and services, such as travel, has fallen. In response to the spread of COVID-19, we have implemented a response designed to maintain our operations despite the outbreak of the virus. We have closed our executive offices with our administrative employees continuing their work outside of our offices and limited the number of staff in any given research and development laboratory. As a result of the COVID-19 pandemic, we have experienced and we expect to continue to experience disruptions that could severely impact our business, preclinical studies and clinical trials. Some factors from the COVID-19 pandemic that could severely impact our business, preclinical studies and clinical trials include:

- delays or difficulties in enrolling and retaining patients in our clinical trials, including TTI-621 and TTI-622;

- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- delays in receiving authorizations from regulatory authorities to initiate our planned clinical trials;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- interruption of key clinical trial activities, such as clinical trial site data monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others or interruption of clinical trial subject visits and study procedures (such as endoscopies that are deemed non-essential), which may impact the integrity of subject data and clinical study endpoints;
- risk that participants enrolled in our clinical trials will contract COVID-19 while the clinical trial is ongoing, which could impact the results of the clinical trial, including by increasing the number of observed adverse events;
- risk that we are unable to enroll participants in our clinical trials in adequate numbers;
- interruption or delays in the operations of the FDA or other regulatory authorities, which may impact review and approval timelines;
- interruption of, or delays in receiving, supplies of our product candidates from our contract manufacturing organizations due to staffing shortages, production slowdowns or stoppages, raw material shortages, government intervention, lack of availability of production capacity and disruptions in delivery systems;
- interruption of, or delays in receiving, supplies of our product candidates from our contract manufacturing organizations due to government regulations such as the Defense Production Act which could be invoked to require our contract manufacturers to produce COVID-19 vaccines which could cause us to lose access to manufacturing for our product candidates resulting in a lack of drug supply for use in our clinical trials;
- interruptions in preclinical studies due to restricted or limited operations at our laboratory facility or facilities of third parties;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees;
- changes in local regulations as part of a response to the COVID-19 pandemic, which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or to discontinue such clinical trials altogether;
- limitations on employee resources that would otherwise be focused on the conduct of our preclinical studies and clinical trials, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people;
- interruption or delays to our sourced preclinical and clinical activities; and
- refusal of the FDA to accept data from clinical trials in affected geographies outside the United States.

The COVID-19 pandemic continues to rapidly evolve. The extent to which the pandemic impacts our business, manufacturing, preclinical studies and clinical trials and results of operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the pandemic, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease.

We rely and will continue to rely on third parties to plan, conduct and monitor our preclinical studies and clinical trials, and their failure to perform as required could cause substantial harm to our business.

We rely and will continue to rely on third parties to conduct a significant portion of our preclinical and clinical development activities. Preclinical activities include in vivo studies providing access to specific disease models, pharmacology and toxicology studies, and assay development. Clinical development activities include trial design, regulatory submissions, clinical patient and site recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. We will rely heavily on these third parties to conduct these activities and, as a result, we will have less direct control over the conduct, timing and completion of these preclinical studies and clinical trials and the management of data developed through preclinical studies and clinical trials than would be the case if we were relying entirely upon our own staff. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on third parties does not relieve us of our regulatory responsibilities. We and these third parties are required to comply with GCP requirements, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for product candidates in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of these third parties fail to comply with applicable GCP requirements, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, such regulatory authorities will determine that any of our clinical trials comply with GCP requirements. In addition, our clinical trials must be conducted with pharmaceutical product produced under current good manufacturing practice, or cGMP, requirements and will require a large number of test patients. Our failure or any failure by these third parties to comply with these requirements or to recruit a sufficient number of patients may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be implicated if any of these third parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

Any third parties conducting our clinical trials are not and will not be our employees and, except for remedies available to us under our agreements with such third parties, we cannot control whether or not they devote sufficient time and resources to our ongoing, clinical and non-clinical product candidates. These third parties may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other product development activities, which could affect their performance on our behalf. If these third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to complete development of, obtain regulatory approval of or successfully commercialize our product candidates. As a result, our financial results and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed.

Switching or adding third parties to conduct our preclinical studies and clinical trials involves substantial cost and requires extensive management time and focus. In addition, there is a natural transition period when a new third party commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. If there is any dispute or disruption in our relationship with third parties, or if they are unable to provide quality services in a timely manner and at a feasible cost, our active development programs will face delays. Further, if any of these third parties fails to perform as we expect or if their work fails to meet regulatory requirements, our testing could be delayed, cancelled or rendered ineffective.

We rely on contract manufacturers over whom we have limited control. If we are subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, or any issues related to COVID-19, our business operations could suffer significant harm.

We have limited manufacturing experience and rely on CMOs to manufacture our product candidates for larger preclinical studies and clinical trials, and may continue to rely on third parties for commercial supply if any of our product candidates are approved. We rely on CMOs for manufacturing, filling, packaging, storing and shipping of drug product in compliance with cGMP requirements applicable to our product candidates. The FDA ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP requirements. The cGMP requirements for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packaging of a drug product.

We contracted with Catalent for the manufacture of TTI-621 and TTI-622 proteins to supply drug substance for our clinical trials. The manufacture of recombinant proteins uses well established processes including a protein expression system. Catalent is producing TTI-621 and TTI-622 using their proprietary GPEx® expression system. We believe that Catalent has the capacity, the systems, and the experience to supply drug for our current clinical trials and we may consider using Catalent for manufacturing for later clinical trials. However, since the Catalent manufacturing facility where TTI-621 and TTI-622 are being produced does not support commercial manufacturing, it has not yet been inspected by the FDA. Any manufacturing failures, delays or compliance issues could cause delays in the conduct of our preclinical studies and clinical trials.

We contracted with Althea Ajinomoto for the manufacture of TTI-621 and TTI-622 drug product for our clinical trials. The drug product manufacture uses well established processes and we believe that Althea Ajinomoto has the capacity, the systems, and the experience to supply drug product for our current clinical trials and to support commercial manufacturing. The facility has been inspected by regulatory authorities including the FDA.

There can be no assurances that CMOs will be able to meet our timetable and requirements. We have not contracted with alternate suppliers for TTI-621 or TTI-622 drug substance or drug product production in the event existing CMOs are unable to scale up production, or if the manufacturing facilities otherwise experience any other significant problems, or have limited production availability due to supply chain constraints, COVID-19 vaccine production or otherwise.

Additionally, two vaccines for COVID-19 were granted Emergency Use Authorization by the FDA in late 2020, and more are likely to be authorized in the coming months. The resultant demand for vaccines and potential for manufacturing facilities and materials to be commandeered under the Defense Production Act of 1950, or equivalent foreign legislation, may make it more difficult to obtain materials or manufacturing slots for the product candidates needed for our clinical trials which could lead to delays in these trials.

If any CMO with whom we contract fails to perform its obligations, we may be forced to enter into an agreement with a different CMO, which we may not be able to do on reasonable terms, if at all. In this scenario, our clinical development plans, clinical trials and future commercial supply could be delayed significantly as we establish alternative supply sources. In some cases, the technical skills required to manufacture our products or product candidates may be unique or proprietary to the original CMO and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills to a back-up or alternate supplier, or we may be unable to transfer such skills at all. In addition, if we are required to change CMOs for any reason, we will be required to verify that the new CMO maintains facilities and procedures that comply with quality standards and with all applicable regulations. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our product candidate according to the specifications previously submitted to the FDA or another regulatory authority. The delays associated with the verification of a new CMO could negatively affect our ability to develop product candidates or commercialize our products in a timely manner or within budget. Furthermore, a CMO may possess technology related to the manufacture of our product candidates that such CMO owns independently. This would increase our reliance on such CMO or require us to obtain a license from such CMO in order to have another CMO manufacture our product candidates. In addition, changes in manufacturers often involve changes in manufacturing procedures and processes, which could require that we conduct bridging studies between our prior clinical supply used in our clinical trials and that of any new manufacturer. We may be unsuccessful in demonstrating the comparability of clinical supplies which could require the conduct of additional clinical trials.

If we are unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, we may be delayed in the development of our product candidates. Further, CMOs must operate in compliance with cGMP and failure to do so could result in, among other things, the disruption of product supplies. Our dependence upon third parties for the manufacture of our products may adversely affect our financial condition and our ability to develop and deliver products on a timely and competitive basis.

We require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials. If we do not have commercial grade drug supply when needed, we may face delays in initiating or completing pivotal trials and our business operations could suffer significant harm.

To date, our product candidates have been manufactured in small quantities for preclinical studies and clinical trials by third-party manufacturers. In order to commercialize our product candidates, we need to manufacture commercial quality drug supply for use in registrational clinical trials. Most, if not all, of the clinical material used in phase 3/ pivotal/ registration studies must be derived from the defined commercial process including scale, manufacturing site, process controls and batch size. If we have not scaled up and validated the commercial production of our product candidates prior to the commencement of pivotal clinical trials, we may have to employ a bridging strategy during the trial to demonstrate equivalency of early stage material to commercial drug product, or potentially delay the initiation or completion of the trial until drug supply is available. We may have to rely on third party manufacturers to enable us to produce the commercial supply necessary to commercialize our products, if approved.

The manufacturing of commercial quality drug product requires significant efforts including, but not limited to scale-up of production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, multiple process performance and validation runs, has long lead times and is very expensive. If we do not have commercial drug supply available when needed for pivotal clinical trials, our regulatory and commercial progress may be delayed and we may incur increased product development cost. This may have a material adverse effect on our business, financial condition and prospects, and may delay marketing of the product.

If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we would incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. We do not know whether the clinical trials we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates in any jurisdiction. Our product candidates may fail to demonstrate efficacy in humans, and particularly across tumor types. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk we face is the possibility that none of our product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in us being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

If the results of our ongoing or future preclinical studies and clinical trials are inconclusive with respect to the safety and efficacy of our product candidates, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our product candidates, we may be prevented or delayed in obtaining marketing approval for such product candidates. In some instances, there can be significant variability in safety or efficacy results between different preclinical studies and clinical trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants.

While we are in early stages of clinical trials with our product candidates, it is likely that there may be side effects associated with their use. Results of our trials could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Further, our product candidates could cause undesirable side effects in clinical trials related to on-target toxicity. If on-target toxicity is observed, or if our product candidates have characteristics that are unexpected, we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Many compounds that initially showed promise in early stage testing for treating cancer have later been found to cause side effects that prevented further development of the compound.

If we experience delays in clinical testing, we will be delayed in commercializing our product candidates, and our business may be substantially harmed.

We cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Our product development costs will increase if we experience delays in clinical testing. Significant clinical trial delays could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related, but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
- patients failing to enroll or remain in our trials at the rate we expect;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of our CMOs to comply with cGMP requirements;
- any changes to our manufacturing process that may be necessary or desired;
- delays or failure to obtain clinical supply from CMOs of our products necessary to conduct clinical trials;
- product candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients choosing an alternative treatment for the indications for which we are developing any of our product candidates or participating in competing clinical trials;
- patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;

- reports of clinical testing on similar technologies and products raising safety and/or efficacy concerns;
- competing clinical trials and scheduling conflicts with participating clinicians;
- clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of our CROs to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities or IRBs or ethics committees finding regulatory violations that require us to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- one or more IRBs or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or
- failure to reach agreement on acceptable terms with prospective clinical trial sites.

Our product development costs will increase if we experience delays in testing or approval or if we need to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and we may need to amend study protocols to reflect these changes. Amendments may require us to resubmit our study protocols to regulatory authorities or IRBs or ethics committees for re-examination, which may impact the cost, timing or successful completion of that clinical trial. Delays or increased product development costs may have a material adverse effect on our business, financial condition and prospects.

We may not achieve our publicly announced milestones according to schedule, or at all.

From time to time, we may announce the timing of certain events we expect to occur, such as the anticipated timing of results from our clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, problems with a CMO or a CRO or any other event having the effect of delaying the publicly announced timeline. We undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on our business plan, financial condition or operating results and the trading price of our common shares.

We may not be able to file INDs to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed in a timely manner, or at all.

Prior to commencing clinical trials in the United States for any of our product candidates, we may be required to have an authorized IND for each product candidate and to file additional INDs prior to initiating any additional clinical trials for our product candidates. We believe that the data from previous studies will support the filing of additional INDs, to enable us to undertake additional clinical studies as we have planned. However, submission of an IND may not result in the FDA allowing further clinical trials to begin and, once begun, issues may arise that will require us to suspend or terminate such clinical trials. Additionally, even if relevant regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND, these regulatory authorities may change their requirements in the future. These considerations also apply to new clinical trials we may submit as amendments to existing INDs or to a new IND. Any failure to file INDs on the timelines we expect or to obtain regulatory approvals for our trials may prevent us from completing our clinical trials or commercializing our products on a timely basis, if at all.

Failure to submit or have effective INDs and commence or continue clinical programs will significantly limit our opportunity to generate revenue.

If we have difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled.

As our product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, we will need to enroll an increasing number of patients that meet our eligibility criteria. The timing of completion of our clinical studies depends in part on the speed at which we can recruit patients to participate in testing our product candidates, and we may experience delays in our clinical trials if we encounter difficulties in enrollment. We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States. In addition, our ability to enroll patients may be significantly delayed by the evolving COVID-19 pandemic and we do not know the extent and scope of such delays at this point. In addition, some of our competitors have ongoing clinical trials for product candidates that treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' product candidates. There is significant competition for recruiting cancer patients in clinical trials, and we may be unable to enroll the patients we need to complete clinical trials on a timely basis or at all.

In addition to the potentially small populations, the eligibility criteria of our planned clinical trials will further limit the pool of available study participants as we will require that patients have specific characteristics that we can measure to assure their disease is either severe enough or not too advanced to include them in a study. Additionally, the process of finding and diagnosing patients may prove costly. We also may not be able to identify, recruit and enroll a sufficient number of patients to complete our clinical studies because of the perceived risks and benefits of the product candidate under study, the availability and efficacy of competing therapies and clinical trials, the proximity and availability of clinical study sites for prospective patients, the availability of genetic sequencing information for patient tumors so that we can identify patients with the targeted genetic mutations, and the patient referral practices of physicians. If patients are unwilling to participate in our studies for any reason, the timeline for recruiting patients, conducting studies and obtaining regulatory approval of our product candidates may be delayed.

The factors that affect our ability to enroll patients are largely uncontrollable and include, but are not limited to, the following:

- size and nature of the patient population;
- eligibility and exclusion criteria for the trial;
- design of the study protocol;
- competition with other companies for clinical sites or patients;
- the perceived risks and benefits of the product candidate under study;
- the patient referral practices of physicians;
- the number, availability, location and accessibility of clinical trial sites; and
- current or potential pandemics that may limit patients, principal investigators or staff or clinical site availability (*e.g.,* the COVID-19 pandemic).

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

If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenue from any of these product candidates could be delayed or prevented.

Preclinical development is uncertain. Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these programs on a timely basis or at all, which would have an adverse effect on our business.

In order to obtain FDA approval to market a new biological product we must demonstrate proof of safety, purity and potency and efficacy in humans. To meet these requirements, we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our planned INDs in the United States. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our programs. As a result, we cannot be sure that we will be able to submit INDs or similar applications for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing clinical trials to begin.

Conducting preclinical testing is a lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. Delays associated with programs for which we are directly conducting preclinical testing and studies may cause us to incur additional operating expenses. Moreover, we may be affected by delays associated with the preclinical testing and studies of programs that are the responsibility of third parties or our potential future partners over which we have no control. The commencement and rate of completion of preclinical studies and clinical trials for a product candidate may be delayed by many factors, including, for example:

- inability to generate sufficient preclinical or other in vivo or in vitro data to support the initiation of clinical trials;
- delays in reaching a consensus with regulatory agencies on study design; and
- the FDA not allowing us to rely on previous findings of safety and efficacy for other similar but approved products and published scientific literature.

Moreover, even if clinical trials do begin for our preclinical programs, our development efforts may not be successful, and clinical trials that we conduct or that third parties conduct on our behalf may not demonstrate sufficient safety, purity and potency or efficacy to obtain the requisite regulatory approvals for any of product candidates we develop. Even if we obtain positive results from preclinical studies or early clinical trials, we may not achieve the same success in future trials.

If we are unable to successfully develop companion diagnostics for our therapeutic product candidates, or experience significant delays in doing so, we may not achieve marketing approval or realize the full commercial potential of our therapeutic product candidates.

We may develop companion diagnostics for our therapeutic product candidates to identify patient subsets within a disease category who may derive selective and meaningful benefit from our product candidates. Such companion diagnostics would be used during our clinical trials as well as in connection with the FDA approval of our product candidates. We expect that, at least in some cases, regulatory authorities may require the development and regulatory approval of a companion diagnostic as a condition to approving our therapeutic product candidates. Companion diagnostics are subject to regulation by the FDA, HC, and comparable foreign regulatory authorities as medical devices and may require analytical validation and separate regulatory approval or clearance prior to commercialization, if not already approved.

We have limited experience and capabilities in developing or commercializing diagnostics and plan to rely in large part on third parties to perform these functions, including for the design, development and manufacturing of companion diagnostic tests for our product candidates that may require such tests. If we enter into such collaborative agreements, we will be dependent on the sustained cooperation and effort of our future collaborators in developing and obtaining approval for these companion diagnostics. It may be necessary to resolve issues such as selectivity/specificity, analytical validation, reproducibility, or clinical validation of companion diagnostics during the development and regulatory approval processes. Moreover, even if data from preclinical studies and early clinical trials appear to support development of a companion diagnostic for a product candidate, data generated in later clinical trials may fail to support the analytical and clinical validation of the companion diagnostic. We and our future collaborators may encounter difficulties in developing, obtaining regulatory approval for, manufacturing and commercializing companion diagnostics similar to those we face with respect to our product candidates themselves, including issues with achieving regulatory clearance or approval, production of sufficient quantities at commercial scale and with appropriate quality standards, and in gaining market acceptance. If we are unable to successfully develop companion diagnostics for these product candidates, or experience delays in doing so, the development of these product candidates may be adversely affected, these product candidates may not obtain marketing approval, and we may not realize the full commercial potential of any of these product candidates that obtain marketing approval. As a result, our business, results of operations and financial condition could be materially harmed. In addition, a diagnostic company with whom we contract may decide to discontinue selling or manufacturing the companion diagnostic test that we anticipate using in connection with development and commercialization of our product candidates or our relationship with such diagnostic company may otherwise terminate. We may not be able to enter into arrangements with another diagnostic company to obtain supplies of an alternative diagnostic test for use in connection with the development and commercialization of our product candidates or do so on commercially reasonable terms, which could adversely affect and/or delay the development or commercialization of our therapeutic product candidates.

We have not begun to develop companion diagnostics for any of our therapeutic product candidates. If we, or any third parties that we engage to assist us, are unable to successfully develop companion diagnostics for our therapeutic product candidates, or experience delays in doing so, our business may be substantially harmed.

We intend to develop our current product candidates and potentially future product candidates in combination with other agents, which exposes us to additional risks.

We intend to develop our current product candidates, TTI-621 and TTI-622, and likely other future product candidates in combination with one or more other approved or unapproved agents to treat cancer. Even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing agents, we would continue to be subject to the risks that the FDA, HC or comparable foreign regulatory authorities outside of the United States could revoke approval of the therapy used in combination with our product or that safety, efficacy, manufacturing or supply issues could arise with any of those existing agents. If the agents we use in combination with our product candidates are replaced as the standard of care for the indications we choose for any of our product candidates, the FDA, HC or comparable foreign regulatory authorities may require us to conduct additional clinical trials. The occurrence of any of these risks could result in our own products, if approved, being removed from the market or being less successful commercially.

We also may choose to evaluate our current product candidates or any other future product candidates in combination with one or more agents that have not yet been approved for marketing by the FDA, HC or comparable foreign regulatory authorities. We will not be able to market and sell our current product candidates or any product candidate we develop in combination with an unapproved agent for a combination indication if that unapproved agent does not ultimately obtain marketing approval either alone or in combination with our product. In addition, unapproved cancer therapies face the same risks described with respect to our product candidates currently in development and clinical trials, including the potential for serious adverse effects, delay in their clinical trials and lack of FDA approval.

If the FDA, HC or comparable foreign regulatory authorities do not approve these other products or revoke their approval of, or if safety, efficacy, quality, manufacturing or supply issues arise with, the products we choose to evaluate in combination with our product candidate we develop, we may be unable to obtain approval of or market such combination therapy.

We may in the future conduct clinical trials for product candidates outside the United States, and the FDA and comparable foreign regulatory authorities may not accept data from such trials.

We may in the future choose to conduct one or more clinical trials outside the United States. The acceptance of study data from clinical trials conducted outside the United States or another jurisdiction by the FDA or comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; and (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the U.S. or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in product candidates that we may develop not receiving approval for commercialization in the applicable jurisdiction.

We may not be successful in our efforts to identify or discover other product candidates and may fail to capitalize on programs or product candidates that may present a greater commercial opportunity or for which there is a greater likelihood of success.

The success of our business depends upon our ability to identify, develop and commercialize product candidates. If we do not successfully develop and eventually commercialize products, we will face difficulty in obtaining product revenue in future periods, resulting in significant harm to our financial position and adversely affecting our share price. Research programs to identify new product candidates require substantial technical, financial and human resources, and we may fail to identify potential product candidates for numerous reasons.

Additionally, because we have limited resources, we may forego or delay pursuit of opportunities with certain programs or product candidates or for indications that later prove to have greater commercial potential. Our estimates regarding the potential market for our product candidates could be inaccurate, and our spending on current and future research and development programs may not yield any commercially viable products. If we do not accurately evaluate the commercial potential for a particular product candidate, we may relinquish valuable rights to that product candidate through strategic collaboration, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate, or we may allocate internal resources to a product candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

If any of these events occur, we may be forced to abandon or delay our development efforts with respect to a particular product candidate or fail to develop a potentially successful product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Regulatory approval processes are lengthy, expensive and inherently unpredictable. Our inability to obtain regulatory approval for our product candidates would substantially harm our business.

Our development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including the FDA, HC, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if we believe results from our clinical trials are favorable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

We could fail to receive regulatory approval for our product candidates for many reasons, including, but not limited to:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of our product candidates to support the submission and filing of a BLA or other submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of CMOs with whom we contract for clinical and commercial supplies to pass a pre-approval inspection; or
- changes in the approval policies or regulations that render our preclinical and clinical data insufficient for approval.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. This lengthy approval process as well as the unpredictability of clinical trial results may result in our failing to obtain regulatory approval to market any product candidate we develop, which would significantly harm our business, results of operations and prospects. The FDA, the European Medicines Agency, or EMA, and other comparable foreign authorities have substantial discretion in the approval process and determining when or whether regulatory approval will be obtained for any product candidate that we develop. Even if we believe the data collected from future clinical trials of our product candidates are promising, such data may not be sufficient to support approval by the FDA, the EMA or any other regulatory authority.

If we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with our product candidates that garner approval, the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

Obtaining and maintaining regulatory approval of our product candidates in one jurisdiction does not mean that we will be successful in obtaining regulatory approval of our product candidates in other jurisdictions.

Obtaining and maintaining regulatory approval of our product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approval in any other jurisdiction, while a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even if the FDA grants marketing approval of a product candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

We may also submit marketing applications in other countries. Regulatory authorities in jurisdictions outside of the United States have requirements for approval of product candidates with which we must comply prior to marketing in those jurisdictions. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

We face competition from other biotechnology and pharmaceutical companies and our financial condition and operations will suffer if we fail to effectively compete.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. We are currently developing therapeutics that will compete, if approved, with other products and therapies that currently exist or are being developed. Products we may develop in the future are also likely to face competition from other products and therapies, some of which we may not currently be aware. We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, universities and other research institutions. Our competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing cancer therapeutics for the same indications we are targeting and competitors with existing marketed therapies. Smaller and other early stage companies may also prove to be significant competitors. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Many other companies are developing or commercializing therapies to treat the same diseases or indications for which our product candidates may be useful. Although there are no approved therapies that specifically target the CD47 pathway, some competitors use therapeutic approaches that may compete directly with our product candidates. For example, our product candidates are in direct competition with CD47 blocking agents from Gilead Sciences and others.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe effects, are more convenient, have a broader label, are marketed more effectively, are reimbursed or are less expensive than any products that we may develop. Our competitors also may obtain FDA, HC or other marketing approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. Even if the product candidates we develop achieve marketing approval, they may be priced at a significant premium over competitive products if any have been approved by then, resulting in reduced competitiveness.

Many of our competitors have substantially greater financial, technical and human resources than we do and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do. Our ability to compete successfully will largely depend on:

- the efficacy and safety profile of our product candidates relative to marketed products and other product candidates in development;
- our ability to develop and maintain a competitive position in the product categories and technologies on which we focus;
- the time it takes for our product candidates to complete clinical development and receive marketing approval;
- our ability to obtain required regulatory approvals;
- our ability to commercialize any of our product candidates that receive regulatory approval;
- our ability to establish, maintain and protect intellectual property rights related to our product candidates; and
- acceptance of any of our product candidates that receive regulatory approval by physicians and other healthcare providers and payors.

If we are not able to compete effectively against our current and future competitors, our business will not grow and our financial condition and operations will substantially suffer. In addition, the biopharmaceutical industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our product candidates obsolete, less competitive or not economical.

Even if we receive regulatory approval of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our product candidates.

Any regulatory approvals that we receive for our product candidates will require surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require a REMS in order to approve our product candidates, which could entail requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export and recordkeeping for our product candidates will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs, GLP regulations and GCPs, for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with our product candidates, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of our product candidates, withdrawal of the product from the market or voluntary or mandatory product recalls;
- manufacturing delays and supply disruptions where regulatory inspections identify observations of noncompliance requiring remediation;
- revisions to the labeling, including limitation on approved uses or the addition of additional warnings, contraindications or other safety information, including boxed warnings;
- imposition of a REMS, which may include distribution or use restrictions;
- requirements to conduct additional post-market clinical trials to assess the safety of the product;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us or suspension or revocation of approvals;
- product seizure or detention, or refusal to permit the import or export of our product candidates; and
- injunctions or the imposition of civil or criminal penalties.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

We may seek Breakthrough Therapy Designation by the FDA for a product candidate that we develop, and we may be unsuccessful. If we are successful, the designation may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek Breakthrough Therapy Designation for any product candidate that we develop. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA are also eligible for accelerated approval and priority review.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe a product candidate we develop meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of Breakthrough Therapy Designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if the product candidates we develop qualify as breakthrough therapies, the FDA may later decide that the drugs no longer meet the conditions for qualification and rescind the designation.

We may seek Fast Track Designation by the FDA for a product candidate that we develop, and we may be unsuccessful. If we are successful, the designation may not actually lead to a faster development or regulatory review or approval process.

We may seek Fast Track Designation for the product candidates we develop. If a product is intended for the treatment of a serious or life-threatening condition and preclinical or clinical data demonstrate the potential to address an unmet medical need for this condition, the product sponsor may apply for Fast Track Designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive Fast Track Designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may rescind the Fast Track Designation if it believes that the designation is no longer supported by data from our clinical development program.

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

As part of our business strategy, we may seek Orphan Drug Designation for our other product candidates we develop, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the United States, Orphan Drug Designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers.

Similarly, in Europe, the European Commission grants Orphan Drug Designation after receiving the opinion of the EMA Committee for Orphan Medicinal Products on an Orphan Drug Designation application. Orphan Drug Designation is intended to promote the development of drugs that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than 5 in 10,000 persons in Europe and for which no satisfactory method of diagnosis, prevention, or treatment has been authorized (or the product would be a significant benefit to those affected). Additionally, designation is granted for drugs intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in Europe would be sufficient to justify the necessary investment in developing the drug. In Europe, Orphan Drug Designation entitles a party to a number of incentives, such as protocol assistance and scientific advice specifically for designated orphan medicines, and potential fee reductions depending on the status of the sponsor.

Generally, if a drug with an Orphan Drug Designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances. The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a drug no longer meets the criteria for Orphan Drug Designation or if the drug is sufficiently profitable such that market exclusivity is no longer justified.

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

We believe that any of our product candidates approved as a biologic product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider our investigational medicines to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. Moreover, the extent to which a biosimilar, once licensed, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biologic products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing.

If competitors are able to obtain marketing approval for biosimilars referencing our products, our products may become subject to competition from such biosimilars, with the attendant competitive pressure and consequences.

We heavily rely on the capabilities and experience of our key executives and scientists and the loss of any of them could affect our ability to develop our products.

Our success will depend in large measure on the ability, expertise, judgment, discretion, integrity and good faith of our key executives and other personnel conducting our business. Most recently, in November 2020, we hired Dr. Ingmar Bruns as Chief Medical Officer. We have employment agreements with Dr. Skvarka, Dr. Bruns and Dr. Uger, and other key members of our staff, and in May 2019 the Board of Directors put agreements in place for key executives and staff to encourage retention, although such agreements do not guarantee their retention. Cash retention payments were made in August 2020 and equity retention awards vested in November 2020. Changes in the leadership team may cause some disruption to our business, and may have an adverse effect on our business, operating results or financial condition.

We also depend on our scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to us. In addition, we believe that our future success will depend in large part upon our ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical, commercial and regulatory personnel, particularly as we expand our activities and seek regulatory approvals for clinical trials. We enter into agreements with our scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of our business. We also enter into agreements with physicians and institutions who will recruit patients into our clinical trials on our behalf in the ordinary course of our business. Notwithstanding these arrangements, we face significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. We cannot predict our success in hiring or retaining the personnel we require for continued growth. The loss of the services of any of our executive officers or other key personnel could potentially harm our business, operating results or financial condition.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we have established, comply with federal and state healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a substantial impact on our business and results of operations, including the imposition of substantial fines or other sanctions.

We may expand our business through the acquisition of companies or businesses or by entering into collaborations or by in-licensing product candidates, each of which could disrupt our business and harm our financial condition.

We have in the past and may in the future seek to expand our pipeline and capabilities by acquiring one or more companies or businesses, entering into collaborations, or in-licensing one or more product candidates. Acquisitions, collaborations and in-licenses involve numerous risks, including, but not limited to:

- substantial cash expenditures;
- technology development risks;
- potentially dilutive issuances of equity securities;
- incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition;
- difficulties in assimilating the operations of the acquired companies;
- potential disputes regarding contingent consideration;
- diverting our management's attention away from other business concerns;
- entering markets in which we have limited or no direct experience; and
- potential loss of our key employees or key employees of the acquired companies or businesses.

We have experience in making acquisitions, entering collaborations, and in-licensing product candidates, however, we cannot provide assurance that any acquisition, collaboration or in-license will result in short-term or long-term benefits to us. We may incorrectly judge the value or worth of an acquired company or business or in-licensed product candidate. In addition, our future success would depend in part on our ability to manage the rapid growth associated with some of these acquisitions, collaborations and in-licenses. We cannot provide assurance that we would be able to successfully combine our business with that of acquired businesses, manage a collaboration or integrate in-licensed product candidates. Furthermore, the development or expansion of our business may require a substantial capital investment by us.

We expect to expand our organization and, as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to significantly expand our staffing in 2021, primarily in clinical development and CMC to support the expansion of our clinical programs. To manage these growth activities, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Our management may need to devote a significant amount of its attention to managing these growth activities. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations, retain key employees, or identify, recruit and train additional qualified personnel. Our inability to manage the expansion of our operations effectively may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could also require significant capital expenditures and may divert financial resources from other projects, such as the development of additional product candidates. If we are unable to effectively manage our expected growth, our expenses may increase more than expected, our ability to generate revenues could be reduced and we may not be able to implement our business strategy, including the successful commercialization of our product candidates.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of our product candidates or of competitors in the field of immune-oncology may have an adverse impact on our future commercialization efforts.

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect our share price and our ability to finance future development of our product candidates, and our business and financial results could be materially and adversely affected.

In addition, the commercial success of our products will depend in part on public acceptance of the use of cancer immunotherapies. While a number of cancer immunotherapies have received regulatory approval and are being commercialized, there are no approved agents targeting CD47. Adverse events in clinical trials of our product candidates or in clinical trials of others developing similar products and the resulting publicity, as well as any other adverse events in the field of immuno-oncology that may occur in the future, could result in a decrease in demand for any product that we may develop. If public perception is influenced by claims that the use of cancer immunotherapies is unsafe, whether related to our therapies or those of our competitors, our products may not be accepted by the general public or the medical community.

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

Even if a current or future product candidate receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If any current or future product candidate we develop receives marketing approval, whether as a single agent or in combination with other agents, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community. For example, current approved immunotherapies, and other cancer treatments like chemotherapy and radiation therapy, are well established in the medical community, and doctors may continue to rely on these therapies. If the product candidates we develop do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of any product candidate, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments;
- the ability to offer our products, if approved, for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the ability to obtain sufficient third-party coverage and adequate reimbursement, including with respect to the use of the approved product as a combination therapy;
- adoption of a companion diagnostic and/or complementary diagnostic; and
- the prevalence and severity of any side effects.

The market opportunities for any current or future product candidate we develop, if and when approved, may be limited to those patients who are ineligible for established therapies or for whom prior therapies have failed, and may be small.

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

The number of patients who have the cancers we are targeting may turn out to be lower than expected. Additionally, the potentially addressable patient population for our current programs or future product candidates may be limited, if and when approved. Even if we obtain significant market share for any product candidate, if and when approved, if the potential target populations are small, we may never achieve profitability without obtaining marketing approval for additional indications, including to be used as first-line or second-line therapy.

Inadequate funding for the FDA, the SEC and other government agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new product candidates to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical FDA, SEC and other government employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

Separately, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities and products while local, national and international conditions warrant. On March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities and provided guidance regarding the conduct of clinical trials, which the FDA continues to update. As of June 23, 2020, the FDA noted it was continuing to ensure timely reviews of applications for medical products during the COVID-19 pandemic in line with its user fee performance goals and conducting mission critical domestic and foreign inspections to ensure compliance of manufacturing facilities with FDA quality standards. On July 16, 2020, the FDA noted that it is continuing to expedite oncology product development with its staff teleworking full-time. However, the FDA may not be able to continue its current pace and approval timelines could be extended, including where a pre-approval inspection or an inspection of clinical sites is required and due to the COVID-19 pandemic and travel restrictions the FDA is unable to complete such required inspections during the review period. As of July 2020, utilizing a rating system to assist in determining when and where it is safest to conduct such inspections based on data about the virus' trajectory in a given state and locality and the rules and guidelines that are put in place by state and local governments, the FDA is either continuing to, on a case-by-case basis, conduct only mission critical inspections, or, where possible to do so safely, resuming prioritized domestic inspections, which generally include pre-approval inspections. Foreign pre-approval inspections that are not deemed mission-critical remain postponed, while those deemed mission-critical will be considered for inspection on a case-by-case basis. The FDA will use similar data to inform resumption of prioritized operations abroad as it becomes feasible and advisable to do so. The FDA may not be able to maintain this pace and delays or setbacks are possible in the future. Should the FDA determine that an inspection is necessary for approval, and an inspection cannot be completed during the review cycle due to restrictions on travel, the FDA has stated that it generally intends to issue a complete response letter. Further, if there is inadequate information to make a determination on the acceptability of a facility, the FDA may defer action on the application until an inspection can be completed. In 2020, several companies announced receipt of complete response letters due to the FDA's inability to complete required inspections for their applications. Regulatory authorities outside the U.S. may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic and may experience delays in their regulatory activities. If a prolonged government shutdown or other disruption occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Future shutdowns or other disruptions could also affect other government agencies such as the SEC, which may also impact our business by delaying review of our public filings, to the extent such review is necessary, and our ability to access the public markets.

We face the risk of product liability claims, which could exceed our insurance coverage and produce recalls, each of which could deplete our cash resources.

We are exposed to the risk of product liability claims alleging that use of our product candidates caused an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of our product candidates and may be made directly by patients involved in clinical trials of our product candidates, by consumers or healthcare providers or by individuals, organizations or companies selling our products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product candidate moves through the development pipeline to commercialization. We currently maintain clinical trial liability insurance coverage of $10 million. However, there can be no assurance that such insurance coverage is or will continue to be adequate or available to us at a cost acceptable to us or at all. We may choose or find it necessary under our collaborative agreements to increase our insurance coverage in the future. We may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of our coverage, require us to pay a substantial monetary award from our own cash resources and have a material adverse effect on our business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about our products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

If we are unable to maintain product liability insurance required by our third parties, the corresponding agreements would be subject to termination, which could have a material adverse impact on our operations.

Some of our licensing and other agreements with third parties require or might require us to maintain product liability insurance. If we cannot maintain acceptable amounts of coverage on commercially reasonable terms in accordance with the terms set forth in these agreements, the corresponding agreements would be subject to termination, which could have a material adverse impact on our operations.

Our internal computer systems, or those of our collaborators or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs.

Our internal computer systems and those of our current and any future collaborators and other contractors or consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such material system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of clinical trial data from future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, our competitive position could be harmed and the further development and commercialization of our product candidates could be delayed.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in the information systems and networks of our company and our vendors, including personal information of our employees and study subjects, and company and vendor confidential data. In addition, outside parties may attempt to penetrate our systems or those of our vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to our data and/or systems. Further, having a significant portion of our workforce working from home for extended periods of time due to the COVID-19 pandemic puts us at greater risk of cyber-attacks. We may experience threats to our data and systems, including malicious codes and viruses, phishing and other cyber-attacks. The number and complexity of these threats continue to increase over time. If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks. In addition, we could be subject to regulatory actions and/or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely. As we outsource more of our information systems to vendors, engage in more electronic transactions with payors and patients, and rely more on cloud-based information systems, the related security risks will increase and we will need to expend additional resources to protect our technology and information systems. In addition, there can be no assurance that our internal information technology systems or those of our third-party contractors, or our consultants' efforts to implement adequate security and control measures, will be sufficient to protect us against breakdowns, service disruption, data deterioration or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a cyber-attack, security breach, industrial espionage attacks or insider threat attacks which could result in financial, legal, business or reputational harm.

Risks Related to Our Financial Position and Need for Additional Capital

We expect to incur future losses and we may never become profitable.

We have incurred losses of $59.3 million and $38.1 million for the years ended December 31, 2020 and 2019, respectively, and expect to incur an operating loss for the year ending December 31, 2021. We have an accumulated deficit since inception through December 31, 2020 of $249.4 million. We believe that operating losses will continue as we are planning to incur significant costs associated with the clinical development of our product candidates. Our net losses have had and will continue to have an adverse effect on, among other things, our shareholders' equity, total assets and working capital. We expect that losses will fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. We cannot predict when we will become profitable, if at all.

We will require additional capital to finance our operations, which may not be available to us on acceptable terms, or at all. As a result, we may not complete the development and commercialization of our product candidates or develop new product candidates.

As a drug development company, our operations have consumed substantial amounts of cash since inception. We expect to spend substantial funds to continue the research, development and testing of our product candidates and to prepare to commercialize products subject to approval of the FDA, in the U.S. and similar approvals in other jurisdictions. We will also require significant additional funds if we expand the scope of our current clinical plans or if we were to acquire any new assets and advance their development. Therefore, for the foreseeable future, we will have to fund all of our operations and development expenditures from cash on hand, equity or debt financings, through collaborations with other biotechnology or pharmaceutical companies or through financings from other sources. We expect that our existing combined cash and cash equivalents and marketable securities as at December 31, 2020 of $291.2 million will enable us to fund our current operating plan requirements for at least the next twelve months. Additional financing will be required to meet our longer term liquidity needs. If we do not succeed in raising additional funds on acceptable terms, we might not be able to complete clinical trials or pursue and obtain approval of any product candidates from the FDA and other regulatory authorities. It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of our corporate goals, the results of scientific and clinical research, the ability to obtain regulatory approvals, the state of the capital markets generally and with particular reference to drug development companies, the status of strategic alliance agreements and other relevant commercial considerations. If adequate funding is not available, we may be required to delay, reduce or eliminate one or more of our product development programs, or obtain funds through corporate partners or others who may require us to relinquish significant rights to product candidates or obtain funds on less favorable terms than we would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, our intangible assets and our ability to continue our clinical development plans may become impaired, and our assets, liabilities, business, financial condition and results of operations may be materially or adversely affected.

We currently have no product revenue and will not be able to maintain our operations and research and development without additional funding.

To date, we have generated no product revenue and cannot predict when and if we will generate product revenue. Our ability to generate product revenue and ultimately become profitable depends upon our ability, alone or with partners, to successfully develop our product candidates, obtain regulatory approval, and commercialize products, including any of our current product candidates, or other product candidates that we may develop, in-license or acquire in the future. We do not anticipate generating revenue from the sale of products for the foreseeable future. We expect our research and development expenses to increase in connection with our ongoing activities, particularly as we advance our product candidates through clinical trials.

We may be subject to significant cash payouts in connection with our outstanding warrants in the event of a "Fundamental Transaction".

In the event of a "Fundamental Transaction" (as defined in the related warrant agreement, which generally includes any merger with another entity, the sale, transfer or other disposition of all or substantially all of our assets to another entity, or the acquisition by a person of more than 50% of our common stock), each warrant holder will have the right up to 90 days after the consummation of the Fundamental Transaction to require us to repurchase the warrant for a purchase price in cash equal to the Black Scholes value (as calculated under the warrant agreement) of the then remaining unexercised portion of such warrant on the date of such Fundamental Transaction, which may materially adversely affect our financial condition and/or results of operations. There can be no assurance that in the event of a Fundamental Transaction we will be able to sufficiently compensate the holders of the warrants in accordance with the terms thereof. The warrant provisions may delay or prevent our ability to undertake a strategic transaction that may be beneficial to shareholders. These restrictions may also adversely affect the market price of our common shares.

We are exposed to the financial risk related to the fluctuation of foreign exchange rates and the degrees of volatility of those rates.

We may be adversely affected by foreign currency fluctuations. To date, we have been primarily funded through issuances of equity, proceeds from the exercise of warrants and stock options and from interest income on funds available for investment, which are denominated both in U.S. and Canadian dollars. Also, a sizeable portion of our expenditures are in Canadian dollars, and we are therefore subject to foreign currency fluctuations which may, from time to time, impact our financial position and results of operations.

Risks Related to Intellectual Property

If we are unable to adequately protect and enforce our intellectual property, our competitors may take advantage of our development efforts or acquired technology and compromise our prospects of marketing and selling our key products.

We control two main patent families relating to SIRPα. One family relates to the use of SIRPα to treat cancer. The other family relates to composition of matter for TTI-621 and TTI-622. We have also filed for patent protection covering additional inventions relating to SIRPα, including anti-cancer drug combination therapies that utilize SIRPαFc, and biomarkers that identify SIRPαFc responders. Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. For example, some of our patent portfolio covers primarily methods of medical use but not compositions of matter. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct our existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our pending patent applications or any that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us or our respective licensors may be challenged, invalidated or circumvented. To the extent our intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States and Canada.

We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.

If we lose our licenses from third-party owners we may be unable to continue a substantial part of our business.

We are party to licenses that give us rights to intellectual property that is necessary or useful for a substantial part of our business. Pursuant to our exclusive license agreement with the UHN and the HSC under which we license certain patent rights for our key products and their uses, we are required to use commercially reasonable efforts to commercialize products based on the licensed rights and pay milestone payments, royalties on net sales, and an annual maintenance fee.

We have also entered into agreements allowing us to manufacture TTI-621 and TTI-622 using Catalent's proprietary GPEx® expression system. The consideration includes payments at the time we successfully reach a series of development and sales milestones. We may also enter into licenses in the future to access additional third-party intellectual property.

If we fail to pay annual maintenance fees, development and sales milestones, or it is determined that we did not use commercially reasonable efforts to commercialize licensed products, we could lose our licenses which could have a material adverse effect on our business and financial condition.

We may require additional third-party licenses to effectively develop and manufacture our key products and are currently unable to predict the availability or cost of such licenses.

A substantial number of patents have already been issued to other biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover our products or services, we or our strategic collaborators would be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services, and payments under them would reduce our profits from these products and services. We are currently unable to predict the extent to which we may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights, and whether a license to such patents will be available on acceptable terms or at all. There may be patents in the U.S. or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. Our inability to obtain such licenses may hinder or eliminate our ability to manufacture and market our products.

Changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biotechnology and pharmaceutical companies, our success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time-consuming and inherently uncertain. The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our and our licensors' or collaborators' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our and our licensors' or collaborators' ability to obtain new patents or to enforce existing patents and patents we and our licensors or collaborators may obtain in the future.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents, all of which could have a material adverse effect on our business and financial condition.

Litigation regarding patents, patent applications, and other proprietary rights may be expensive, time consuming and cause delays in the development and manufacturing of our key products.

Our success will depend in part on our ability to operate without infringing the proprietary rights of third parties. The pharmaceutical industry is characterized by extensive patent litigation. Other parties may have, or obtain in the future, patents and allege that the use of our technologies infringes these patent claims or that we are employing their proprietary technology without authorization.

In addition, third parties may challenge or infringe upon our existing or future patents. Proceedings involving our patents or patent applications or those of others could result in adverse decisions regarding:

- the patentability of our inventions relating to our key products; and/or
- the enforceability, validity, or scope of protection offered by our patents relating to our key products.

If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, we may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, we may:

- incur substantial monetary damages;
- encounter significant delays in bringing our key products to market; and/or
- be precluded from participating in the manufacture, use or sale of our key products or methods of treatment requiring licenses.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them.

Because we rely on third parties to develop our product candidates, we must share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of our collaborators, advisors, employees and consultants to publish data potentially relating to our trade secrets. Our academic and clinical collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified time in order to secure our intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by us, although in some cases we may share these rights with other parties. We may also conduct joint research and development programs which may require us to share trade secrets under the terms of research and development collaboration or similar agreements. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets in cases where we do not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of our trade secrets may impair our competitive position and could have a material adverse effect on our business and financial condition.

Risks Related to Our Common Shares

Our common share price has been volatile in recent years, and may continue to be volatile.

The market prices for securities of biopharmaceutical companies, including ours, have historically been volatile. In the year ended December 31, 2020, our common shares traded on the Nasdaq at a high of $20.96 and a low of $1.05 per share and on the TSX at a high of CDN $27.12 and a low of CDN $1.37 per share. In the year ended December 31, 2019, our common shares traded on the Nasdaq at a high of $2.13 and a low of $0.24 per share and on the TSX at a high of CDN $2.76 and a low of CDN $0.30 per share. A number of factors could influence the volatility in the trading price of our common shares, including changes in the economy or in the financial markets, industry related developments, the results of product development and commercialization, changes in government regulations, and developments concerning proprietary rights, litigation and cash flow. Our quarterly losses may vary because of the timing of costs for manufacturing, preclinical studies and clinical trials. Also, the reporting of adverse safety events involving our products and public rumors about such events could cause our share price to decline or experience periods of volatility. Each of these factors could lead to increased volatility in the market price of our common shares. In addition, changes in the market prices of the securities of our competitors may also lead to fluctuations in the trading price of our common shares.

We have never paid dividends and do not expect to do so in the foreseeable future.

We have not declared or paid any cash dividends on our common or preferred shares to date. The payment of dividends in the future will be dependent on our earnings and financial condition in addition to such other factors as our Board of Directors considers appropriate. Unless and until we pay dividends, shareholders may not receive a return on their shares. There is no present intention by our Board of Directors to pay dividends on our shares.

Future sales or issuances of equity securities and the conversion of outstanding securities to common shares could decrease the value of the common shares, dilute investors' voting power, and reduce our earnings per share. There are a large number of common shares underlying our outstanding options and warrants and the exercise of these options and/or warrants may depress the market price of our common shares and cause immediate and substantial dilution to our existing stockholders.

As of December 31, 2020, we had 102,925,799 common shares issued and outstanding, outstanding Series II First Preferred Shares convertible into an additional 6,750,000 common shares, outstanding DSUs convertible into an additional 2,219,226 common shares, outstanding options to purchase 5,326,710 common shares, outstanding warrants to purchase 5,400,000 Series II First Preferred Shares which are convertible in 5,400,000 common shares and outstanding warrants to purchase 1,515,675 common shares. The issuance of common shares upon exercise of our outstanding options and warrants, or the conversion of our preferred shares or redemption of our DSUs, will cause immediate and substantial dilution to our stockholders.

We may sell additional equity securities in future offerings, including through the sale of securities convertible into equity securities, to finance operations, acquisitions or projects, and issue additional common shares if outstanding warrants or stock options are exercised, or preferred shares are converted to common shares, which may result in dilution. In the February 2019 public offering, we issued warrants with a price protection feature that resets the exercise price of the warrant under certain conditions including the issuance of common shares, or securities convertible into common shares, at prices below the exercise price of $0.96.

Our Board of Directors has the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that we will issue additional securities to provide such capital. Such additional issuances may involve the issuance of a significant number of common shares at prices less than the current market price for our common shares.

Sales of substantial amounts of our securities, or the availability of such securities for sale, as well as the issuance of substantial amounts of our common shares upon conversion of outstanding convertible equity securities, could adversely affect the prevailing market prices for our securities and dilute investors' earnings per share. A decline in the market prices of our securities could impair our ability to raise additional capital through the sale of securities should we desire to do so.

U.S. holders of 10% or more of the voting power of our common shares may be subject to U.S. federal income taxation at ordinary income tax rates on undistributed earnings and profits.

There is a risk that we will be classified as a controlled foreign corporation, or CFC, for U.S. federal income tax purposes. We will generally be classified as a CFC if more than 50% of our outstanding shares, measured by reference to voting power or value, are owned (directly, indirectly or by attribution) by "U.S. Shareholders." For this purpose, a "U.S. Shareholder" is any U.S. person that owns directly, indirectly or by attribution, 10% or more of the voting power of our outstanding shares. If we are classified as a CFC, a U.S. Shareholder may be subject to U.S. income taxation at ordinary income tax rates on all or a portion of our undistributed earnings and profits attributable to "subpart F income" and may also be subject to tax at ordinary income tax rates on any gain realized on a sale of common shares, to the extent of our current and accumulated earnings and profits attributable to such shares. The CFC rules are complex and U.S. Shareholders of our common shares are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances.

We are likely a "passive foreign investment company," which may have adverse U.S. federal income tax consequences for U.S. shareholders.

U.S. investors should be aware that we believe we were classified as a PFIC during the tax year ended December 31, 2020 , and based on current business plans and financial expectations, we believe that we may be a PFIC for the current tax year and may be a PFIC in future tax years. If we are a PFIC for any year during a U.S. shareholder's holding period of our common shares or Series II First Preferred Shares, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of our common shares or Series II First Preferred Shares, or any so-called "excess distribution" received on our common shares or Series II First Preferred Shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" election, or QEF Election, or a "mark-to-market" election with respect to our common shares or Series II First Preferred Shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of our net capital gain and ordinary earnings for any year in which we are a PFIC, which may or may not be readily available, whether or not we distribute any amounts to our shareholders. A U.S. shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over the shareholder's adjusted tax basis therein. A mark-to-market election is not expected to be available with respect to our Series II First Preferred Shares. Each U.S. shareholder should consult its own tax advisors regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership and disposition of our common shares or Series II First Preferred Shares.

Legislation or other changes in U.S. tax law could adversely affect our business and financial condition.

The rules dealing with U.S. federal, state, and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. In recent years, many changes have been made to applicable tax laws and changes are likely to continue to occur in the future. It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws may be enacted, or regulations and rulings may be enacted, promulgated or issued under existing or new tax laws, which could result in an increase in our or our shareholders' tax liability or require changes in the manner in which we operate in order to minimize or mitigate any adverse effects of changes in tax law or in the interpretation thereof.

It may be difficult for non-Canadian investors to obtain and enforce judgments against us because of our Canadian incorporation and presence.

We are a corporation existing under the laws of the BCBCA. Some of our officers, directors, and experts are Canadian or non-U.S. residents, and many of our assets or the assets of our officers and directors are located outside the United States. We have appointed an agent for service of process in the United States, but it may be difficult for holders of our common shares who reside in the United States to effect service within the United States upon those directors, officers, and experts who are not residents of the United States. It may also be difficult for holders of our common shares who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon our civil liability and the civil liability of our officers and directors under the United States federal securities laws. Investors should not assume that Canadian courts (i) would enforce judgments of United States courts obtained in actions against us or such directors, officers or experts predicated upon the civil liability provisions of the United States federal securities laws or the securities or "blue sky" laws of any state or jurisdiction of the United States or (ii) would enforce, in original actions, liabilities against us or such directors, officers or experts predicated upon the United States federal securities laws or any securities or "blue sky" laws of any state or jurisdiction of the United States. In addition, the protections afforded by Canadian securities laws may not be available to investors in the United States.

Because we are no longer an "emerging growth company" as defined in the JOBS Act, we may incur additional expenses and devote increased management time to compliance with additional disclosures that are applicable to companies that are not emerging growth companies.

While we were an "emerging growth company," as defined in the JOBS Act, we were permitted to take advantage of reduced regulatory and reporting requirements that were otherwise generally available to public companies. These included, without limitation, reduced disclosure obligations regarding executive compensation in our periodic reports and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. Because we ceased to be an emerging growth company effective as of December 31, 2020, we expect to incur additional expenses and to devote increased management time towards insuring compliance with those requirements applicable to companies that are not emerging growth companies.

We qualify as a smaller reporting company, and we will remain a smaller reporting company for so long as (i) our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter. Similar to emerging growth companies, smaller reporting companies are able to provide simplified executive compensation disclosure, are exempt from the auditor attestation requirements of Section 404, and have certain other reduced disclosure obligations, including, among other things, being required to provide only two years of audited financial statements. We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

As a result of our loss of our foreign private issuer status, we are now required to comply with the Exchange Act's domestic reporting regime, which will cause us to incur significant legal, accounting and other expenses.

As of June 30, 2020, we determined that we no longer qualified as a "foreign private issuer," as such term is defined in Rule 405 under the Securities Act, which means that we are required to comply with all the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. As of January 1, 2021, we have been required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers.

We have been required to make changes to our corporate governance practices in accordance with various SEC and Nasdaq rules. As a result of such compliance, the regulatory and compliance costs to us under U.S. Securities laws may be higher than the costs we incurred as a foreign private issuer, and therefore, the loss of our foreign private issuer status will increase our legal and financial compliance costs. For example, we are required under current SEC rules to prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. As a foreign private issuer, we previously prepared our consolidated financial statements in accordance with International Financial Reporting Standards, or IFRS. We expect that the loss of foreign private issuer status will increase our legal and financial compliance costs and will make some activities highly time-consuming and costly. The additional costs could have an adverse impact on our results of operations, financial position and cash flows.

In addition, the transition to being treated as a U.S. domestic issuer may make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could make it more difficult for us to attract and retain qualified members of our Board of Directors. In addition, our officers and directors are no longer exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchase and sale of our securities.

Any failure to maintain an effective system of internal controls may result in material misstatements of our consolidated financial statements or cause us to fail to meet our reporting obligations or fail to prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our common shares.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. If we fail to maintain an effective system of internal controls, we might not be able to report our financial results accurately or prevent fraud; and in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our common shares. While we believe that we have sufficient personnel and review procedures to allow us to maintain an effective system of internal controls, we cannot provide assurance that we will not experience potential material weaknesses in our internal control. Even if we conclude that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our future reporting obligations.

If we fail to timely achieve and maintain the adequacy of our internal control over financial reporting, we may not be able to produce reliable financial reports or help prevent fraud. Our failure to achieve and maintain effective internal control over financial reporting could prevent us from complying with our reporting obligations on a timely basis, which could result in the loss of investor confidence in the reliability of our consolidated financial statements, harm our business and negatively impact the trading price of our common shares.

Our charter documents and certain Canadian legislation could delay or deter a change of control, limit attempts by our shareholders to replace or remove our current management and limit the market price of our common shares.

Our authorized preferred shares are available for issuance from time to time at the discretion of our Board of Directors, without shareholder approval. Our articles grant our Board of Directors the authority to determine the special rights and restrictions granted to or imposed on any unissued series of preferred shares, and those rights may be superior to those of our common shares. Further, the Investment Canada Act subjects any acquisition of control of a company by a non-Canadian to government review if the value of the assets as calculated pursuant to the legislation exceeds a threshold amount or in other circumstances determined at the discretion of the Canadian government. A reviewable acquisition may not proceed unless the relevant minister is satisfied that the investment is likely to be of net benefit to Canada and the Canadian government is satisfied that no other important concerns arise from the acquisition of control. Any of the foregoing could prevent or delay a change of control and may deprive or limit strategic opportunities to our shareholders to sell their shares.

We may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws health information privacy and security laws, and other health care laws and regulations. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

Healthcare providers, physicians, and third-party payors will play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. Our business operations and any current or future arrangements with third-party payors, healthcare providers and physicians may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we develop, market, sell and distribute any drugs for which we obtain marketing approval. In the United States, these laws include, without limitation, state and federal anti-kickback, false claims, physician transparency, and patient data privacy and security laws and regulations, including but not limited to those described below.

- The federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, paying, receiving or providing any remuneration (including any kickback, bribe, or certain rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid; a person or entity need not have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation. Violations are subject to civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs. In addition, the government may assert that a claim that includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act, or FCA. On December 2, 2020, the Office of Inspector General, or OIG, published further modifications to the federal Anti-Kickback Statute. Under the final rules, OIG added safe harbor protections under the Anti-Kickback Statute for certain coordinated care and value-based arrangements among clinicians, providers, and others. On January 20, 2021, the Biden administration issued a moratorium on all Trump-era rules that have not yet taken effect. We continue to evaluate what effect, if any, these rules will have on our business.

- The federal civil and criminal false claims laws, including the civil FCA prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false, fictitious or fraudulent; knowingly making, using, or causing to be made or used, a false statement or record material to a false or fraudulent claim or obligation to pay or transmit money or property to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay money to the federal government. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to “cause” the submission of false or fraudulent claims. The FCA also permits a private individual acting as a “whistleblower” to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. When an entity is determined to have violated the federal civil FCA, the government may impose civil fines and penalties for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs.

- The federal civil monetary penalties laws impose civil fines for, among other things, the offering or transfer or remuneration to a Medicare or state healthcare program beneficiary, if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state health care program, unless an exception applies.

- The Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for knowingly and willfully executing a scheme, or attempting to execute a scheme, to defraud any healthcare benefit program, including private payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, or falsifying, concealing or covering up a material fact or making any materially false statements in connection with the delivery of or payment for healthcare benefits, items or services.

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, impose, among other things, specified requirements on covered entities and their business associates relating to the privacy and security of individually identifiable health information including mandatory contractual terms and required implementation of technical safeguards of such information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates in some cases, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions.

- The Physician Payments Sunshine Act, enacted as part of the Patient Protection and Affordable Care Act, as amended by the ACA imposed new annual reporting requirements for certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, for certain payments and "transfers of value" provided to physicians (currently defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. In addition, many states also require reporting of payments or other transfers of value, many of which differ from each other in significant ways, are often not pre-empted, and may have a more prohibitive effect than the Sunshine Act, thus further complicating compliance efforts. Effective January 1, 2022, these reporting obligations will extend to include transfers of value made in the previous year to certain non-physician providers such as physician assistants and nurse practitioners.

- Federal consumer protection and unfair competition laws broadly regulate marketplace activities and activities that potentially harm consumers.

- Analogous state and foreign laws and regulations may be broader in scope than the provisions described above and may apply regardless of payor. Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and relevant federal government compliance guidance; require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers; restrict marketing practices or require disclosure of marketing expenditures and pricing information. State and foreign laws may govern the privacy and security of health information in some circumstances. These data privacy and security laws may differ from each other in significant ways and often are not pre-empted by HIPAA, which may complicate compliance efforts.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other related governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, disgorgement, exclusion from government funded healthcare programs, such as Medicare and Medicaid, reputational harm, additional oversight and reporting obligations if we become subject to a corporate integrity agreement or similar settlement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to similar actions, penalties and sanctions. Ensuring business arrangements comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource-consuming and can divert a company's attention from its business.

The insurance coverage and reimbursement status of newly-approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for any of our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate revenue.

In the United States and markets in other countries, patients generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors is critical to new product acceptance. Our ability to successfully commercialize our product candidates will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. The availability of coverage and extent of reimbursement by governmental and private payors is essential for most patients to be able to afford treatments. Sales of current or other product candidates that we may identify will depend substantially, both domestically and abroad, on the extent to which the costs of our product candidates will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. If coverage and adequate reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our product candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment.

There is also significant uncertainty related to the insurance coverage and reimbursement of newly approved products and coverage may be more limited than the purposes for which the medicine is approved by the FDA or comparable foreign regulatory authorities. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services. CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree.

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

Payors, whether domestic or foreign, or governmental or private, are developing increasingly sophisticated methods of controlling healthcare costs and those methods are not always specifically adapted for new technologies such as gene therapy and therapies addressing rare diseases such as those we are developing. In both the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the health care system that could impact our ability to sell our products profitably. In particular, in 2010, the Patient Protection and Affordable Care Act, as amended by the ACA, was enacted, which, among other things, subjected biologic products to potential competition by lower-cost biosimilars; addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program; extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations; subjected manufacturers to new annual fees and taxes for certain branded prescription drugs; created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, effective as of January 1, 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; and provided incentives to programs that increase the federal government's comparative effectiveness research.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. For example, various portions of the ACA are currently undergoing legal and constitutional challenges in the United States Supreme Court. Additionally, the previous administration issued various Executive Orders that eliminated cost sharing subsidies and various provisions that would impose a fiscal burden on states or a cost, fee, tax, penalty or regulatory burden on individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices and Congress has introduced several pieces of legislation aimed at significantly revising or repealing the ACA. We cannot predict what affect further changes to the ACA would have on our business, especially given the new administration.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers up to 2% per fiscal year, and, due to subsequent legislative amendments, will remain in effect through 2030 unless additional Congressional action is taken. Pursuant to the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, as well as subsequent legislation, these reductions have been suspended from May 1, 2020 through March 31, 2021 due to the COVID-19 pandemic. Proposed legislation, if passed, would extend this suspension until the end of the pandemic.

There has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

We expect that the healthcare reform measures that have been adopted and may be adopted in the future may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product and could seriously harm our future revenues. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private third-party payors.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product. Such reforms could have an adverse effect on anticipated revenue from product candidates that we may successfully develop and for which we may obtain regulatory approval and may affect our overall financial condition and ability to develop product candidates.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We lease a facility containing approximately 3,200 square feet of office space, which is located at 100 CambridgePark Drive, Suite 510, Cambridge, MA, 02140, and a facility containing approximately 22,000 square feet of laboratory and office space, which is located at 2488 Dunwin Drive, Mississauga, Ontario, Canada, L5L 1J9. These leases expire in March 2024 and October 2025, respectively, subject to an option to extend the Mississauga lease for two additional 5 year terms.

Item 3. Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not currently aware of or a party to any material legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Certain Information Regarding the Trading of Our Common Stock

Our common stock trades under the symbol "TRIL" on the Nasdaq Capital Market and has been publicly traded on this market since December 18, 2014. We have been publicly traded in Canada on the Toronto Stock Exchange or the TSX Venture Exchange under the symbol "TRIL" since January 11, 2005. Prior to this time, there was no public market for our common stock.

Holders of Our Common Stock

As of March 16, 2021, there were approximately 152 holders of record of shares of our common stock. This number does not include stockholders for whom shares are held in "nominee" or "street" name.

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by Item 5 of Form 10-K regarding equity compensation plans is incorporated herein by reference to Item 12 of Part III of this Annual Report.

Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Equity Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We did not purchase any of our registered equity securities during the period covered by this Annual Report.

Item 6. Selected Consolidated Financial Data

Reserved.

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

The following discussion of the financial condition and results of operations should be read in conjunction with the consolidated financial statements and the related notes thereto included elsewhere in this Annual Report. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. We caution you that forward-looking statements are not guarantees of future performance, and that our actual results of operations, financial condition and liquidity, and the developments in our business and the industry in which we operate, may differ materially from the results discussed or projected in the forward-looking statements contained in this Annual Report. We discuss risks and other factors that we believe could cause or contribute to these potential differences elsewhere in this Annual Report, including under Item 1A. "Risk Factors" and under "Special Note Regarding Forward-Looking Statements." In addition, even if our results of operations, financial condition and liquidity, and the developments in our business and the industry in which we operate are consistent with the forward-looking statements contained in this Annual Report, they may not be predictive of results or developments in future periods. We caution readers not to place undue reliance on any forward-looking statements made by us, which speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the SEC to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Overview

We are a clinical stage immuno-oncology company developing innovative therapies for the treatment of cancer. Immunotherapy is a rapidly evolving field that is redefining cancer care by harnessing a patient's own immune system to eliminate tumor cells. Our focus is on developing inhibitors of CD47, a checkpoint of the innate immune system. CD47 is emerging as a promising next generation immuno-oncology target following the scientific, clinical and commercial success of T-cell checkpoint inhibitors. We have two product candidates in early stages of clinical development – TTI-622 (a SIRPα-IgG4 Fc fusion protein) and TTI-621 (a SIRPα-IgG1 Fc fusion protein). Both molecules are highly differentiated from the rest of the CD47 field by meaningful monotherapy activity demonstrated across a range of hematologic malignancies, and minimal binding to red blood cells, hence reducing the risk of anemia, a common side effect of some other CD47 agents. In 2021, our immediate goal is to complete ongoing dose escalation studies, and initiate a phase 1b/2 program across a range of both hematologic and solid tumor malignancies.

A two-part, multicenter, open-label, phase 1a/1b study of TTI-622 in patients with advanced relapsed or refractory lymphoma and multiple myeloma is currently in progress (NCT03530683). In the ongoing phase 1a dose escalation part, relapsed or refractory lymphoma patients are being enrolled in sequential dose cohorts to receive TTI-622 once weekly to characterize safety, tolerability, pharmacokinetics, and to determine the maximum tolerated dose. In the phase 1b part, patients with advanced relapsed or refractory lymphoma and multiple myeloma will be treated with TTI-622 in combination with other agents.

A phase 1 multicenter, open-label study in which patients with advanced relapsed or refractory hematologic malignancies receive intravenous TTI-621 is currently in progress (NCT02663518). The ongoing dose escalation Part 4 of the study is enrolling patients with CTCL.

Our immediate focus in the near term is to identify the maximum tolerated or recommended phase 2 doses for both TTI-622 in the ongoing study NCT03530683 and TTI-621 under the revised DLT criteria in Part 4 of study NCT02663518. We expect to significantly expand our staffing in 2021, primarily in CMC as we intend to initiate multiple phase 1b/2 combination studies. We will also undertake research, manufacturing and regulatory activities to support the CD47 clinical programs.

To date, we have principally raised capital through registered direct offerings and underwritten public offerings of our common and preferred stock, and the exercise of warrants and stock options. We have incurred significant operating losses since inception. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of TTI-621, TTI-622 and any future product candidates. Our net losses were $59.3 million and $38.1 million for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, we had an accumulated deficit of $249.4 million. We expect to continue to incur significant expenses for at least the next several years as we advance TTI-621 and TTI-622 through clinical development, prepare for commercial manufacturing and seek regulatory approval of any product candidates that complete clinical development. In addition, if we obtain marketing approval for any product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. We may also incur expenses in connection with the in-licensing or acquisition of additional product candidates.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through the sale of equity, debt financings, or other capital sources, which may include collaborations with other companies or other strategic transactions. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, reduce or eliminate the development and commercialization of one or more of our product candidates or delay our pursuit of potential in-licenses or acquisitions.

Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

As of December 31, 2020, we had cash and cash equivalents and marketable securities of $291.2 million.

There have been several changes to our financial reporting as we have expanded our operations in the U.S. In 2019, we began reporting our financial results with U.S. dollars as the presentation currency. With the expansion of our business operations in the U.S., we determined that our functional currency had changed to U.S. dollars in 2020. The change was made to reflect that U.S. dollars had become the currency of the primary economic environment in which we operate, counting for a significant part of our labor, operations and financing. The change was implemented prospectively. As of June 30, 2020, we lost our status as a "foreign private issuer" as such term is defined in Rule 405 of the United States *Securities Act of 1933*, or the U.S. Securities Act given that (i) 50% of our outstanding common shares are held by U.S. residents and (ii) the majority of our directors are U.S. citizens. Consequently, we were required to comply with U.S. domestic issuer requirements beginning January 1, 2021. A summary of the key risks associated with becoming a U.S. domestic issuer can be found under the Item 1A. "Risk Factors". As a U.S. domestic issuer, we have adopted U.S. generally accepted accounting principles for the first time with the presentation of our consolidated financial statements for the years ended December 31, 2020 and 2019. Previously, our interim quarterly consolidated financial statements for 2020 and our annual and interim quarterly consolidated financial statements for 2019 were presented under IFRS.

Impact of the COVID-19 Pandemic

In March 2020, the World Health Organization declared COVID-19 a global pandemic, and since that time COVID-19, has spread globally. Efforts to contain the spread of COVID-19 have intensified and the United States, Europe and Asia have implemented severe travel restrictions, social distancing requirements, and stay-at-home orders, among other restrictions, which have led to delays in the commencement of non-COVID-19-related clinical trials. As a result, the COVID-19 pandemic has caused significant disruptions to the U.S., regional and global economies and has contributed to significant volatility and negative pressure in financial markets.

We have been carefully monitoring the COVID-19 pandemic and its potential impact on our business and have taken important steps to ensure the safety of employees and their families and to reduce the spread of COVID-19. To date, the pandemic has resulted in a slowdown of the enrollment of patients in our clinical trials. Such slowdowns have had more of an impact on our TTI-621 clinical trial which recruits CTCL patients who have more indolent disease and can opt to delay participation in a clinical trial. The slower enrollment was more pronounced in the second quarter of 2020 but has improved for both products with TTI-622 currently enrolling at an expected pace. We have worked closely with our CROs to ensure that our clinical sites are well prepared to address any issues that may arise as a result of the pandemic, including but not limited to, ensuring sufficient drug inventory at clinical sites and ensuring proper steps were undertaken to allow for full remote monitoring of our clinical trials. There have been no significant disruptions to our drug supply chain although some raw materials used in drug production have taken longer to source and we have experienced delays in scheduled manufacturing campaigns due to COVID-19 vaccine production using manufacturing capacity at our CMO. We have sufficient drug inventory on hand to complete existing studies and have secured drug manufacturing slots through 2021 that we expect will provide continuity of drug supply, although risks of delays are elevated due to ongoing impacts related to COVID-19.

We have also implemented important measures to protect the health of our employees by suspending all business travel and implementing a work-from-home policy for all employees other than essential lab personnel who follow a strict protective protocol while on-site. Although we believe we have taken reasonable measures to address the impacts of the COVID-19 pandemic to date, it is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or results of operations. The impact of the COVID-19 pandemic will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the impact of new strains of the virus, the effectiveness and availability of vaccines, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. See “Item 1A. Risk Factors” for a discussion of the potential adverse impacts of the COVID-19 pandemic on our business, results of operations and financial condition.

Financial Operations Overview

Since our inception, we have devoted substantial resources to developing our SIRPαFc programs, including activities to manufacture product candidates, undertake preclinical studies and conduct clinical trials, as well as provide general and administrative support for these operations. We have not generated any revenue from product sales.

We have incurred net losses in each year since inception. Our net losses were $59.3 and $38.1 million for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, we had an accumulated deficit of $249.4 million. Substantially all of our net losses have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and increasing operating losses over at least the next several years. We expect our expenses will increase substantially in connection with our ongoing activities, as we:

- advance product candidates TTI-621 and TTI-622 into multiple phase 1b/2 trials;
- manufacture our product candidates to supply these expanded trials;
- seek regulatory approval for our product candidates; and
- add personnel to support our product development and commercialization efforts.

As a result, we will need substantial additional funding to support our continued operations. To date, we have principally raised capital through registered direct offerings and underwritten public offerings of our common and preferred stock and the exercise of warrants and stock options. As of December 31, 2020, we had approximately $291.2 million in cash and cash equivalents and marketable securities.

Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate revenues from the sale of our products, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce our operations.

Revenue

To date, we have not generated any revenues from product sales. In June 2020, we entered into a right-to-use license agreement for one of our small molecule compounds, with initial license fees of $0.1 million. Sales-based royalties, anniversary payments, and milestone payments will be recognized when earned in future periods.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for the development of our TTI-621 and TTI-622 product candidates, which include:

- expenses incurred under agreements with third-party contract organizations and investigative clinical trial sites that conduct research and development activities on our behalf;
- costs related to production of clinical materials, including fees paid to contract manufacturers;
- laboratory and vendor expenses related to the execution of clinical trials;
- employee-related expenses, which include salaries, benefits and stock-based compensation;
- costs associated with our regulatory and quality control operations; and
- facilities, depreciation, and other expenses, which include lease expenses and expenses for the maintenance of facilities, information technology, insurance, and other supplies in support of research and development activities.

We expense all research and development costs in the periods in which they are incurred. Costs for certain development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors, clinical sites, and third-party service providers. The costs of intangible assets that are purchased from others for a particular research and development project and that have no alternative future uses are considered research and development costs and are expensed when incurred.

Nonrefundable advance payments for goods or services to be received in future periods for use in research and development activities are deferred and capitalized. The capitalized amounts are then expensed as the related goods are delivered and as services are performed.

The largest component of our operating expenses has historically been our investment in research and development activities related to the clinical development of TTI-621 and TTI-622. We recognize the funds from research and development grants as a reduction of research and development expense when the related eligible research costs are incurred.

We expect our research and development expenses to increase substantially for the foreseeable future as we continue to invest in research and development activities related to developing our product candidates, as our product candidates advance into later stages of development, and as we initiate new clinical trials. The process of conducting the necessary clinical research to obtain regulatory approval is costly and time-consuming, and the successful development of our product candidates is highly uncertain. As a result, we are unable to determine the duration and completion costs of our research and development projects or when and to what extent we will generate revenue from the commercialization and sale of any of our product candidates.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs and professional services expenses, including legal, human resources, audit and accounting services, insurance, directors' fees and expenses associated with obtaining and maintaining patents. Personnel-related costs consist of salaries, benefits and stock-based compensation.

We anticipate general and administrative expenses will increase if research and development advances or expands. These increases will likely relate to additional personnel and increased costs related to finance, legal and intellectual property-related matters along with increased expenses related to operating as a publicly traded company and a domestic issuer, such as fees related to audit, legal, and tax services, regulatory compliance programs, insurance, investor relations and other.

Interest income

Interest income consists of interest generated on our cash and cash equivalents and marketable securities.

Results of Operations

Years Ended December 31, 2020 and 2019

Overview

	Year Ended December 31,		
	2020	**2019**	**Change**
		(in thousands)	
Revenue	**$ 148**	$ 124	$ 24
Operating expenses			
Research and development	**25,348**	26,688	(1,340)
General and administrative	**36,255**	5,724	30,531
Total operating expenses	**61,603**	32,412	29,191
Operating loss	**(61,455)**	(32,288)	29,167
Interest income, net	**2,009**	597	(1,412)
Foreign currency loss (gain), net	**202**	(846)	(1,048)
Revaluation of warrant liability, net	**-**	(5,517)	(5,517)
Net loss before income taxes	**(59,244)**	(38,054)	21,190
Income tax expense	**102**	28	74
Net loss	**(59,346)**	(38,082)	21,264

Revenue

In June 2020, we entered into a right-to-use license agreement for one of our small molecule compounds, with initial license fees of $0.1 million. Sales-based royalties, anniversary payments, and milestone payments will be recognized when earned in future periods. Total revenue for the year ended December 31, 2020 consisted of initial license fees and license extension fees and was comparable to revenue of $0.1 million for the year ended December 31, 2019.

Research and Development Expenses

Research and development expenses for the years ended December 31, 2020 and 2019 were as follows:

	Year Ended December 31,		
	2020	**2019**	**Change**
		(in thousands)	
Program-specific costs			
SIRPαFc (TTI-621 and TTI-622)	**$ 11,216**	$ 12,946	$ (1,730)
Small molecule programs	**6**	290	(284)
Non program-specific costs			
Employee and contractor related expenses	**6,760**	9,709	(2,949)
Stock-based compensation expenses	**5,812**	2,165	3,647
Facility, amortization, technology, and other expenses	**1,554**	1,578	(24)
Total research and development expenses	**25,348**	26,688	(1,340)

During 2020, all of our resources were focused on the development of TTI-621 and TTI-622, including clinical development, research, manufacturing and regulatory activities, and for working capital and general corporate purposes. Research and development expenses were $25.3 million for the year ended December 31, 2020, compared to $26.7 million for the year ended December 31, 2019. The decrease of $1.3 million was primarily attributable to the following:

- $3.3 million of decreased employee salary, benefits, and travel expenses, which is primarily due to a lower research and development employee headcount subsequent to a restructuring event in 2019;
- $1.7 million of decreased SIRPαFc program expense, mainly due to the termination of the TTI-621-02 clinical trial in the prior year; and
- These decreased costs were partially offset by $3.6 million of increased stock-based compensation expense relating to the fair valuation of stock option liabilities.

General and Administrative

General and administrative expenses were $36.3 million for the year ended December 31, 2020, compared to $5.7 million for the year ended December 31, 2019. The increase of $30.5 million was primarily due to the following:

- $21.1 million of increased DSU revaluation expense relating to fair valuation of the DSU liability prior to reclassification to equity on June 30, 2020, and increased professional fees, including legal and audit fees;
- $7.9 million of increased stock-based compensation expense mainly relating to the fair valuation of stock option liabilities;
- $0.8 million of increased employee salary and benefits; and
- $0.5 million increase in director and officer insurance premiums.

Interest income and costs and foreign exchange gains and losses

Net interest income, consisting of interest earned on cash and cash equivalents and marketable securities, for the year ended December 31, 2020 was $2.0 million, and was higher than the prior year income of $0.6 million due to higher cash and cash equivalents and marketable securities balances resulting from the January 2020 and September 2020 financing activities.

During the year ended December 31, 2020, we recorded a net foreign currency gain of $0.2 million, compared to a net foreign currency loss of $0.8 million for the year ended December 31, 2020. The net foreign currency gain in the current period reflected a strengthening of the Canadian dollar versus the U.S. dollar while holding net Canadian dollar denominated assets.

Liquidity and Capital Resources

Cash, working capital and debt

Since inception, we have financed our operations primarily from sales of equity, proceeds from the exercise of warrants and stock options and from interest income on funds available for investment. Our primary capital needs are for funds to support our scientific research and development activities including staffing, facilities, manufacturing, preclinical studies, clinical trials, administrative costs and for working capital.

We expect that our existing combined cash and cash equivalents and marketable securities as at December 31, 2020 of $291.2 million will enable us to fund our current operating plan requirements for at least the next twelve months.

We have experienced operating losses and cash outflows from operations since incorporation, will require ongoing financing in order to continue our research and development activities and we have not earned significant revenue or reached successful commercialization of our products. Our future operations are dependent upon our ability to finance our cash requirements which will allow us to continue our research and development activities and the commercialization of our products. There can be no assurance that we will be successful in continuing to finance our operations. Further, our operating plans may change, and we may need additional funds to meet operational needs and capital requirements for clinical trials and other research and development activities. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated product development programs. The likelihood of our long-term success must be considered in light of the expenses, difficulties, and potential delays to be encountered in the development and commercialization of new pharmaceutical products, competitive factors in the marketplace and the complex regulatory environment in which we operate. We may never achieve significant revenue or profitable operations.

We have funded our operations principally through registered direct offerings and underwritten public offerings of our common and preferred stock, and the exercise of warrants and stock options as outlined below:

- In September 2020, we issued 2,297,794 common shares at a price of $10.88 per share to Pfizer Inc. in a registered direct offering. The gross proceeds from this offering were $25.0 million, before deducting offering expenses of $0.1 million.
- In September 2020, we also completed an underwritten public offering of 11,500,000 common shares, issued at $13.00 per share. The number of shares sold include 1,500,000 common shares pursuant to the full exercise by the underwriters of their option to purchase additional common shares. The gross proceeds from this offering were $149.5 million, before deducting offering expenses of $9.1 million.
- During the year ended December 31, 2020, we received gross proceeds of $15.9 million on the exercise of warrants and stock options.
- On April 23, 2020, we filed a shelf registration statement on Form F-3 (File No. 333-237810) with the SEC that provides that we may sell from time to time over the following three years up to $250.0 million, in one or more offerings, of common shares, First Preferred shares, warrants to purchase common shares or First Preferred shares, subscription receipts, or units comprising a combination of common shares, First Preferred shares and/or warrants. The shelf registration statement was declared effective by the SEC on May 4, 2020. Subsequent to our September 2020 financings, the remaining balance of the shelf is $75.5 million.
- In January 2020, we completed an underwritten public offering of 41,279,090 common shares and 1,250,000 Series II Non-Voting Convertible First Preferred Shares, each issued at $2.75 per share. The number of shares sold include 5,547,272 common shares pursuant to the full exercise by the underwriters of their option to purchase additional common shares. The gross proceeds from this offering were $117.0 million, before deducting offering expenses of $7.2 million. The proceeds from this financing is being used for: (i) the clinical development of our CD47 programs; and (ii) research, manufacturing and regulatory activities, and working capital and general corporate purposes.

Cash flows

The following table provides information regarding our cash flows for the years ended December 31, 2020 and 2019:

	Year Ended December 31,	
	2020	**2019**
	(in thousands)	
Cash used in operating activities	**$ (22,733)**	$ (24,751)
Cash provided by (used in) investing activities	**(35,483)**	9,665
Cash provided by financing activities	**290,907**	13,810
Impact of foreign exchange rate on cash and cash equivalents	**325**	542
Net increase (decrease) in cash and cash equivalents	**233,016**	(734)

Cash flows from operating activities

Our cash flows from operating activities are significantly influenced by our use of cash for operating expenses and working capital to support the business. We have historically experienced negative cash flows from operating activities as we develop our SIRPαFc programs.

Net cash used in operating activities in 2020 was $22.7 million, and consisted of a net loss of $59.3 million less non-cash adjustments of $36.7 million and changes in operating assets and liabilities of $0.1 million. Non-cash items primarily included the remeasurement of the DSU liability of $22.1 million (before it converted to equity) and stock-based compensation of $14.3 million. The net change in assets and liabilities was primarily due to an increase in accounts payable of $6.3 million, and an increase in prepaid expenses of $6.1 million due mainly to reservation fees for contract manufacturing planned in 2021.

Net cash used in operating activities in 2019 was $24.8 million and consisted of a net loss of $38.1 million less non-cash adjustments of $11.3 million and changes in operating assets and liabilities of $2.0 million. Non-cash items primarily included a change in the fair value of the warrant liability of $5.2 million, stock-based compensation of $3.5 million, and remeasurement of the DSU liability of $1.1 million. The net change in assets and liabilities was primarily due to an increase in accounts payable and accrued liabilities of $1.4 million, a decrease in amounts receivable of $0.5 million, and a decrease in prepaid expenses of $0.5 million.

Cash flows from investing activities

Our primary investing activities consist of purchases and maturities of marketable securities, and purchases of property and equipment.

Net cash used in investing activities in 2020 was $35.5 million, which included purchases of marketable securities of $66.3 million, partially offset by proceeds from maturities of marketable securities of $30.8 million.

Net cash provided by investing activities in 2019 was $9.7 million, which included proceeds from maturities of marketable securities of $87.5 million, partially offset by purchases of marketable securities of $77.5 million and purchases of property and equipment of $0.3 million.

Cash flows from financing activities

We generated net cash from financing activities of $290.9 million in 2020, primarily from net proceeds from our January 2020 and September 2020 common stock and preferred stock offerings of $275.1 million, proceeds from the exercise of warrants of $11.4 million, and proceeds from the exercise of stock options of $4.5 million.

We generated net cash from financing activities of $13.8 million in 2019, primarily from net proceeds from our February 2019 underwritten public offering of $13.9 million.

Contractual Obligations and Contingencies

We enter into research, development and license agreements in the ordinary course of business where we receive research services and rights to proprietary technologies. Milestone and royalty payments that may become due under various agreements are dependent on, among other factors, clinical trials, regulatory approvals and ultimately the successful development of a new drug, the outcome and timing of which is uncertain.

Under the license agreement for SIRPαFc, we have future contingent milestones payable of $0.2 million and $0.2 million on the first patient dosed in phase 2 and 3 trials, respectively, regulatory milestones on their first achievement totaling $3.8 million, and royalties on commercial sales.

We have two agreements with Catalent Pharma Solutions pursuant to which we acquired the right to use a proprietary expression system for the manufacture of two SIRPαFc constructs. Consideration for each license includes potential pre-marketing approval milestones of up to $0.9 million and aggregate sales milestone payments of up to $28.8 million.

We periodically enter into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require us to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken by us or on our behalf. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents us from making a reasonable estimate of the maximum potential amount we could be required to pay. Historically, we have not made any indemnification payments under such agreements and no amount has been accrued in our consolidated financial statements with respect to these indemnification obligations.

We have entered into agreements with certain vendors for the provision of goods and services, which includes manufacturing services with contract manufacturing organizations and development services with contract research organizations. These agreements may include certain provisions for purchase obligations and termination obligations that could require payments for the cancellation of committed purchase obligations or for early termination of the agreements. The amount of the cancellation or termination payments vary and are based on the timing of the cancellation or termination and the specific terms of the agreement and therefore are cancelable contracts.

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Critical Accounting Policies and Estimates

Our accounting policies are described in Note 2 of the consolidated financial statements. As disclosed in Note 2, the preparation of these consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ significantly from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are considered to be our critical accounting policies, which are those that are important to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Accrued Research and Development Expenses

As part of the process of preparing financial statements, we are required to estimate and accrue expenses, the largest of which are research and development expenses. This process involves the following:

- communicating with appropriate internal personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of actual cost;
- estimating and accruing expenses in our consolidated financial statements as of each balance sheet date based on facts and circumstances known to us at the time; and
- periodically confirming the accuracy of our estimates with service providers and making adjustments, if necessary.

Examples of estimated research and development expenses that we accrue include:

- fees paid to CMOs in connection with process development and manufacturing activities;
- fees paid to CROs and other vendors in connection with nonclinical and clinical trials;
- fees paid to investigative sites for patient enrolment, site fees and patient procedure and other costs in connection with clinical trials; and
- professional service fees for consulting and related services.

We base our expense accruals related to clinical trials on our estimates of the services received and efforts expended pursuant to contracts with multiple research institutions and CROs that conduct and manage clinical trials on our behalf. The financial terms of these agreements vary from contract to contract and may result in uneven payment flows. Payments under some of these contracts depend on factors such as the successful enrollment of patients and the completion of clinical trial milestones. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If we do not identify costs that we have begun to incur or if we underestimate or overestimate the level of services performed or the costs of these services, our actual expenses could differ from our estimates.

To date, we have not experienced significant changes in our estimates of accrued research and development expenses after a reporting period. However, due to the nature of estimates, we cannot assure you that we will not make changes to our estimates in the future as we become aware of additional information about the status or conduct of our clinical trials and other research activities.

Recently Issued and Adopted Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our consolidated financial statements included in this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

Reserved.

Item 8. Consolidated Financial Statements and Supplementary Data

The financial statements required to be filed pursuant to this Item 8 are appended to this report. An index of those financial statements is found in Item 15.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective at a reasonable assurance level in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (ii) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure. We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Internal Control Over Financial Reporting

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over our financial reporting. Our internal control system was designed to provide reasonable assurance that all transactions are accurately recorded, that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our assets are safeguarded.

Management has assessed the effectiveness of our internal control over financial reporting as at December 31, 2020. In making its assessment, management used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework in Internal Control - Integrated Framework (2013) to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2020.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting because smaller reporting companies are exempt from this requirement for so long as they remain smaller reporting companies. Therefore, management's report on internal control over financial reporting is not subject to attestation by the Company's independent registered public accounting firm.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Incorporated by reference from the information in our Proxy Statement, which we expect to file with the SEC within 120 days of the end of the fiscal year to which this Annual Report relates.

Item 11. Executive Compensation

Incorporated by reference from the information in our Proxy Statement, which we expect to file with the SEC within 120 days of the end of the fiscal year to which this Annual Report relates.

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

Incorporated by reference from the information in our Proxy Statement, which we expect to file with the SEC within 120 days of the end of the fiscal year to which this Annual Report relates.

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

Incorporated by reference from the information in our Proxy Statement, which we expect to file with the SEC within 120 days of the end of the fiscal year to which this Annual Report relates.

Item 14. Principal Accounting Fees and Services

Incorporated by reference from the information in our Proxy Statement, which we expect to file with the SEC within 120 days of the end of the fiscal year to which this Annual Report relates.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents Filed as Part of this Annual Report

1. *Financial Statements*

The following report and Financial Statements of the Company are included in this Annual Report:

2. *Financial Statement Schedules*

Financial statement schedules have been omitted because they are either not required or not applicable or the information is included in the consolidated financial statements or the notes thereto.

3. *Exhibits*

The exhibits required by Item 601 of Regulation S-K and Item 15(b) of this Annual Report on Form 10-K are listed in the Exhibit Index immediately preceding the signature page of this Annual report on Form 10-K. The exhibits listed in the Exhibit Index are incorporated by reference herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of **Trillium Therapeutics Inc.**

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Trillium Therapeutics Inc. (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with US generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Completeness of Accrual for Clinical and Contract Research Organization Costs
Description of the Matter	As disclosed in note 8 to the financial statements, the Company has accrued clinical and contract research organization costs of $6.0 million as of December 31, 2020. The Company's consolidated statement of operations and comprehensive loss includes clinical and contract research organization costs within research and development expenses of $25.3 million for the year ended December 31, 2020. The Company's determination of accrued clinical and contract research organization costs at each reporting period requires significant judgment by management, as estimates are based on a number of factors, including management's knowledge of the research and development programs and associated timelines, invoicing to date from third party vendors, and the provisions in the contracts. The completeness of clinical and contract research organization cost accruals is subject to risk of estimation uncertainty related to services having been received where invoices are not received from third party vendors prior to the time the financial statements are issued. Auditing the completeness of the Company's accrual for clinical and contract research organization costs requires significant auditor judgment, subjectivity and effort in performing appropriate procedures to evaluate the completeness and accuracy of the audit evidence management utilizes in these estimates.

How We Addressed the Matter in Our Audit	To evaluate the completeness of the accrual, our audit procedures included, among others, testing the accuracy and completeness of the underlying data used in the estimates and evaluating the progress of the trials that are used by management to estimate the accruals. We inspected the contracts and amendments to the contracts with third-party service providers, discussed the progress of clinical trials and other research and development projects with the Company's research and development personnel that oversee the clinical trials, and inspected data from the third-party trial administrators. We compared management's listing of trial sites to government databases, and we inspected patient progression schedules obtained from trial administrators and compared them to management's schedules. We also inspected subsequent invoices received from the trial administrators and cash disbursements made to the trial administrators, to the extent such invoices were received, or payments were made prior to the date that the financial statements were issued.

We have served as the Company's auditor since 2004
Toronto, Canada
March 18, 2021

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

TRILLIUM THERAPEUTICS INC.
Consolidated Balance Sheets
Amounts in thousands, except share data

	December 31, 2020 $	December 31, 2019 $
ASSETS		
Current		
Cash and cash equivalents	**247,600**	14,584
Marketable securities	**43,565**	8,082
Amounts receivable	**947**	327
Prepaid expenses	**6,417**	299
Total current assets	**298,529**	23,292
Property and equipment, net	**778**	1,369
Intangible assets	**783**	783
Operating lease right-of-use assets	**732**	949
Total non-current assets	**2,293**	3,101
Total assets	**300,822**	26,393
LIABILITIES		
Current		
Accounts payable	**7,891**	1,592
Accrued expenses	**9,323**	11,729
Current portion of operating lease liability	**274**	208
Stock option liability	**3,930**	-
Warrant liability	**-**	13,370
Total current liabilities	**21,418**	26,899
Operating lease liabilities, net of current portion	**557**	827
Total non-current liabilities	**557**	827
Total liabilities	**21,975**	27,726
Commitments and Contingencies (Note 14)		
STOCKHOLDERS' EQUITY (DEFICIT)		
Series I preferred shares, without par value: unlimited shares authorized; nil and 17,171,541 shares issued and outstanding at December 31, 2020 and 2019, respectively	-	2,348
Series II preferred shares, without par value: unlimited shares authorized; 6,750,000 and 8,868,403 shares issued and outstanding at December 31, 2020 and 2019, respectively	**15,698**	21,485
Common shares, without par value: unlimited shares authorized; 102,925,799 and 28,938,831 shares issued and outstanding at December 31, 2020 and 2019, respectively	**476,561**	149,393
Warrants	**4,931**	-
Additional paid-in capital	**38,634**	23,072
Accumulated other comprehensive loss	**(7,602)**	(7,602)
Accumulated deficit	**(249,375)**	(190,029)
Total stockholders' equity (deficit)	**278,847**	(1,333)
Total liabilities and stockholders' equity (deficit)	**300,822**	26,393

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

TRILLIUM THERAPEUTICS INC.
Consolidated Statements of Operations and Comprehensive Loss
Amounts in thousands, except share and per share data

	Year ended December 31, 2020 $	Year ended December 31, 2019 $
REVENUE	**148**	124
OPERATING EXPENSES		
Research and development	**25,348**	26,688
General and administrative	**36,255**	5,724
Total operating expenses	**61,603**	32,412
Operating loss	**(61,455)**	(32,288)
Other income (expense)		
Interest income, net	**2,009**	597
Net foreign currency gain (loss)	**202**	(846)
Revaluation of warrant liability	**-**	(5,517)
Total other income (expense), net	**2,211**	(5,766)
Net loss before income taxes	**(59,244)**	(38,054)
Income tax expense	**102**	28
Net loss	**(59,346)**	(38,082)
Other comprehensive income		
Foreign currency translation adjustments	**-**	414
Total other comprehensive income	**-**	414
Comprehensive loss	**(59,346)**	(37,668)
Net loss per share, basic and diluted	**(0.70)**	(1.15)
Weighted average number of common shares used in computing net loss per share, basic and diluted	**84,601,276**	25,264,447

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

TRILLIUM THERAPEUTICS INC.
Consolidated Statements of Stockholders' Equity
Amounts in thousands, except share data

	Common shares		Series I preferred shares		Series II preferred shares		Warrants		Additional paid-in capital	Accumulated other comprehensive loss	Deficit	Total
	#	$	#	$	#	$	#	$	$	$	$	$
Balance at December 31, 2019	28,938,831	149,393	17,171,541	2,348	8,868,403	21,485	-	-	23,072	(7,602)	(190,029)	(1,333)
Issuance of preferred and common shares, net of issue costs	55,076,884	271,826	-	-	1,250,000	3,225	-	-	-	-	-	275,051
Change from cash to equity settlement of deferred share units ("DSUs")	-	-	-	-	-	-	-	-	24,948	-	-	24,948
Reclassification of warrants from liability to equity	-	-	-	-	-	-	18,750,000	13,370	-	-	-	13,370
Reclassification of stock options from equity to liability	-	-	-	-	-	-	-	-	(225)	-	-	(225)
Shares issued upon redemption of DSUs	867,888	7,045	-	-	-	-	-	-	(7,045)	-	-	-
Exercise of options	2,267,084	18,419	-	-	-	-	-	-	(3,840)	-	-	14,579
Amounts receivable from exercise of options	-	(1,282)	-	-	-	-	-	-	-	-	-	(1,282)
Exercise of warrants	10,084,325	16,872	-	-	1,750,000	2,928	(11,834,325)	(8,439)	-	-	-	11,361
Conversion of preferred shares into common shares	5,690,787	14,288	(17,171,541)	(2,348)	(5,118,403)	(11,940)	-	-	-	-	-	-
Stock-based compensation	-	-	-	-	-	-	-	-	1,724	-	-	1,724
Net loss	-	-	-	-	-	-	-	-	-	-	(59,346)	(59,346)
Balance at December 31, 2020	**102,925,799**	**476,561**	**-**	**-**	**6,750,000**	**15,698**	**6,915,675**	**4,931**	**38,634**	**(7,602)**	**(249,375)**	**278,847**

	Common shares		Series I preferred shares		Series II preferred shares		Warrants		Additional paid-in capital	Accumulated other comprehensive loss	Deficit	Total
	#	$	#	$	#	$	#	$	$	$	$	$
Balance at December 31, 2018	14,688,831	129,513	17,171,541	2,348	4,368,403	35,235	-	-	20,555	(8,016)	(152,053)	27,582
Adoption of ASU 2016-02	-	-	-	-	-	-	-	-	-	-	106	106
Units issued, net of issue costs	6,550,000	2,131	-	-	12,200,000	3,999	-	-	-	-	-	6,130
Conversion of preferred shares into common shares	7,700,000	17,749	-	-	(7,700,000)	(17,749)	-	-	-	-	-	-
Stock-based compensation	-	-	-	-	-	-	-	-	2,517	-	-	2,517
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	414	-	414
Net loss	-	-	-	-	-	-	-	-	-	-	(38,082)	(38,082)
Balance, December 31, 2019	28,938,831	149,393	17,171,541	2,348	8,868,403	21,485	-	-	23,072	(7,602)	(190,029)	(1,333)

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

TRILLIUM THERAPEUTICS INC.
Consolidated Statements of Cash Flows
Amounts in thousands, except share data

	Year ended December 31, 2020 $	Year ended December 31, 2019 $
Cash flows from operating activities		
Net loss	**(59,346)**	(38,082)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Stock-based compensation	**36,451**	4,598
Remeasurement of warrant liability	**-**	5,154
Depreciation of property and equipment	**591**	609
Unrealized foreign exchange loss (gain)	**(325)**	979
	(22,629)	(26,742)
Changes in operating assets and liabilities		
Amounts receivable	**(620)**	511
Prepaid expenses	**(6,118)**	484
Operating lease right of use asset	**217**	148
Accounts payable	**6,299**	1,402
Accrued expenses	**322**	(383)
Operating lease liability	**(204)**	(171)
Net cash used in operating activities	**(22,733)**	(24,751)
Cash flows from investing activities		
Maturities of marketable securities	**30,797**	87,475
Purchases of marketable securities	**(66,280)**	(77,486)
Purchases of property and equipment	**-**	(324)
Net cash provided by (used in) investing activities	**(35,483)**	9,665
Cash flows from financing activities		
Repayment of loan payable	**-**	(73)
Exercise of stock options	**4,495**	-
Exercise of warrants	**11,361**	-
Issuance of warrants, net of issuance costs	**-**	7,717
Issuance of preferred and common shares, net of issuance costs	**275,051**	6,166
Net cash provided by financing activities	**290,907**	13,810
Impact of foreign exchange rate on cash and cash equivalents	**325**	542
Net increase (decrease) in cash and cash equivalents	**233,016**	(734)
Cash and cash equivalents, beginning of year	**14,584**	15,318
Cash and cash equivalents, end of year	**247,600**	14,584
Supplemental cash flow disclosures		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	**-**	1,097
Cash paid for operating lease payments	**343**	341
Cash paid for income taxes	**23**	13
Reclassification of warrants from liability to equity	**13,370**	-
Reclassification of stock options from equity to liability	**225**	-
Fair value transfer of stock option liability to equity upon stock option exercise	**8,802**	-

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

1. Description of the business

Trillium Therapeutics Inc. (the "Company" or "Trillium") is a clinical-stage immuno-oncology company developing innovative therapies for the treatment of cancer. The Company's two clinical programs, TTI-621 and TTI-622, target CD47, a "don't eat me" signal that cancer cells frequently use to evade the immune system. The Company is a corporation existing under the laws of the Province of British Columbia.

Since inception, the Company has been primarily involved in research and development activities and has incurred significant net losses, which were $59.3 million and $38.1 million for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, the Company had an accumulated deficit of $249.4 million. The Company anticipates that it will continue to incur significant expenses and operating losses for the foreseeable future as it continues to develop its product candidates. As a result, the Company will require substantial additional capital to fund its continued operations and pursue its growth strategy. The Company has not generated any product revenues and has financed its operations primarily through public offerings of its equity securities. There can be no assurance that the Company will be able to raise additional funds or enter into such other agreements on favorable terms, or at all. The failure of the Company to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the Company's business, results of operations, and financial condition.

As of December 31, 2020, the Company had cash and cash equivalents and marketable securities of $291.2 million. The Company believes that its existing cash and cash equivalents and marketable securities will enable it to fund its expected operating requirements for at least 12 months following the issuance of these consolidated financial statements.

The Company is subject to a number of risks similar to other biopharmaceutical companies in the early stage, including, but not limited to, the need to obtain adequate additional funding, possible failure of preclinical testing or clinical trials, the need to obtain marketing approval for its product candidates, competitors developing new technological innovations, the need to successfully commercialize and gain market acceptance of the Company's products, and protection of proprietary technology. If the Company does not successfully obtain regulatory approval, commercialize or partner any of its product candidates, it will be unable to generate revenue from product sales or achieve profitability.

2. Summary of significant accounting policies

(a) Basis of presentation and consolidation

These accompanying consolidated financial statements, including comparatives, have been prepared in accordance with US generally accepted accounting principles ("US GAAP").

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Trillium Therapeutics USA Inc. The financial statements of the subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies. Intercompany transactions, balances and gains and losses on transactions between the Company and the subsidiaries are eliminated.

(b) Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements, reported amounts of revenue and expenses during the reporting periods, and related disclosures in the accompany notes. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, accrued clinical and contract research organization costs, stock-based compensation expense and valuation of warrant liability. The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and may impact future periods. Actual results could differ materially from these estimates and assumptions.

COVID-19

Given the ongoing and dynamic nature of the circumstances surrounding the COVID-19 pandemic, it is difficult to predict how significant the impact of COVID-19, including any responses to it, will be on the global economy and the business of the Company or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including new information which may emerge about COVID-19 and additional actions which may be taken to contain it. Such developments could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow, and exposure to credit risk. The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business.

2. Summary of significant accounting policies (continued)

(c) Foreign currency translation

Transactions in foreign currencies are translated to the functional currency at the rate on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange at each reporting date, with all differences taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Functional currency

Management has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and considered various factors including the currency of historical and future expenditures and the currency in which funds from financing activities are generated. The Company's functional currency is only changed when there is a material change in the underlying transactions, events and conditions.

On January 1, 2020, the Company's functional currency was changed to US dollars from Canadian dollars. The change was made to reflect that US dollars has become the currency of the primary economic environment in which the Company operates, counting for a significant part of the Company's labour, operations and financing. The change has been implemented prospectively.

(d) Fair value measurements

In accordance with ASC 820 *Fair Value Measurement*, the Company determines the fair value of financial and non-financial assets and liabilities using the fair value hierarchy, which establishes three levels of inputs that may be used to measure fair value, as follows:

- Level 1: Inputs which include quoted prices in active markets for identical assets and liabilities.
- Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The hierarchy requires the use of observable market data when available. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The fair value of the stock option liability is determined using a Level 3 input that is unobservable and is significant to the fair value of the liability (i.e. expected volatility). For the year ended December 31, 2019, the warrant liability was classified as Level 3.

Cash and cash equivalents, marketable securities, amounts receivable, accounts payable and accrued liabilities, and other current liabilities due within one year, are all short-term in nature and, as such, their carrying values approximate fair values. Marketable securities, which primarily include guaranteed investment certificates and corporate bonds held by the Company, are valued at amortized cost.

(e) Concentrations of credit risk and off-balance sheet risk

Financial instruments that potentially expose the Company to concentrations of credit risk primarily consist of cash and cash equivalents, marketable securities, and amounts receivable. The Company follows an investment policy to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs. The Company maintains its cash and cash equivalent balances with high-quality financial institutions and invests in high-grade short-term instruments. Consequently, the Company believes that such funds are subject to minimal credit risk.

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

(f) Cash and cash equivalents, and marketable securities

Cash and cash equivalents

Cash equivalents include guaranteed investment certificates ($nil as of December 31, 2020 and $7.0 million as of December 31, 2019) with an original maturity of 90 days or less.

2. Summary of significant accounting policies (continued)

Marketable securities

Marketable securities consist of guaranteed investment certificates and bonds with an original maturity of greater than 90 days when purchased. Marketable securities with a remaining maturity date greater than one year from the balance sheet date are classified as non-current. The Company has classified its marketable securities as held-to-maturity and they are measured at amortized cost. The Company does not intend to sell its marketable securities and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases. Accrued interest receivable on marketable securities is included within amounts receivable on the consolidated balance sheets.

(g) Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost net of accumulated depreciation and accumulated impairment losses. Cost includes the expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in profit or loss.

Depreciation

The estimated useful lives and the methods of depreciation are as follows:

Asset	Basis
Lab equipment	20% declining balance
Computer equipment	30% declining balance
Office equipment	20% declining balance
Leasehold improvements	Straight-line over expected lease term

Estimates for depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Maintenance and repairs that do not extend the life or improve the asset are expensed when incurred.

(h) Intangible assets

Intangible assets that consist of intellectual property acquired in a business combination and that are used in research and development activities are recognized and measured at fair value on the acquisition date. These are considered indefinite lived intangible assets until the research is complete (in which case they become finite-lived) or they are abandoned (at which time they are written off).

Intangible assets with indefinite lives are not amortized, but tested for impairment annually, or whenever there is an impairment indicator. Intangible assets that are not deemed to have an indefinite life are amortized and recognized in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use in the manner intended by management.

The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

(i) Impairment of long-lived assets

The Company's long-lived assets are reviewed at each reporting date to determine whether events or changes in circumstances indicate there is any impairment. If such an indication exists, the recoverable amount is estimated. The recoverability of an asset or asset group is measured by the sum of the estimated undiscounted future cash flows expected to result from the use and eventual disposal of the relevant asset or asset group. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows of other assets. If such assets are considered impaired, an impairment loss is recognized and measured by the amount by which the carrying amount of an asset or asset group exceeds its estimated fair value. Indefinite-lived intangible assets are tested for impairment annually, or more frequently if indicators of impairment are present. To date, no such impairment losses have been recorded.

2. Summary of significant accounting policies (continued)

(j) Leases

The Company determines if an arrangement is or contains a lease at inception. If a lease is identified in an arrangement, then the Company determines whether it is an operating lease or a finance lease.

A lease qualifies as a finance lease if any of the following criteria are met at the inception of the lease:

- There is a transfer of ownership of the leased asset to the Company by the end of the lease term.
- The Company holds an option to purchase the leased asset that it is reasonably certain to exercise.
- The lease term is for a major part of the remaining economic life of the leased asset.
- The present value of the sum of lease payments equals or exceeds substantially all of the fair value of the leased asset.
- The nature of the leased asset is specialized to the point that it is expected to provide the lessor no alternative use at the end of the lease term.

All other leases are classified as operating leases. The Company does not have any finance leases.

Operating leases are recorded as operating lease right-of-use assets and operating lease liabilities in the Company's consolidated balance sheets. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term.

The Company uses an implicit rate when readily available, or its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. The operating lease right-of-use assets also include any lease prepayments made and reduced by lease incentives. The Company's lease terms may include options to extend the lease when it is reasonably certain that such options will be exercised.

Lease expenses are recognized on a straight-line basis over the lease term. The Company elected the short-term lease recognition exemption. Additionally, tenant improvement allowances are recognized as a reduction to lease expense on a straight-line basis over the respective lease term.

(k) Revenue recognition

The Company enters into licensing agreements which are within the scope of ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), under which the Company licenses rights to certain of the Company's product candidates. The terms of these arrangements typically include payment of one or more of the following: non-refundable, upfront fees; reimbursement of patent costs; development, regulatory, and commercial milestone payments; and royalties on net sales of licensed products.

Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine the appropriate amount of revenue to be recognized for arrangements determined to be within the scope of ASC 606, the Company performs the following five steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect consideration it is entitled to in exchange for the goods or services it transfers to the customer.

The Company's contracts often include development and regulatory milestone payments which are assessed under the most likely amount method and constrained if it is probable that a significant revenue reversal would occur. Milestone payments that are not within the Company's control or the licensee's control, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. At the end of each reporting period, the Company re-evaluates the probability of achievement of such development milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues in the period of adjustment. To date, the Company has not recognized any consideration related to the achievement of development, regulatory, or commercial milestone revenue resulting from any of the Company's licensing agreements.

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). To date, the Company has not recognized any consideration related to sales-based royalty revenue resulting from any of the Company's licensing agreements.

2. Summary of significant accounting policies (continued)

(l) Research and development costs

Expenditures relating to research and development are expensed as incurred. Research and development expenses include external expenses incurred under arrangements with third parties; salaries and personnel-related costs, including non-cash stock-based compensation expense; license fees to acquire in-process technology and other expenses, which include direct and allocated expenses for laboratory, facilities and other costs, partially offset by fully refundable research and development tax credits. The Company recognizes the benefit of refundable research and development tax credits as a reduction of research and development costs when there is reasonable assurance that the amount claimed will be recovered.

Intellectual property acquired separately for a particular research and development project and that have no alternative future uses (in other research and development projects or otherwise) are expensed in research and development costs at the time the costs are incurred.

In certain circumstances, the Company is required to make non-refundable advance payments to vendors for goods or services that will be received in the future for use in research and development activities. In such circumstances, the non-refundable advance payments are deferred and capitalized, even when there is no alternative future use for the research and development, until related goods or services are provided. In circumstances where amounts have been paid in excess of costs incurred, the Company records a prepaid expense. As of December 31, 2020, the Company had prepaid expenses of $6.4 million, a significant amount of which relates to advance payments to contract manufacturing organizations.

The Company's manufacturing, non-clinical studies, and clinical trials are performed by third-party contract research organizations ("CROs"). Some of these expenses are billed monthly for services performed, while others are billed based upon milestones achieved. The Company records accrued liabilities for estimated ongoing research costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies, including the phase or completion of events, invoices received and contracted costs. The Company's estimates are highly dependent upon the timeliness and accuracy of the data provided by the respective CROs regarding the status of the contracted activity, with adjustments made when deemed necessary. Significant estimates are made in determining the accrued balances at the end of any reporting period. Actual results could differ from the Company's estimates.

(m) Patent Costs

The Company expenses costs associated with intellectual property-related matters, such as patent application expenses and related legal costs, as incurred and classifies such costs as general and administrative expenses in the accompanying statements of operations and comprehensive loss.

(n) Stock-based compensation

The Company early-adopted Accounting Standards Update ("ASU") No. 2018-07 *Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* ("ASU 2018-07") in 2018. Under this new standard, stock-based payment awards granted to non-employees as consideration for services received are measured on the grant date at the fair value of the equity instruments that the Company is obligated to issue when the good has been delivered or the service has been rendered and any other conditions necessary to earn the right to benefit from the instruments have been satisfied.

The grant-date fair value of stock-based payment awards granted to employees is recognized as personnel costs, with a corresponding increase in additional paid-in capital, over the period that the employees unconditionally become entitled to the awards. The grant-date fair value is determined using the Black-Scholes option-pricing model. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that met the related service and non-market vesting conditions at the vesting date. The unvested stock-based compensation related to stock option forfeitures are recognized as they occur.

As of January 1, 2020, the Company's functional currency changed to US dollars. As a result of the change in functional currency, stock options issued to Canadian employees are continued to be classified as equity, and stock options issued to US employees under the 2018 Stock Option Plan and the 2019 Inducement Plan are to be classified as a stock option liability as they have exercise prices denominated in Canadian dollars. The change in functional currency was treated as a stock option modification and accordingly $0.2 million was reclassified from additional paid-in capital to stock option liability on January 1, 2020. For each reporting period after the modification date, the stock option liability is adjusted so that it equals the portion of the requisite service provided multiplied by the modified award's fair value at the end of the reporting period. All stock options granted under the Company's 2020 Omnibus Equity Incentive Plan ("Omnibus Plan") have exercise prices denominated in US dollars.

2. Summary of significant accounting policies (continued)

(o) Income taxes

The Company accounts for income taxes using an asset and liability approach. Under this method, deferred tax assets and liabilities are determined based on the temporary differences between the financial reporting and tax reporting basis of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when these differences are expected to reverse.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

The Company records a valuation allowance to reduce its deferred tax assets to reflect the net amount that it believes as more likely than not to be realized. Realization of the deferred tax assets is dependent on the generation of future taxable income, the amount and timing of which are uncertain. The valuation allowance requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable. Based upon the weight of available evidence at December 31, 2020, the Company continues to maintain a full valuation allowance against all of its deferred tax assets.

(p) Comprehensive loss

Comprehensive loss represents all changes in equity except those resulting from transactions with stockholders. The Company's foreign currency translation adjustments during the periods represents the components of other comprehensive income that is excluded from the reported net loss.

(q) Net loss per share

Basic loss per share is computed by dividing the net loss available to common stockholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average number of shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, redemption of deferred share units and conversion of preferred shares, if dilutive. The number of additional shares is calculated by assuming that outstanding preferred shares would convert to common shares and that outstanding stock options and warrants would be exercised and the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period.

The inclusion of the Company's stock options, warrants, deferred share units and preferred shares in the computation of diluted loss per share has an antidilutive effect on the loss per share and has therefore been excluded from the calculation of diluted loss per share.

(r) Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker in deciding how to allocate resources and assess performance. The Company and the Company's chief operating decision maker, the Company's Chief Executive Officer, views the Company's operations and manages its business as a single operating segment, which is the research and development therapies for the treatment of cancer. The Company operates in the US and Canada.

(s) Adopted and recent accounting pronouncements

Adopted accounting pronouncements as of January 1, 2019

Leases

The Company adopted ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02") on January 1, 2019 using the modified retrospective approach. This new standard amends the guidance for the accounting and disclosure of leases and requires that lessees recognize on the balance sheet both the assets and liabilities that arise from leases, including leases classified as operating leases under previous guidance (ASC 840, *Leases*), and disclose qualitative and quantitative information about leasing arrangements.

The Company elected the package of practical expedients permitted under the new standard (ASC 842 *Leases* ("ASC 842")), and applied it to all its leases at the transition date without reassessing (a) whether the contracts contain a lease under ASC 842, (b) whether classification of the operating leases would be different in accordance with ASC 842 or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC 842 at lease commencement. In addition, the Company also elected the short-term lease practical expedients allowed under the standard.

As a result of the adoption of ASC 842, the Company recorded a right-of-use asset of $0.5 million and a lease liability $0.6 million on January 1, 2019 related to its Mississauga facility operating lease. The impact on the Company's accumulated deficit as of the adoption date was $0.1 million. This standard does not have material impact on the Company's consolidated results of operations or cash flows.

2. Summary of significant accounting policies (continued)

Adopted accounting pronouncements as of January 1, 2020

The Company adopted the following standards as of January 1, 2020. The adoption of these standards did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13 *Fair Value Measurement (Topic 820).* The amendments in this ASU modify the disclosure requirements on fair value measurements in ASC 820 *Fair Value Measurement*. Various disclosure requirements have been removed, including the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the policy for timing of transfers between levels, and the valuation processes for Level 3 fair value measurements held at the end of the reporting period. The ASU also modified various disclosure requirements and added some disclosure requirements for Level 3 fair value measurements.

Recent accounting pronouncements

In June 2016, the FASB issued ASU No. 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new standard changes the impairment model for most financial assets and certain other instruments. Under the new standard, entities holding financial assets and net investment in leases that are not accounted for at fair value through net income are to present them at the net amount expected to be collected. An allowance for credit losses will be a valuation account that will be deducted from the amortized cost basis of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. The Company has determined that the adoption of this standard will not have a material impact on the consolidated financial statements.

3. Fair value measurements

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and 2019 are as follows (in thousands):

	Total $	Quoted prices in active markets (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
December 31, 2020				
Stock option liability	3,930	-	-	3,930
Total liabilities	3,930	-	-	3,930
December 31, 2019				
Assets				
Cash and cash equivalents				
Guaranteed investment certificates	7,000	7,000	-	-
Total assets	7,000	7,000	-	-
Liabilities				
Warrant liability	13,370	-	-	13,370
Total liabilities	13,370	-	-	13,370

There were no changes in valuation techniques or transfers between Levels 1, 2 or 3 during the years ended December 31, 2020 and 2019. The Company's stock option liability is measured at fair value on a recurring basis using unobservable inputs that are classified as Level 3 inputs. As of December 31, 2020 and 2019, the balances of the stock option liability were $3.9 million and $nil, respectively. Refer to Note 11 for the valuation techniques and assumptions used in estimating the fair value of the stock option liability. The change in fair value of the stock option liability for the year ended December 31, 2020 was as follows (in thousands):

	2020 $
Beginning balance	-
Reclassification to stock option liability due to change in functional currency	225
Change in fair value of stock option liability	12,507
Exercises of stock options	(8,802)
Ending balance	3,930

The change in fair value of stock option liability is recorded as compensation expense in the statements of operations and comprehensive loss. For the year ended December 31, 2020, $4.8 million of change in fair value of stock option liability was included in research and development expenses, and $7.7 million was included in general and administrative expenses.

4. Amounts receivable

The Company's amounts receivable consisted of the following as of December 31 (in thousands):

	2020 $	2019 $
Research and development tax credits receivable	469	289
Interest receivable on marketable securities	478	38
Total	947	327

5. Property and equipment

Property and equipment, net consisted of the following as of December 31 (in thousands):

	2020 $	2019 $
Laboratory equipment	1,477	1,477
Office equipment and leasehold improvements	2,127	2,127
Computer equipment	263	263
Total property and equipment, gross	3,867	3,867
Less: accumulated depreciation	(3,089)	(2,498)
Property and equipment, net	778	1,369

Depreciation expense for the years ended December 31, 2020 and 2019 were $0.6 million and $0.8 million, respectively.

6. Leases

On January 1, 2019, the date of adoption of ASC 842, the Company had an existing operating lease (the "2015 Lease"), to lease 22,003 square feet of a Mississauga, Ontario facility. The term of the 2015 Lease commenced on November 1, 2015. The 2015 Lease has an initial term of 10 years from the commencement date, and the Company has an option to extend the initial term for two further terms of five years each. The Company had the option to terminate the lease agreement any time after 5 years (i.e. after October 31, 2020) with a minimum of 9 months prior written notice. If the Company terminates the lease agreement between the 61st to the 84th month, the Company is obligated to pay the unamortized balance of tenant improvement allowance based on a rate of 8%, plus 4 months minimum rent and additional rent. Upon early termination after the 84th month, the Company is obligated to pay the unamortized balance of tenant improvement allowance based on a rate of 8%, plus 2 months minimum rent and additional rent. As part of the determination of its right-of-use assets, the Company assumed that it would terminate this lease at the end of the 84th month. The landlord agreed to pay the Company a lease inducement for the 2015 Lease of $0.2 million to reimburse the Company for leasehold improvements being made to the leased premises and the acquisition of certain equipment.

On April 1, 2019, the Company entered into an operating lease (the "2019 Lease") to lease approximately 3,200 square feet of office space located in Cambridge, Massachusetts. The 2019 Lease has an initial term of 5 years from the commencement date with no option to extend the initial term. The annual base rent increases on an annual basis from the 13th month to approximately $0.2 million for the fifth year of the lease. The landlord agreed to pay the Company a lease inducement of $0.1 million to reimburse the Company for leasehold improvements being made to the leased premises.

Future minimum lease payments under non-cancellable lease agreements as of December 31, 2020 were as follows (in thousands):

	December 31, 2020 $
2021	343
2022	452
2023	184
2024	46
2025	-
2026 and beyond	-
Total minimum lease payments	1,025
Less: Imputed interest	(194)
Present value of lease liabilities	831

6. Leases (continued)

Lease expense is recognized on a straight-line basis over the term of the leases and accordingly the Company records the difference between cash rent payments and the recognition of lease expense against the operating lease right-of-use asset. For the years ended December 31, 2020 and 2019, variable lease payments relating to the Company's operating leases were $0.1 million and $0.1 million, respectively. Lease expenses during the years ended December 31, 2020 and 2019 were $0.4 million and $0.3 million, respectively. As of December 31, 2020, the weighted average remaining lease term was 2.5 years and the weighted average incremental borrowing rate used to determine the operating lease liability was 15%.

7. Intangible assets

Intangible assets consist of in-process research and development ("R&D") for the SIRPαFc programs which resulted from a transaction in 2013 that was accounted for as a business combination. The in-process R&D continues to be accounted for as an indefinite-lived intangible asset as the underlying R&D projects have not been completed or abandoned.

8. Accrued expenses

The Company's accrued expenses consisted of the following as of December 31 (in thousands):

	2020 $	2019 $
Accrued employee compensation	1,507	1,474
Accrued clinical and contract research organization costs	5,978	6,765
Other accrued expenses	1,802	715
Amounts due to related parties	36	2,775
Total	9,323	11,729

Amounts due to related parties include accrued vacation. In the prior year amounts due to related parties also included cash-settled DSUs.

9. Stockholder's equity

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares, Class B shares and First Preferred Shares, in each case without nominal or par value. Common shares are voting and may receive dividends as declared at the discretion of the Board of Directors. Class B shares are non-voting and convertible to common shares at the holder's discretion, on a one-for-one basis. Upon dissolution or wind-up of the Company, Class B shares participate rateably with the common shares in the distribution of the Company's assets. First Preferred Shares have voting rights as decided upon by the Board of Directors at the time of grant. Upon dissolution or wind-up of the Company, First Preferred Shares are entitled to priority over common shares and Class B shares.

The Company has Series I First Preferred Shares that are non-voting, may receive dividends as declared at the discretion of the Board of Directors, and are convertible to common shares at the holder's discretion, on the basis of 30 Series I First Preferred Shares for one common share.

The Company has Series II First Preferred Shares that are non-voting, may receive dividends as declared at the discretion of the Board of Directors, and are convertible to common shares at the holder's discretion, on the basis of one Series II First Preferred Share for one common share.

Holders may not convert Series I or Series II First Preferred Shares into common shares if, after giving effect to the exercise of conversion, the holder would have beneficial ownership or direction or control over common shares in excess of 4.99% of the then outstanding common shares. This limit may be raised at the option of the holder on 61 days' prior written notice: (i) up to 9.99%, (ii) up to 19.99%, subject to clearance of a personal information form submitted by the holder to the Toronto Stock Exchange and (iii) above 19.99%, subject to approval by the Toronto Stock Exchange and stockholder approval.

(b) Shares issued – year ended December 31, 2020

In January 2020, the Company completed an underwritten public offering of 41,279,090 common shares and 1,250,000 Series II Non-Voting Convertible First Preferred Shares, each issued at $2.75 per share. The number of shares sold include 5,547,272 common shares pursuant to the full exercise by the underwriters of their option to purchase additional common shares. The gross proceeds from this offering were $117.0 million before deducting offering expenses of $7.2 million.

9. Stockholder's equity (continued)

In September 2020, the Company issued 2,297,794 common shares at a price of $10.88 per share to Pfizer Inc. in a registered direct offering. The gross proceeds from this offering were $25.0 million, before deducting offering expenses of $0.1 million.

In September 2020, the Company also completed an underwritten public offering of 11,500,000 common shares, issued at $13.00 per share. The number of shares sold include 1,500,000 common shares pursuant to the full exercise by the underwriters of their option to purchase additional common shares. The gross proceeds from this offering were $149.5 million, before deducting offering expenses of $9.1 million.

During the year ended December 31, 2020, 10,084,325 common shares were issued on the exercise of 10,084,325 common share purchase warrants for proceeds of $9.7 million, and 1,750,000 Series II First Preferred Shares were issued on the exercise of 1,750,000 Series II First Preferred Share purchase warrants for proceeds of $1.7 million.

During the year ended December 31, 2020, 17,171,541 Series I First Preferred Shares were converted into 572,384 common shares, and 5,118,403 Series II First Preferred Shares were converted into 5,118,403 common shares.

(c) Shares issued – year ended December 31, 2019

In February 2019, the Company completed an underwritten public offering of 6,550,000 common share units and 12,200,000 Series II Non-Voting Convertible First Preferred Share units, each issued at $0.80 per unit. The gross proceeds from this offering were $15.0 million, before deducting offering expenses of $1.1 million. Each common share unit comprises one common share of the Company and one common share purchase warrant. Each common share purchase warrant will be exercisable for one common share at a price of $0.96 per common share purchase warrant for 60 months. Each preferred share unit comprises one Series II First Preferred Share and one Series II First Preferred Share purchase warrant. Each Series II First Preferred Share purchase warrant will be exercisable for one Series II First Preferred Share at a price of $0.96 per Series II First Preferred Share purchase warrant for 60 months.

Each purchase warrant has a price protection feature that resets the exercise price of the warrant under certain conditions, including the issuance of common shares, or securities convertible into common shares, at prices below the exercise price. In addition, in the event of a "Fundamental Transaction" (as defined in the related warrant agreement, which generally includes any merger with another entity, the sale, transfer or other disposition of all or substantially all of the Company's assets to another entity, or the acquisition by a person of more than 50% of the Company's common shares), each warrant holder will have the right up to 90 days after the consummation of the Fundamental Transaction to require the Company to repurchase the warrant for a purchase price in cash equal to the Black-Scholes value (as calculated under the warrant agreement) of the then remaining unexercised portion of such warrant on the date of such Fundamental Transaction.

The purchase warrants were recognized as liabilities, as the warrants were issued in US dollars, which differed from the Company's functional currency. Proceeds were allocated amongst common shares, preferred shares and warrants by applying the residual method, with fair value of the warrants determined using the Black-Scholes model, resulting in an initial warrant liability of $8.4 million and $0.6 million of issuance costs allocated to warrants. Accordingly, $2.3 million and $4.3 million of residual gross proceeds were allocated to common shares and preferred shares, respectively; and $0.2 million and $0.3 million of issuance costs were allocated to common shares and preferred shares, respectively. For the year ended December 31, 2019, warrants were revalued each period end at fair value through profit and loss.

The warrant liability was determined based on the fair value of warrants at the issue date and the reporting dates using the Black-Scholes model with the following assumptions:

	Issue date February 28, 2019	Reporting date December 31, 2019
Expected warrant life	5.0 years	4.2 years
Risk-free interest rate	1.8%	1.5%
Dividend yield	0.0%	0%
Expected volatility	86.9%	96.8%

The risk-free interest rate at the issue date and on the reporting date of December 31, 2019 was based on the implied yield on a Government of Canada zero-coupon issue with a remaining term equal to the expected term of the warrants. The expected volatility was based on the historical volatility for the Company. For the year ended December 31, 2019, $5.0 million was recognized as an expense relating to the fair valuation of the warrant liability.

As of January 1, 2020, as a result of the Company's change in functional currency to US dollars, the warrant liability was reclassified to equity. Accordingly $13.4 million was transferred from warrant liability to equity.

9. Stockholder's equity (continued)

(d) Reserved

The Company has reserved for issuance the following common shares:

	December 31, 2020	December 31, 2019
Warrants for the purchase of common shares	1,515,675	11,600,000
Shares reserved for conversion of outstanding preferred shares	6,750,000	9,440,788
Shares reserved for exercise of outstanding stock options	5,326,710	5,366,645
Shares reserved for issuances under the 2020 Omnibus Equity Incentive Plan	8,005,953	-
Shares reserved for issuances under the 2019 Inducement Stock Option Plan	-	1,200,000
Shares reserved for issuances under the 2018 Stock Option Plan	-	327,856
Shares reserved for redemption of outstanding deferred share units	2,219,226	-
	23,817,564	27,935,289

10. Net loss per share

Basic net loss per share is calculated by dividing net loss by the weighted average shares outstanding during the period, without consideration for common share equivalents. Diluted net loss per share is calculated by adjusting weighted average shares outstanding for the dilutive effect of common share equivalents outstanding for the period. For purposes of the dilutive net loss per share calculation, preferred shares, warrants, stock options, and deferred share units are considered to be common share equivalents but are excluded from the calculation of diluted net loss per share, as their effect would be anti-dilutive; therefore, basic and diluted net loss per share were the same for all periods presented as a result of the Company's net loss.

The following common share equivalents were excluded from the computation of diluted net loss per share for the years ended December 31, because including them would have had an anti-dilutive effect.

	Year ended December 31, 2020	Year ended December 31, 2019
Series I First Preferred Shares	-	572,385
Series II First Preferred Shares	6,750,000	8,868,403
Common warrants	1,515,675	11,600,000
Preferred warrants	5,400,000	7,150,000
Stock options	5,326,710	5,366,645
Deferred share units (equity-settled)	2,219,226	-
	21,211,611	33,557,433

11. Stock-based compensation

(a) Stock option plans

2020 Omnibus Plan

The 2020 Omnibus Equity Incentive Plan ("Omnibus Plan") was adopted by the Board of Directors on May 6, 2020 and approved by the stockholders at the annual general and special meeting of stockholders held on June 30, 2020. Under the Omnibus Plan, the Company may grant non-statutory and incentive stock options, share appreciation rights, restricted share units, restricted share awards, unrestricted share awards, deferred share units and dividend equivalent rights. The maximum number of common shares issuable under the Omnibus Plan is 13,400,000 common shares. The Omnibus Plan replaces the 2018 Stock Option Plan, the 2016 Cash-Settled DSU Plan and the 2019 Inducement Stock Option Plan (the "Predecessor Plans") as of July 1, 2020. As of December 31, 2020, the Company was entitled to issue an additional 8,005,953 common shares under the Omnibus Plan.

From July 1, 2020 to December 31, 2020, the Company granted 2,637,950 stock options with a weighted average exercise price of $12.63 per share. The total fair value of stock options from July 1, 2020 to December 31, 2020, was $27.5 million and the weighted average grant date fair value was $10.43 per share.

11. Stock-based compensation (continued)

2019 Inducement Stock Option Plan

Stock options of the Corporation that were granted and are outstanding under the 2019 Inducement Stock Option Plan ("2019 Inducement Plan") will remain subject to the terms and conditions of the 2019 Inducement Plan; however, no new stock options of the Corporation will be granted under the 2019 Inducement Plan. For the year ended December 31, 2020 no options were granted under the 2019 Inducement Plan. As of December 31, 2020 there were 1,275,000 stock options outstanding under the 2019 Inducement Plan.

2018 Stock Option Plan

Stock options that were granted and are outstanding under the 2018 Stock Option Plan ("2018 Plan") will remain subject to the terms and conditions of the 2018 Plan; however, no new stock options of the Corporation will be granted under the 2018 Plan after June 30, 2020. As of December 31, 2020, there were 1,429,760 stock options outstanding under the 2018 Plan.

For the six months ended June 30, 2020, the Company issued 7,000 stock options with a weighted average exercise price of $4.87 per share. The total fair value of stock options issued for the six months ended June 30, 2020 was $28 thousand and the weighted average grant date fair value was $3.95 per share.

For the year ended December 31, 2020, 2,267,084 stock options with a weighted average exercise price of $2.64 per share were exercised and 31,499 stock options with a weighted average exercise price of $14.50 per share were cancelled or expired.

Valuation and stock-based compensation expense

Total stock-based compensation expense recorded related to stock options granted to employees and non-employees for the years ended December 31 were as follows (in thousands):

	2020 $	2019 $
Research and development	5,812	2,165
General and administrative	8,252	351
Total stock-based compensation expense	14,064	2,516

Stock-based compensation expense for employees were $13.6 million and $2.5 million for the years ended December 31, 2020 and 2019, respectively. Of the total stock-based compensation expense for employees for the year ended December 31, 2020, $12.5 million related to stock options accounted for as liability awards ($nil for the year ended December 31, 2019).

Stock-based compensation expense for non-employees were $0.5 million and $nil for the years ended December 31, 2020 and 2019, respectively.

As of December 31, 2020, there was $56.1 million of unrecognized compensation expense related to unvested stock options that is expected to be recognized over a weighted average period of 2.9 years.

Changes in the number of stock options outstanding during the years ended December 31 were as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
Outstanding at December 31, 2018	2,699,205	$ 7.75	7.0	-
Granted	3,575,600	$ 0.40		
Forfeited	(200,215)	$ 8.50		
Cancelled/expired	(707,945)	$ 10.66		
Outstanding at December 31, 2019	5,366,645	$ 2.44	9.0	2,246
Granted	2,644,950	$ 12.60		
Exercised	(2,267,084)	$ 2.64		
Forfeited	(386,304)	$ 2.81		
Cancelled/expired	(31,499)	$ 14.50		
Outstanding at December 31, 2020	5,326,708	$ 7.30	9.1	39,670
Exercisable at December 31, 2020	1,308,749	$ 4.67	7.8	13,294

11. Stock-based compensation (continued)

The following table reflects the stock options outstanding as of December 31, 2020:

	Stock options outstanding			Stock options exercisable	
Exercise prices	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$0.29 - $0.57	2,095,184	8.8	$ 0.37	709,688	$ 0.38
$2.98 - $3.88	210,776	7.9	$ 3.22	109,248	$ 3.22
$5.04 - $7.75	121,892	7.2	$ 6.26	106,750	$ 6.27
$8.87 - $9.62	86,112	5.3	$ 9.51	75,353	$ 9.49
$10.75 - $12.98	1,962,694	9.8	$ 11.98	173,660	$ 11.53
$13.66 - $17.18	833,050	9.1	$ 14.37	118,050	$ 14.79
$20.13 - $22.44	17,000	4.7	$ 22.30	16,000	$ 22.44
	5,326,708	9.1	$ 7.30	1,308,749	$ 4.67

Stock-based compensation expense was determined based on the fair value of the options at the date of measurement using the Black-Scholes option pricing model with the weighted average assumptions for the years ended December 31 as follows:

	2020	2019
Expected option life	6 years	6 years
Risk-free interest rate	0.5%	1.4%
Dividend yield	0%	0%
Expected volatility	110%	89%

The Black-Scholes option pricing model was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differs from the Company's stock option awards. This model also requires highly subjective assumptions, including future stock price volatility and average option life, which significantly affect the calculated values.

The risk-free interest rate at December 31, 2020 is based on the implied yield on a US Government bond with a remaining term equal to the expected term of the option. The risk-free interest rate at December 31, 2019 is based on the implied yield on a Government of Canada zero-coupon issue with a remaining term equal to the expected term of the option.

The expected volatility is based on the historical volatility for the Company. The life of the options is estimated considering the vesting period at the grant date, the life of the option and the average length of time similar grants have remained outstanding in the past. The dividend yield was excluded from the calculation since it is the present policy of the Company to retain all earnings to finance operations and future growth.

(b) Deferred share units

2016 Cash-Settled DSU Plan

As noted above, the Board of Directors approved the Omnibus Plan, which was approved by the stockholders on June 30, 2020. The Omnibus Plan will govern the terms of the Company’s stock option and DSU grants, and provides for equity settlement of DSUs issued for director compensation.

In conjunction with the approval of the Omnibus Plan, each director holding DSUs under the Cash-Settled DSU Plan entered into an agreement with the Company to have their existing DSUs be governed by the Omnibus Plan. No new DSUs will be granted under the 2016 Cash-Settled DSU Plan.

The Omnibus Plan provides for equity or cash settlement of DSUs issued for director compensation, at the option of the Company. It is the Company’s intention to settle all DSUs by equity. The ratification of the Omnibus Plan on June 30, 2020, which now provides for equity settlement of DSUs issued for director compensation, was treated as a modification under ASC 718 *Compensation – Stock Compensation* and the Company’s DSUs were classified as equity instead of as a liability. Accordingly, as of June 30, 2020, $24.9 million was transferred from a liability to equity.

For the years ended December 31, 2020 and 2019, there were 41,294 and 2,739,587 DSUs issued, respectively. For the years ended December 31, 2020 and 2019, stock-based compensation expense of $0.3 million and $0.9 million, respectively, was recognized relating to the issuance of DSUs, and an expense of $22.1 million and $1.1 million, respectively, was recorded relating to the revaluation of the DSU liability up to June 30, 2020 prior to the transfer to equity. The number of DSUs outstanding as at December 31, 2020 and 2019 were 2,219,226 and 3,045,821, respectively. During the years ended 2020 and 2019, 867,888 and 28,748 DSUs were redeemed, respectively.

12. License agreements

In June 2020, the Company entered into a right-to-use license agreement for one of its small molecule compounds, with initial license fees of $0.1 million. Sales-based royalties, anniversary payments and milestone payments will be recognized when earned in future periods.

For the years ended December 31, 2020 and 2019, the Company recognized licensing revenues consisting of initial license fees and license extension fees of $0.1 million and $0.1 million, respectively.

13. Income taxes

Income taxes recoverable have not been recognized in the consolidated statements of operations and comprehensive loss, as the Company has been incurring losses since inception, and it is not probable that future taxable profits will be available against which the accumulated tax losses can be utilized.

(a) Unrecognized deferred tax assets

The types of temporary differences that give rise to significant portions of the Company's deferred income tax assets and liabilities as of December 31 are as follows (in thousands):

	2020 $	2019 $
Deferred tax assets:		
Non-capital losses carried forward	40,986	33,175
Tax credits carried forward	6,453	5,905
Tax basis of property and equipment and intangible assets in excess of accounting basis	2,827	2,732
Scientific research and experimental development expenditures	10,062	9,255
Share issue costs and other	4,098	675
Total gross deferred tax assets	64,426	51,742
Less: Valuation allowance	(64,426)	(51,742)
Net deferred taxes	-	-

The Company has established a valuation allowance against all of its net deferred tax assets. Management considered all available evidence, both positive and negative, including but not limited to historical operating results, income or loss in recent periods, cumulative losses in recent years, forecasted earnings, future taxable income, and significant risk and uncertainty related to forecasts, and concluded that the deferred tax assets are not more likely than not to be realized.

The Company applies ASC 740 related to accounting for uncertainty in income taxes. The Company's reserves related to income taxes are based on a determination of whether, and how much of, a tax benefit taken by the Company in its tax filings or positions is more likely than not to be realized following resolution of any potential contingencies present related to the tax benefit. At December 31, 2020 and 2019, the Company had no unrecognized tax benefits. Interest and penalty charges, if any, related to unrecognized tax benefits would be classified as income tax expense in the accompanying consolidated statements of operations and comprehensive loss.

(b) Research and development tax credits and expenditure carry-forwards

As at December 31, 2020 and 2019, the Company had available Canadian research and development expenditures of approximately $38.0 million and $34.9 million, respectively, for income tax purposes, which may be carried forward indefinitely to reduce future years' taxable income. As at December 31, 2020 and 2019, the Company also had unclaimed Canadian scientific research and development tax credits of $8.2 million and $7.5 million, respectively, which are available to reduce future taxes payable, which expire from 2020 through 2040.

(c) Net operating loss carry-forwards

The Company had net operating loss carry-forwards for income tax purposes of approximately $154.7 million as of December 31, 2020 available to reduce future taxable income which will expire from 2025 to 2040, if not utilized.

13. Income taxes (continued)

(d) Income tax rate reconciliation

A reconciliation of income tax expense computed using the Canadian Federal and Provincial statutory income tax rate to the Company's effective income tax rate for the years ended December 31 are as follows (in thousands):

	2020 $	2019 $
Canadian statutory income tax rate	26.5%	26.5%
Income tax recovery based on statutory income tax rate	(17,554)	(11,239)
Investment tax credits	(373)	(677)
Stock-based compensation and other	6,743	1,736
Change in unrecognized tax assets	11,286	10,208
Income tax expense	102	28

The Company files income tax returns in Canada, including the Ontario province jurisdiction and the United States. The tax years 2017 to 2020 remain open to Canadian federal and province examination to the extent of the utilization of net operating loss and credit carryovers.

14. Commitments and contingencies

The Company enters into vendor agreements for the provision of goods and services, which includes manufacturing services with contract manufacturing organizations and development services with contract research organizations. These agreements may include certain provisions for purchase obligations and termination obligations that could require payments for the cancellation of committed purchase obligations or for early termination of the agreements. The amount of the cancellation or termination payments vary and are based on the timing of the cancellation or termination and the specific terms of the agreement and therefore are cancelable contracts.

The Company enters into research, development and license agreements in the ordinary course of business where the Company receives research services and rights to proprietary technologies. Milestone and royalty payments that may become due under various agreements are dependent on, among other factors, clinical trials, regulatory approvals and ultimately the successful development of a new drug, the outcome and timing of which are uncertain. Under the license agreement for SIRPαFc, the Company has future contingent milestones payable of $0.2 million and $0.2 million on the first patient dosed in phase 2 and 3 trials, respectively, regulatory milestones on their first achievement totalling $3.8 million, and royalties on commercial sales.

The Company has two agreements with Catalent Pharma Solutions pursuant to which Trillium acquired the right to use a proprietary expression system for the manufacture of two SIRPαFc constructs. Consideration for each license includes potential pre-marketing approval milestones of up to $0.9 million and aggregate sales milestone payments of up to $28.8 million.

The Company periodically enters into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken by or on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the consolidated financial statements with respect to these indemnification obligations.

Item 16. Form 10-K Summary

The Company has elected not to include summary information.

Exhibit Index

3.1	Articles of Incorporation, effective as of December 18, 2019 (incorporated by reference to Exhibit 99.1 to the Report on 6-K of Trillium Therapeutics Inc., filed on April 21, 2020).
3.2*	Notice of Articles, effective as of December 18, 2019.
3.3*	Certificate of Continuation, effective as of December 18, 2019
4.1	Rights Agreement between Trillium Therapeutics Inc. and Computershare Investor Services Inc. dated September 16, 2013 and amended on June 3, 2014, including the form of rights certificate (incorporated by reference to Exhibit 2.1 to the registrant's registration statement on Form 20-F filed with the SEC on August 12, 2014)
4.2	Form of Subscription Agreement between Stem Cell Therapeutics Corp. and U.S. purchasers who acquired common share units and preferred share units in December 2013 (incorporated by reference to Exhibit 4.2 to the registrant's registration statement on Form F-1/A filed with the SEC on March 31, 2015)
4.3*	Description of the Registrant's Securities
10.1	Amended and Restated License Agreement between Trillium Privateco, the University Health Network and The Hospital for Sick Children effective February 1, 2010 and amended June 1, 2012 (incorporated by reference to Exhibit 4.1 to the registrant's registration statement on Form 20-F filed with the SEC on August 12, 2014)
10.2	Debenture Purchase Agreement and Merger Agreement among Stem Cell Therapeutics Corp., Trillium Privateco, 2364556 Ontario Limited, and the Trillium Privateco debenture holders dated March 25, 2013 (incorporated by reference to Exhibit 4.2 to the registrant's registration statement on Form 20-F filed with the SEC on August 12, 2014)
10.3†	GPEx®-Derived Cell Line Sale Agreement between Trillium Therapeutics Inc. and Catalent Pharma Solutions, LLC dated August 12, 2014 for TTI-621 (incorporated by reference to Exhibit 4.3 to the registrant's registration statement on Form 20-F (Amendment No. 1) filed with the SEC on October 3, 2014)
10.4†	GPEx -Derived Cell Line Sale Agreement between Trillium Therapeutics Inc. and Catalent Pharma Solutions, LLC dated August 12, 2014 for TTI-622 (incorporated by reference to Exhibit 4.4 to the registrant's registration statement on Form 20-F (Amendment No. 1) filed with the SEC on October 3, 2014)

10.5	Second Amended and Restated License Agreement between Trillium Therapeutics Inc., the University Health Network and The Hospital for Sick Children dated as of May 14, 2018 dated as of May 14, 2018 (incorporated by reference to Exhibit 4.1 to the registrant's registration statement on Form 20-F filed with the SEC on March 11, 2019).
10.6#	2016 Cash-Settled Deferred Share Unit Plan dated November 9, 2016 (incorporated by reference to Exhibit 4.7 to the Registration Statement on Form 20-F of Trillium Therapeutics Inc., filed on March 10, 2017).
10.7#	2018 Stock Option Plan amended and restated as of March 8, 2018 (incorporated by reference to Exhibit 4.5 the registrant's registration statement on Form 20-F filed with the SEC on March 11, 2019).
10.8#	2019 Inducement Stock Option Plan (incorporated by reference to Exhibit 99.1 of to the registrant's registration statement on Form S-8 (File No. 333-234688), filed with the SEC on November 14, 2019)
10.9#	2020 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 99.2 of to the registrant's registration statement on Form S-8 (File No. 333-251262), filed with the SEC on December 12, 2020)
10.10	Securities Purchase Agreement, dated September 8, 2020, between Trillium Therapeutics Inc. and Pfizer Inc. (incorporated by reference to Exhibit 99.2 to the Report on 6-K of Trillium Therapeutics Inc., filed on September 9, 2020).
10.11	Share purchase agreement among Trillium Therapeutics Inc., Fluorinov and Fluorinov shareholders dated January 26, 2016 (incorporated by reference to Exhibit 99.1 to the Report on 6-K of Trillium Therapeutics Inc., filed on February 5, 2017).
10.12#	Executive Employment Agreement between Trillium Therapeutics Inc. and Dr. Robert Uger effective February 11, 2016 (incorporated by reference to Exhibit 99.7 to the Report on 6-K of Trillium Therapeutics Inc., filed on April 21, 2016).
10.13#	Executive Employment Agreement between Trillium Therapeutics Inc. and James Parsons effective February 11, 2016 (incorporated by reference to Exhibit 99.4 to the Report on 6-K of Trillium Therapeutics Inc., filed on April 21, 2016) filed with the Securities and Exchange Commission on April 21, 2016).
10.14#	Executive Employment Agreement between Trillium Therapeutics Inc. and Dr. Penka Petrova effective February 11, 2016 (incorporated by reference to Exhibit 99.5 to the Report on 6-K of Trillium Therapeutics Inc., filed on April 21, 2016) filed with the Securities and Exchange Commission on April 21, 2016).
10.15*#	Executive Employment Agreement between Trillium Therapeutics Inc. and Dr. Jan Skvarka effective September 25, 2019.
10.16*#	Executive Employment Agreement between Trillium Therapeutics Inc. and Dr. Ingmar Bruns effective November 2, 2020.
10.17*#	Indenture between Trillium Therapeutics Inc. and Penwest Revenue Corp., dated as of May 26, 2015.
10.18*#	Lease Agreement between Trillium Therapeutics USA Inc. and PPF OFF 100 Cambridge Park Drive, LLC, dated as of December 10, 2018.
10.19*#	Form of Indemnification Agreement.
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
24.1*	Power of Attorney (included on signature page to this Annual Report on Form 10-K)

31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101INS*	XBRL Instance Document
101SCH*	XBRL Taxonomy Extension Schema Document.
101CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
101DEF*	XBRL Taxonomy Extension Definition Linkbase Document.

* Filed herewith.

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

** The certification furnished in Exhibit 32.1 hereto is deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

† Application has been made to the Securities and Exchange Commission for confidential treatment of certain provisions. Omitted material for which confidential treatment has been requested has been filed separately with the Securities and Exchange Commission.

SIGNATURES

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

TRILLIUM THERAPEUTICS INC.

By: /s/ James Parsons
James Parsons
Chief Financial Officer

POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Jan Skvarka and James Parsons, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue thereof.

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

Signature	Title	Date
/s/ Jan Skvarka Jan Skvarka	President, Chief Executive Officer, Director (Principal Executive Officer)	March 18, 2021
/s/ James Parsons James Parsons	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 18, 2021
/s/ Robert Kirkman Robert Kirkman	Director, Chairman of the Board	March 18, 2021
/s/ Luke Beshar Luke Beshar	Director	March 18, 2021
/s/ Thomas Reynolds Thomas Reynolds	Director	March 18, 2021
/s/ Helen Tayton-Martin Helen Tayton-Martin	Director	March 18, 2021
/s/ Michael Kamarck Michael Kamarck	Director	March 18, 2021
/s/ Paul Walker Paul Walker	Director	March 18, 2021
/s/ Paolo Pucci Paolo Pucci	Director	March 18, 2021

BC Registry Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

Continuation Application

CERTIFIED COPY
Of a Document filed with the Province of British Columbia Registrar of Companies

CAROL PREST

FORM 16
BUSINESS CORPORATIONS ACT
Section 302

FILING DETAILS:	*Continuation Application for:* **TRILLIUM THERAPEUTICS INC.**
	Incorporation Number: **C1234297**
Filed Date and Time:	**December 18, 2019 09:58 AM Pacific Time**
Recognition Date and Time:	**Continued into British Columbia December 18, 2019 09:58 AM Pacific Time**

CONTINUATION APPLICATION

Name Reservation Number:
NR3445931

Name Reserved:
TRILLIUM THERAPEUTICS INC.

PREVIOUS FOREIGN JURISDICTION INFORMATION

Identifying Number in Foreign Jurisdiction:

1968023

Name in Foreign Jurisdiction:

Trillium Therapeutics Inc.

Date of Incorporation, Continuation, or Amalgamation in Foreign Jurisdiction:

January 01, 2017

Foreign Jurisdiction:

ONTARIO

Authorization for Continuation

The authorization for the continuation into BC from the foreign corporations jurisdiction was filed.

NOTICE OF ARTICLES

Name of Company:

TRILLIUM THERAPEUTICS INC.

REGISTERED OFFICE INFORMATION

Mailing Address:
SUITE 1750 - 1055 W. GEORGIA STREET
P. O. BOX 11125
VANCOUVER BC V6E 3P3
CANADA

Delivery Address:
ROYAL CENTRE
SUITE 1750 - 1055 W. GEORGIA STREET
VANCOUVER BC V6E 3P3
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
SUITE 1750 - 1055 W. GEORGIA STREET
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CANADA

Delivery Address:
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SUITE 1750 - 1055 W. GEORGIA STREET
VANCOUVER BC V6E 3P3
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DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Stiller, Calvin

Mailing Address:
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Delivery Address:
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Moore, Michael

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Last Name, First Name, Middle Name:
Skvarka, Jan

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Last Name, First Name, Middle Name:
Reynolds, Thomas

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Last Name, First Name, Middle Name:
Kirkman, Robert

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Last Name, First Name, Middle Name:
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Last Name, First Name, Middle Name:
Beshar, Luke

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Last Name, First Name, Middle Name:
Uger, Robert

Mailing Address:
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CANADA

Delivery Address:
2488 DUNWIN DRIVE
MISSISSAUGA ON L5L 1J9
CANADA

AUTHORIZED SHARE STRUCTURE

1.	No Maximum	Common Shares	Without Par Value With Special Rights or Restrictions attached
2.	No Maximum	Class B Shares	Without Par Value With Special Rights or Restrictions attached

3.	No Maximum	First Preferred Shares	Without Par Value With Special Rights or Restrictions attached
1.	No Maximum	Series I Non-Voting Convertible First Preferred	Special Rights or Restrictions are attached
2.	No Maximum	Series II Non-Voting Convertible First Preferred	Special Rights or Restrictions are attached

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British Columbia Registrar of Companies

CAROL PREST

Notice of Articles

BUSINESS CORPORATIONS ACT

This Notice of Articles was issued by the Registrar on: December 18, 2019 09:58 AM Pacific Time

Incorporation Number: C1234297

Recognition Date and Time: Continued into British Columbia on December 18, 2019 09:58 AM Pacific Time

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Last Name, First Name, Middle Name:
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Last Name, First Name, Middle Name:
Skvarka, Jan

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Last Name, First Name, Middle Name:
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Last Name, First Name, Middle Name:
Uger, Robert

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1.	No Maximum	Series I Non-Voting Convertible First Preferred	Special Rights or Restrictions are attached
2.	No Maximum	Series II Non-Voting Convertible First Preferred	Special Rights or Restrictions are attached

Exhibit 3.3

Number: C1234297

CERTIFICATE
OF
CONTINUATION

BUSINESS CORPORATIONS ACT

I Hereby Certify that Trillium Therapeutics Inc., has continued into British Columbia from the Jurisdiction of ONTARIO, under the Business Corporations Act, with the name TRILLIUM THERAPEUTICS INC. on December 18, 2019 at 09:58 AM Pacific Time.

ELECTRONIC CERTIFICATE

Issued under my hand at Victoria, British Columbia
On December 18, 2019

CAROL PREST

Registrar of Companies
Province of British Columbia
Canada

Exhibit 4.3

DESCRIPTION OF THE REGISTRANT'S SECURITIES

Authorized Capital

Our authorized share capital consists of an unlimited number of common shares, Class B shares and first preferred shares, in each case without nominal or par value. As of March 16, 2021, 103,032,563 common shares were issued and outstanding, no Class B shares were issued, no Series I Non-Voting Convertible First Preferred Shares (the "Series I First Preferred Shares") were outstanding and 6,750,000 Series II Non-Voting Convertible First Preferred Shares (the "Series II First Preferred Shares") were issued and outstanding.

Common Shares

The holders of common shares are entitled to receive notice of and to attend all annual and special meetings of our shareholders and to one vote per share held at each such meeting, and they are entitled to receive dividends as determined and declared by our Board of Directors.

Subject to the rights of the holders of any other class of our shares entitled to receive dividends in priority to or concurrently with the holders of the common shares, our board of directors may in its sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Company.

In the event of our liquidation, dissolution or winding up or other distribution of our assets among our shareholders for the purpose of winding up our affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares entitled to receive our assets upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate in the distribution. Such distribution shall be made in equal amounts per share on all the common shares at the time outstanding without preference or distinction.

Class B Shares

The holders of the Class B shares are entitled to receive notice of and to attend any meeting of our shareholders but shall not be entitled to vote any of their Class B shares at any such meeting. Each issued and fully paid Class B share may at any time be converted, at the option of the holder, into one common share.

First Preferred Shares

The first preferred shares may at any time and from time to time be issued in one or more series and our board of directors may before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of first preferred shares.

The first preferred shares shall be entitled to priority over the common shares and Class B shares and all other shares ranking junior to the first preferred shares with respect to the payment of dividends and the distribution of our assets in the event of our liquidation, dissolution or winding up or other distribution of our assets among our shareholders for the purpose of winding up our affairs.

The first preferred shares of each series rank on a parity with the first preferred shares of every other series with respect to priority in the payment of dividends and in the distribution of our assets in the event of our liquidation, dissolution or winding up or other distribution of our assets among our shareholders for the purpose of winding up our affairs.

Series I First Preferred Shares

The holders of Series I Non-Voting Convertible First Preferred Shares, or the "Series I First Preferred Shares", are not entitled to vote at any meeting of our shareholders (except in limited circumstances).

The holders of Series I First Preferred Shares are entitled to receive dividends as determined and declared at the discretion of our board of directors on a parity basis with the holders of shares of the other series of First Preferred Shares and, at the discretion of our board of directors, either in priority to, or equally on a share-for-share basis with, holders of our Common Shares or Class B Shares. If any amount of cumulative dividends, whether or not declared, or declared non-cumulative dividends, with respect to shares of a series of our First Preferred Shares is not paid in full, the shares of the series will participate on a pro rata basis with the shares of all other series of that class of shares with respect to all accumulated cumulative dividends, whether or not declared, and all declared non- cumulative dividends.

Each issued and fully paid Series I First Preferred Share may at any time be converted, at the option of the holder, into one thirtieth (1/30th) of a common share, subject to adjustment.

In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, or in the event of any other distribution of our assets among our shareholders for the purpose of winding-up our affairs, or in the event of a reduction or redemption of our capital stock, the holders of Series I First Preferred Shares are entitled to receive an amount per share equal to that amount of money that we received as consideration for such Series I First Preferred Shares or, in the event that Series I First Preferred Shares were not issued for money, then the amount equal to the fair value of any property we received as consideration for the issuance of such Series I First Preferred Shares divided by the number of Series I First Preferred Shares issued, the whole before any amount shall be paid by us or any of our assets shall be distributed to holders of our common shares and Class B Shares. After such payment, the holders of Series I First Preferred Shares are not entitled to share in any further distribution of our property or assets. If any amount payable on return of capital in the event of our liquidation, dissolution or winding-up in respect of shares of a series of our First Preferred Shares is not paid in full, the shares of the series will participate on a pro rata basis with the shares of all other series of that class of shares with respect to all amounts payable on return of capital in the event of our liquidation, dissolution or winding-up.

If a Fundamental Transaction (as defined below) occurs while any of the Series I First Preferred Shares are outstanding, then a holder of Series I First Preferred Shares shall have the right to receive (in exchange for such shares) in the event that our common shares are exchanged for other securities, cash or property in the Fundamental Transaction, the same kind and amount of securities, cash and property as it would have been entitled to receive upon the occurrence of such fundamental transaction if such holder had been, immediately prior to such Fundamental Transaction, the holder of our common shares. If the holders of our common shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder of our Series I First Preferred Shares shall be given the same choice as to the alternate consideration it receives upon any conversion of Series I First Preferred Shares following such Fundamental Transaction.

In the event of a "takeover bid" that is a "formal bid" (as such terms are defined in the securities laws in the Province of Ontario) for our common shares, the offeror of such bid shall make an offer to acquire the same percentage of our outstanding Series I First Preferred Shares as the percentage of our common shares for which the formal bid is being made, and such offer shall be on the same terms and for the same amount and kind of per share consideration, as adjusted, that is offered to the holders of our common stock under the formal bid. To the extent necessary to effectuate these provisions, to the extent the surviving corporation following a fundamental transaction is not our company, any successor or surviving entity in the fundamental transaction shall include in its organizational documents shares having the same terms and conditions as our Series I First Preferred Shares and shall issue to the holders of our Series I First Preferred Shares new preferred shares consistent with the foregoing provisions.

"Fundamental Transaction" means (A) we effect any amalgamation, merger, business combination or other transaction with another person, other than a wholly-owned subsidiary, or an arrangement pursuant to the Business Corporations Act (Ontario) or another transaction pursuant to which a person, or group of person acting jointly or in concert, acquires all of our issued and outstanding common shares, (B) we effect any sale, lease or other disposition of all or substantially all of our assets, or (C) we effect any reclassification of our common shares or any compulsory share exchange pursuant (other than as a result of certain dividends or subdivisions) to which our common shares are effectively converted into or exchanged for other securities, cash or property, or any similar transaction or series of transactions involving us or our subsidiaries, directly or indirectly.

Series II First Preferred Shares

The holders of Series II First Preferred Shares are not entitled to vote at any meeting of our shareholders (except in limited circumstances).

The holders of Series II First Preferred Shares are entitled to receive dividends as determined and declared at the discretion of our board of directors on a parity basis with the holders of shares of the other series of first preferred shares and, at the discretion of our board of directors, either in priority to, or equally on a share-for-share basis with, holders of our common shares or Class B shares. If any amount of cumulative dividends, whether or not declared, or declared non-cumulative dividends, with respect to shares of a series of our first preferred shares is not paid in full, the shares of the series will participate on a pro rata basis with the shares of all other series of that class of shares with respect to all accumulated cumulative dividends, whether or not declared, and all declared non-cumulative dividends.

Each issued and fully paid Series II First Preferred Share may at any time be converted, at the option of the holder, into one common share, subject to adjustment. Notwithstanding the foregoing, holders of Series II First Preferred Shares will be prohibited from converting Series II First Preferred Shares into common shares if, as a result of such conversion, the holder, together with its affiliates, would own more than 4.99% (which the holder may elect to increase or decrease by written notice to us to any other percentage specified in such notice, provided that any increase (but not decrease) will not be effective until the 61st day after such notice) of the total number of our common shares then issued and outstanding, unless the holder gives us at least 61 days prior notice of an intent to convert into common shares that would cause the holder to own more than 4.99% of the total number of our common shares then issued and outstanding.

In addition, we will not be required to deliver to a holder any common shares upon a conversion of our Series II First Preferred Shares into common shares if our common shares are then listed and posted for trading on the TSX, or if applicable, such other stock exchange on which the common shares are principally traded, and to the extent that the conversion would result in the holder, together with any person acting jointly or in concert with the holder within the meaning of the Securities Act (Ontario), beneficially owning or exercising control or direction over common shares representing more than:

1. 9.99% of our outstanding common shares unless the holder (or, where the holder is not an individual, any director, officer or insider of the holder) has first provided:

   (a) the stock exchange with a personal information form pursuant to the rules of that stock exchange and the form has been approved by the stock exchange; and

   (b) a copy of the approval of the personal information form by the stock exchange to us; and

2. 19.99% of our outstanding common shares, unless we have received approval from the stock exchange and the holders of our common shares of the issuance of common shares at a meeting of holders of common shares which we will call, at our expense, in accordance with the applicable policies of the stock exchange.

In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, or in the event of any other distribution of our assets among our shareholders for the purpose of winding-up our affairs, or in the event of a reduction or redemption of our capital stock, the holders of Series II First Preferred Shares are entitled to receive an amount per share equal to that amount of money that we received as consideration for such Series II First Preferred Shares or, in the event that Series II First Preferred Shares were not issued for money, then the amount equal to the fair value of any property we received as consideration for the issuance of such Series II First Preferred Shares divided by the number of Series II First Preferred Shares issued, the whole before any amount shall be paid by us or any of our assets shall be distributed to holders of our common shares and Class B shares. After such payment, the holders of Series II First Preferred Shares are not entitled to share in any further distribution of our property or assets. If any amount payable on return of capital in the event of our liquidation, dissolution or winding-up in respect of shares of a series of our first preferred shares is not paid in full, the shares of the series will participate on a pro rata basis with the shares of all other series of that class of shares with respect to all amounts payable on return of capital in the event of our liquidation, dissolution or winding-up.

If a Fundamental Transaction occurs while any of the Series II First Preferred Shares are outstanding, then a holder of Series II First Preferred Shares shall have the right to receive (in exchange for such shares) in the event that our common shares are exchanged for other securities, cash or property in the Fundamental Transaction, the same kind and amount of securities, cash and property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if such holder had been, immediately prior to such Fundamental Transaction, the holder of our common shares. If the holders of our common shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder of our Series II First Preferred Shares shall be given the same choice as to the alternate consideration it receives upon any conversion of Series II First Preferred Shares following such Fundamental Transaction.

In the event of a "takeover bid" that is a "formal bid" (as such terms are defined under applicable securities laws in the Province of Ontario) for our common shares, the offeror of such bid shall make an offer to acquire the same percentage of our outstanding Series II First Preferred Shares as the percentage of our common shares for which the formal bid is being made, and such offer shall be on the same terms and for the same amount and kind of per share consideration, as adjusted, that is offered to the holders of our common stock under the formal bid.

To the extent necessary to effectuate these provisions, to the extent the surviving corporation following a Fundamental Transaction is not our company, any successor or surviving entity in the Fundamental Transaction shall include in its organizational documents shares having the same terms and conditions as our Series II First Preferred Shares and shall issue to the holders of our Series II First Preferred Shares new preferred shares consistent with the foregoing provisions.

Transfer Agent and Registrar

Our registrar and transfer agent is Computershare Trust Company of Canada, located at 100 University Avenue, Toronto, Ontario, M5J 2Y1.

Exhibit 10.15

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement"), effective September 25, 2019 ("Effective Date"), is made between Trillium Therapeutics USA Inc., a Delaware corporation ("Employer" or the "Company"), and Jan Skvarka ("Employee"). Employee and the Company are sometimes referred to herein as the "Parties."

RECITALS

A. Employer is an immuno-oncology company in the business of discovering and developing cancer therapies.

B. Employer desires to obtain the services of Employee as its Chief Executive Officer, in which capacity Employee has access to Employer's Confidential Information (as hereinafter defined), and to obtain assurance that Employee will protect Employer's Confidential Information and will not solicit its employees during the term of employment and for a reasonable period of time after termination of employment pursuant to this Agreement, and Employee is willing to agree to these terms.

C. Employee desires to be assured of the salary, bonus opportunity and other benefits in this Agreement and, as additional consideration, to obtain the stock options that Employer is willing to grant.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement, and other good and valuable consideration, the parties agree as follows:

1. Employment. Employer hereby employs Employee, and Employee agrees to be employed as its Chief Executive Officer. In this role, Employee will report directly to the Board of Directors and will have such responsibilities, duties and authority commensurate with the position at similar companies. Employee will devote his full business time and attention to the Employee's duties. Employee will comply with all written/known rules, policies and procedures of Employer as modified from time to time. Employee will perform all of Employee's responsibilities in compliance with all applicable laws and will ensure that the operations that Employee manages are in compliance with all applicable laws. Employee will work primarily from Employer's office in Massachusetts, USA. Employee is expected and agrees to work from Employer's office in Mississauga, Canada, as required to perform Employee's duty effectively, but no more than 50% of workdays in any given calendar year, and the travel cost of which shall be borne by Employer. During Employee's employment, Employee will not engage in any other business activity which, in the reasonable judgment of Employer, conflicts with the duties of Employee under this Agreement, whether or not such activity is pursued for gain, profit or other pecuniary advantage; provided, that Employee may serve on the board of one other company or entity, as long as such activities do not unreasonably interfere or conflict with the performance of Employees' duties for the Company.

2. Term of Employment. The term of employment will not be for a definite period, but rather continue indefinitely until terminated in accordance with the terms and conditions of this Agreement.

3. Compensation and Stock Options. For the duration of Employee's employment under this Agreement, the Employee will be entitled to compensation which will be computed and paid pursuant to the following subparagraphs.

3.1. Base Salary. Employer will pay to Employee a base salary ("Base Salary") at an annual rate of five hundred thousand and 00/100 U.S. Dollars ($500,000), payable in such installments (but in no event less than monthly), subject to withholdings and deductions as required or permitted by law. Employee's Base Salary will be reviewed annually by the Employer and may be adjusted in the sole discretion of Employer based on such review, but will not be reduced by Employer unless the Employer reduces Employee's then-current Base Salary by no more than 10% in connection with a similar, across-the-board reduction in the base salaries of similarly-situated executives at the Company.

3.2. Incentive Bonus. Employee shall be eligible for a bonus of up to fifty percent (50%) at target of Employee's then-current Base Salary (for calendar year 2019, the bonus amount shall be prorated for the period commencing on the Effective Date and ending on December 31, 2019), based on achievement of criteria and objectives set annually by Employer's Board of Directors. The determinations of the Board with respect to Employee's incentive bonus will be final and binding. Employee may also participate in other bonus or incentive plans adopted by Employer that are applicable to Employee's position, as they may be changed from time to time, but nothing herein shall require the adoption or maintenance of any such plan.

3.3. Stock Options. As a material inducement to the Employee entering into this Agreement and becoming an employee of the Company, and subject to approval by the Board or Compensation Committee, the Company will grant the Executive an option to purchase 1.8 million shares of the Company's common stock ("New Hire Award"). The New Hire Award shall vest over four years, with twenty-five percent of the New Hire Award vesting on the one-year anniversary of the Effective Date and the remaining shares vesting in thirty-six equal monthly installments following the one-year anniversary of the Effective Date, subject to the Executive's continued service relationship with the Company. The New Hire Award shall be granted in the form of a non-qualified stock option as an inducement grant consistent with the requirements of NASDAQ Stock Market Rule 5635(c)(4) instead of pursuant to the Company's existing equity plan.

In the event that the Company terminates Employee's employment due to a Change of Control, such termination shall be deemed to constitute termination without Cause pursuant to Section 5.2, and all of the Employee's options (subject to any performance conditions and all other conditions of the operative Stock Option Plan), will vest immediately prior to the termination date. Such vested options may be exercised until the earlier of (a) 120 days following the date of expiry of the notice period in connection with such termination (or, if there is no such notice period, 120 days following the actual termination date); or (b) the normal expiry date of the option rights. Upon the expiration of such period, all unexercised option rights of Employee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to Employee under the Stock Option Plan. For the purposes of this Agreement "Change of Control" shall mean any one or a combination of:

(i) any transaction at any time and by whatever means pursuant to which (A) Trillium Therapeutics Inc. (hereinafter, the "Corporation") goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of Corporation voting securities immediately prior to such corporate transaction or reorganization or (B) any person or any group of two or more persons acting jointly or in concert (other than the Corporation, a wholly-owned subsidiary (as defined in the Securities Act (Ontario)) of the Corporation, an employee benefit plan of the Corporation or of any of its wholly-owned subsidiaries, including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the Business Corporations Act (Ontario)) of, or acquires the right to exercise control or direction over, securities of the Corporation representing 50% or more of the Corporation's then issued and outstanding securities in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a person other than a wholly-owned subsidiary of the Corporation;

(iii) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more persons which were wholly-owned subsidiaries of the Corporation immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any other person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of the Corporation); or

the Board of Directors passes a resolution to the effect that, for the purposes of some or all of the option agreements issued under the applicable Stock Option Plan, an event set forth in (i), (ii), (iii) or (iv) above has occurred.

3.4. Signing Bonus. Employee shall receive a one-time signing bonus in an amount of twenty-five thousand and 00/100 U.S. Dollars ($25,000), less withholdings, on the first payroll following Employee's start date. In the event that Employee voluntarily terminates his employment with the Company before the end of the first year of employment, Employee agrees to repay the Company a pro-rata portion of the signing bonus, which amount shall be determined by reducing the amount owed by a proportionate part of the full 12 months as Employee completes each full month of service. Employee will repay the amount of the signing bonus owed by personal check or other negotiable instrument within 30 days of the termination date. Employee's voluntary termination for Good Reason as defined in Section 6.2 below shall not be a basis for Employee to repay any portion of said signing bonus.

4. Other Benefits.

4.1. Vacations, Holidays and Expenses. For the duration of Employee's employment hereunder, Employee will be provided four weeks of paid vacation. Employer will reimburse Employee in accordance with company policies and procedures for reasonable expenses necessarily incurred in the performance of duties hereunder against appropriate receipts and vouchers indicating the specific business purpose for each such expenditure.

4.2. Health and Welfare Benefits. Employee is eligible to participate in the Company's 401(k) Plan, as may be amended by the Company from time to time. The Company currently offers a hundred percent match on contributions to the 401(k) Plan up to five percent of Employee's Base Salary or such lessor amount as may be required under applicable law. Employee shall also be entitled to participate in the Company's group health, life insurance, disability insurance and other plans, as may be provided by the Company from time to time. Employee hereby acknowledges that he will not be eligible to participate in any group health, welfare, life insurance or other plans maintained by the Parent Company.

4.3. Right of Set-off. By accepting this Agreement, Employee consents to a deduction from any amounts Employer owes Employee from time to time (including amounts owed to Employee as wages or other compensation, fringe benefits, or vacation pay, as well as any other amounts owed to Employee by Employer), to the extent of the amounts Employee owes to Employer. Whether or not Employer elects to make any set-off in whole or in part, if Employer does not recover by means of set-off the full amount Employee owes it, calculated as set forth above, Employee agrees to pay immediately upon Employer's demand, the unpaid balance to Employer.

4.4. Indemnification. Employee will receive indemnification coverage pursuant to the terms and conditions of any applicable by-laws and/or Directors and Officers insurance policy that the Company makes available to its officer and directors. The Company agrees to maintain Director and Officer insurance coverage consistent with past practice. Any renewal Director and Officer insurance policy shall cover the periods of Employee's employment with the Company, both as an active and a former employee of the Company and shall not decrease Employee's protections thereunder.

In addition, the Company will enter into an Indemnification Agreement with Employee in a form mutually agreeable to the Company and Employee as of the Effective Date.

5. Termination Or Discharge By Employer.

5.1. For Cause. Employer will have the right to immediately terminate Employee's services and this Agreement for Cause. "Cause" means the reasonable and good faith belief by a vote of two thirds (2/3) of the Board of Directors of the Company that any of the following has occurred: (a) any material breach of a material provision of this Agreement by Employee, including, without limitation, Employee's covenants in Sections 7, 8, 9 and 10; (b) Employee's willful and continued failure to substantially perform Employee's material responsibilities reasonably assigned to him by the Board (other than such a failure as a result of a Disability); (c) Employee's willful failure to comply with lawful and reasonable directives of the Board; (d) commission of a felony or misdemeanor or failure to contest prosecution for a felony or misdemeanor; (e) Employee willfully engaged in a violation of any statute, rule or regulation, any of which in the judgment of Employer is harmful to the Business or to Employer's reputation; (f) Employee willfully engaged in unethical practices, dishonesty or disloyalty that materially injures the Company or its business reputation; *provided*, that before terminating Employee's employment for "Cause" under subsections (a), (b) or (c), the Employer shall provide Employee with written notice of the circumstances giving rise to a termination for Cause and a 15-day opportunity to cure such grounds. If cured, such events or grounds shall no longer be deemed a basis for a termination of Employee for "Cause," at any time during Employee's employment.

Upon termination of Employee's employment hereunder for Cause, Employer shall pay any compensation, inclusive of unpaid bonus, and other amounts earned through the date of termination under the applicable plan or policy. Employee will have no rights to any unvested benefits or any other compensation or payments after the termination date except for Employee's final wages and any amounts due to Employee under the applicable plan or policy.

5.2. Without Cause. Employer may terminate Employee's employment under this Agreement without Cause and without advance notice; provided, however, that in addition to any compensation, inclusive of unpaid bonus, and other amounts earned through the date of termination under the applicable plan or policy, Employer will continue to pay Employee, as severance pay ("Severance Pay"), Employee's Base Salary at the rate in effect on the termination date through the date that is twelve (12) months from the termination date; provided, further, that if Employee's termination is due to a Change of Control pursuant to Section 3.3 above, Employer will continue to pay, as severance pay, Employee's Base Salary at the rate in effect on the termination date through the date that is eighteen (18) months from the termination date. Furthermore, Employer will pay to Employee a lump sum amount equal to twelve (12) times the employer paid portions of the monthly premiums in effect at the date of termination for medical, dental and vision coverage in which the Employee participated as of the date of termination; for clarity, such lump sum amount is part of the Severance Pay. Employee shall only be entitled to such Severance Pay if Employee signs (and then Employee does not rescind, as may be permitted by law) a general release of claims in favor of Employer in a form acceptable to Employer (the "Release"), provided, however, that such release of claims shall only require Employee to release Employer from claims relating directly to Employee's employment and the termination thereof, and shall not require Employee to release claims relating to vested employee benefits or relating to other matters, including, but not limited to, claims relating to his status as a shareholder of the Company or any rights to indemnification which Employee possesses as of the separation date. The Severance Pay will be made at usual and customary pay intervals of Employer beginning on the first payroll period after the release of claims becomes effective and will be subject to all appropriate deductions and withholdings. Employee shall only be entitled to Severance Pay under this Agreement if Employee signs (and does not rescind) the Release with the applicable rescission period having expired within 60 days following Employee's separation from service, and if such sixty (60) day period spans two calendar years, payments will in all cases commence in the later calendar year. Upon termination, Employee will have no rights to any unvested benefits or any other compensation or payments except as stated in this paragraph and in Section 3.3, other than forgiveness of any signing bonus, as per Section 3.4 above.

5.3. Death or Disability

Employee's employment shall terminate automatically upon Employee's death during the Employment Period. Either Employer or Employee may terminate Employee's employment in the event of Employee's Disability during the Employment Period. If Employer determines in good faith that the Disability of Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it shall give to Employee a written notice of its intention to terminate Employee's employment. In such event, Employee's employment with Employer shall terminate effective on the 30th day after receipt of such notice by Employee (the Disability Effective Date), provided that, within the 30 days after such receipt, Employee shall not have returned to full-time performance of Employee's duties. For purposes of this Agreement, "disability" means the inability of Employee, whether due to accident, sickness or otherwise, as determined by a medical doctor acceptable to the Board of Director of Employer and confirmed in writing by such doctor, to perform the essential functions of Employee's position under this Agreement, with or without reasonable accommodation (provided that no accommodation that imposes undue hardship on Employer will be required) for an aggregate of ninety (90) days during any period of one hundred eighty (180) consecutive days, or such longer period as may be required under disability law. Upon termination in the event of Employee's death or Disability, Employer shall pay to Employee's estate or Employee all compensation, inclusive of unpaid bonus, and other amounts earned through the date of termination under the applicable plan or policy. Employee's estate or Employee will have no right to any unvested benefits or any other compensation or payments except as stated in this paragraph and in Section 3.3

6. Resignation By Employee.

6.1 Resignation by Employee Without Good Reason. Employee may terminate Employee's employment under this Agreement for any reason provided that Employee gives Employer at least sixty (60) days' notice in writing. Employer may, at its option, accelerate such termination date to any date at least two (2) weeks after Employee's notice of termination. Employer may also, at its option, relieve Employee of all duties and authority after notice of termination has been provided. All compensation, payments and unvested benefits will cease on the termination date.

6.2 Resignation by Employee for Good Reason. Furthermore, Employee may terminate this Agreement at any time upon written notice to the Employer for "Good Reason", defined as (a) a material diminution of Employee's authority, duties or responsibilities; (b) a material reduction in Employee's Base Salary (except for a reduction of no more than 10% of Employee's Base Salary consistent with section 3.1 above); (c) relocation of Employee's principal workplaces, referring to both Boston-metro area and Toronto-metro area, unless such relocation reduces Employee's regular commuting time (and excluding Employee's typical travel as set forth in this Agreement); (d) any breach by the Company of Section 4.4 above; or (e) a material breach of a material provision of this Agreement; *provided*, that before resigning for "Good Reason" under subsections (a), (b), (c) or (e), the Employee shall (i) provide Employer with written notice of the circumstances giving rise to a termination for Good Reason (which notice must be provided by Employee within 90 days of the Employee learning of the existence of the condition(s) giving rise to such Good Reason) and a 15-day opportunity to cure such grounds; and (ii) if the Employer did not cure such grounds to Employee's reasonable satisfaction, Employee ends his employment within 60 days after providing such notice to the Employer. If Employee terminates employment under this Agreement for Good Reason, in addition to any compensation, inclusive of unpaid bonus, and other amounts earned through the date of termination under the applicable plan or policy Employee shall also be entitled to the "Severance Pay" as defined in Section 5.2 above.

7. Restrictive Covenants.

7.1. Non-solicitation Covenant. During the Restricted Period, Employee shall not, directly or indirectly (whether for compensation or without compensation), as principal, agent, owner, partner, employee, consultant, shareholder, member, director, manager or officer, as the case may be (other than as the holder of an ownership interest of not more than 1% of the total outstanding stock of a publicly traded entity):

(i) solicit, or attempt to obtain business from, accept business from or contact any current or former customer of the Company regarding activity or business that is competitive with the business activities of the Company as they existed during the period that Employee provided services to the Company; or

(ii) induce or attempt to induce any Company employee to terminate employment with the Company, hire or participate in the hiring of any Company employee or independent contractor, or interfere with or attempt to disrupt the relationship, contractual or otherwise, between the Company and any Company employee or independent contractor (other than advertising not specifically targeted at the Company's employees or contractors and serving as a reference upon request). For purposes of this paragraph, a Company employee or independent contractor means any person employed or contracted by the Company during the twelve (12) month period prior to the termination date.

8. Confidential Information. Employee recognizes that Employer's Business and continued success depend upon the use and protection of confidential and proprietary business information, including, without limitation, the information and technology developed by or available through licenses to Employer, to which Employee has access (all such information being "Confidential Information"). For purposes of this Agreement, the phrase "Confidential Information" includes, for Employer and its current or future subsidiaries and affiliates, without limitation, and whether or not specifically designated as confidential or proprietary: all business plans and marketing strategies; information concerning existing and prospective markets and customers; financial information; information concerning the development of new products and services; information concerning any personnel of Employer (including, without limitation, skills and compensation information); and technical and non-technical data related to software programs, designs, specifications, compilations, inventions, improvements, methods, processes, procedures and techniques; provided, however, that the phrase does not include information that (a) was lawfully in Employee's possession prior to disclosure of such information by Employer; (b) was, or at any time becomes, available in the public domain other than through a violation of this Agreement; (c) is documented by Employee as having been developed by Employee outside the scope of Employee's employment and independently; or (d) is furnished to Employee by a third party not under an obligation of confidentiality to Employer.

Employee agrees that during Employee's employment and after termination of employment irrespective of cause, Employee will use Confidential Information only for the benefit of Employer and will not directly or indirectly use or divulge, or permit others to use or divulge, any Confidential Information for any reason, except as authorized by Employer. Employee's obligation under this Agreement is in addition to any obligations Employee has under state or federal law. Employee agrees to deliver to Employer immediately upon termination of Employee's employment, or at any time Employer so requests, all tangible items containing any Confidential Information (including, without limitation, all memoranda, photographs, records, reports, manuals, drawings, blueprints, prototypes, notes taken by or provided to Employee, and any other documents or items of a confidential nature belonging to Employer) whether in hard copy, electronic, or other format, together with all copies of such material in Employee's possession or control. Employee agrees that in the course of Employee's employment with Employer, Employee will not violate in any way the rights that any entity has with regard to trade secrets or proprietary or confidential information.

Employee's obligations under this Section 8 are indefinite in term and shall survive the termination of this Agreement. However, Employee further understands that nothing in this Agreement prohibits Employee from reporting to any governmental authority information concerning possible violations of law or regulation and that Employee may disclose Confidential Information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution or liability, provided Employee files any document containing Confidential Information under seal and does not disclose the Confidential Information, except pursuant to court order. Employee understands that in the event it is determined that the disclosure of Company trade secrets was not done in good faith pursuant to the above, Employee will be subject to substantial damages, including attorneys' fees.

Employee acknowledges that certain whistleblower laws permit Employee to communicate directly with governmental or regulatory authorities, including communications with the U.S. Securities and Exchange Commission about possible securities law violations, without the Company's permission or notification, and that the Company will not consider such communications to violate this or any other agreement between Employee and the Company or any Company policy.

Employee acknowledges that under U.S. Defend Trade Secrets Act of 2016, Employee will not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of a trade secret that is made in confidence to government officials, either directly or indirectly, or to an attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law, or in a complaint or other document filed in a lawsuit or other proceeding, provided such filing is made under seal. If Employee has any questions as to what comprises such confidential or proprietary information or trade secrets, or to whom if anyone it may be disclosed, Employee will consult with the Company. Employee understands that in the event it is determined that the disclosure of Company trade secrets was not done in good faith, Employee will be subject to substantial damages, including punitive damages and attorneys' fees.

9. Work Product and Copyrights. Employee agrees that all right, title and interest in and to the materials resulting from the performance of Employee's duties at Employer and all copies thereof, including works in progress, in whatever media, (the "Work"), will be and remain in Employer upon their creation. Employee will mark all Work with Employer's copyright or other proprietary notice as directed by Employer. Employee further agrees:

9.1. To the extent that any portion of the Work constitutes a work protectable under the copyright laws of the United States (the "Copyright Law"), that all such Work will be considered a "work made for hire" as such term is used and defined in the Copyright Law, and that Employer will be considered the "author" of such portion of the Work and the sole and exclusive owner throughout the world of such copyright; and

9.2. If any portion of the Work does not qualify as a "work made for hire" as such term is used and defined in the Copyright Law, that Employee hereby assigns and agrees to assign to Employer, without further consideration, all right, title and interest in and to such Work or in any such portion of such Work and any copyright in such Work and further agrees to execute and deliver to Employer, upon request, appropriate assignments of such Work and copyright in such Work and such other documents and instruments as Employer may request to fully and completely assign such Work and copyright in such Work to Employer, its successors or nominees, and that Employee appoints Employer as attorney-in-fact to execute and deliver any such documents on Employee's behalf in the event Employee should fail or refuse to do so within a reasonable period following Employer's request.

10. Inventions and Patents. For purposes of this Agreement, "Inventions" includes, without limitation, information, inventions, contributions, improvements, ideas, or discoveries, whether protectable or not, and whether or not conceived or made during work hours. Employee agrees that all Inventions conceived or made by Employee during the period of employment with Employer belong to Employer, provided they grow out of Employee's work with Employer or are related in some manner to the Business, including, without limitation, research and product development, and projected business of Employer or its affiliated companies. Accordingly, Employee will:

10.1. Make adequate written records of such Inventions, which records will be Employer's property;

10.2. Assign to Employer, at its request, any rights Employee may have to such Inventions for the U.S. and all foreign countries;

10.3. Waive and agree not to assert any moral rights Employee may have or acquire in any Inventions and agree to provide written waivers from time to time as requested by Employer; and

10.4. Assist Employer (at Employer's expense) in obtaining and maintaining patents or copyright registrations with respect to such Inventions. Employee understands and agrees that Employer or its designee will determine, in its sole and absolute discretion, whether an application for patent will be filed on any Invention that is the exclusive property of Employer, as set forth above, and whether such an application will be abandoned prior to issuance of a patent. Employer will pay to Employee, either during or after the term of this Agreement, the following amounts if Employee is sole inventor, or Employee's proportionate share if Employee is joint inventor: $750 upon filing of the initial application for patent on such Invention; and $1,500 upon issuance of a patent resulting from such initial patent application, provided Employee is named as an inventor in the patent.

Employee further agrees that Employee will promptly disclose in writing to Employer during the term of Employee's employment and for one (1) year thereafter, all Inventions whether developed during the time of such employment or thereafter (whether or not Employer has rights in such Inventions) so that Employee's rights and Employer's rights in such Inventions can be determined. Employee represents and warrants that Employee has no Inventions, software, writings or other works of authorship useful to Employer in the normal course of the Business, which were conceived, made or written prior to the date of this Agreement and which are excluded from the operation of this Agreement.

NOTICE: This Section 10 does not apply to Inventions for which no equipment, supplies, facility, or trade secret information of Employer was used and which was developed entirely on Employee's own time, unless: (a) the Invention relates (i) directly to the business of Employer or (ii) to Employer's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by Employee for Employer.

11. Remedies. Notwithstanding other provisions of this Agreement regarding dispute resolution, Employee agrees that Employee's violation of any of Sections 7, 8, 9 or 10 of this Agreement might cause Employer irreparable harm which would not be adequately compensated by monetary damages and that an injunction may be granted by any court or courts having jurisdiction, restraining Employee from violation of the terms of this Agreement, upon any breach or threatened breach of Employee of the obligations set forth in any of Sections 7, 8, 9 or 10. The preceding sentence shall not be construed to limit Employer from any other relief or damages to which it may be entitled as a result of Employee's breach of any provision of this Agreement, including Sections 7, 8, 9 or 10.

12. Dispute Resolution. Except for the right of Employer and Employee to seek injunctive relief in court, any controversy, claim or dispute of any type arising out of or relating to Employee's employment or the provisions of this Agreement shall be resolved in accordance with this Section 12 regarding resolution of disputes, which will be the sole and exclusive procedure for the resolution of any disputes. This Agreement shall be enforced in accordance with the Federal Arbitration Act, the enforcement provisions of which are incorporated by this reference. Matters subject to these provisions include, without limitation, claims or disputes based on statute, contract, common law and tort and will include, for example, matters pertaining to termination, discrimination, harassment, compensation and benefits. Matters to be resolved under these procedures also include claims and disputes arising out of statutes such as the Fair Labor Standards Act, Title VII of the Civil Rights Act, the Age Discrimination in Employment Act, and all state laws related to employment. Nothing in this provision is intended to restrict Employee from submitting any matter to an administrative agency with jurisdiction over such matter.

12.1. Mediation. Employer and Employee will make a good faith attempt to resolve any and all claims and disputes by submitting them to mediation before resorting to arbitration or any other dispute resolution procedure. The mediation of any claim or dispute must be conducted in Massachusetts in accordance with the then-current JAMS procedures for the resolution of employment disputes by mediation, by a mediator who has had both training and experience as a mediator of general employment and commercial matters. If the parties to this Agreement cannot agree on a mediator, then the mediator will be selected by JAMS in accordance with JAMS' strike list method. Within thirty (30) days after the selection of the mediator, Employer and Employee and their respective attorneys will meet with the mediator for one mediation session of at least four hours. If the claim or dispute cannot be settled during such mediation session or mutually agreed continuation of the session, either Employer or Employee may give the mediator and the other party to the claim or dispute written notice declaring the end of the mediation process. All discussions connected with this mediation provision will be confidential and treated as compromise and settlement discussions. Nothing disclosed in such discussions, which is not independently discoverable, may be used for any purpose in any later proceeding. The mediator's fees will be paid in equal portions by Employer and Employee, unless Employer agrees to pay all such fees.

12.2. Arbitration. If any claim or dispute has not been resolved in accordance with Section 12.1, then the claim or dispute will be determined by arbitration in accordance with the then-current JAMS employment arbitration rules and procedures, except as modified herein, said arbitration to occur in Massachusetts. The arbitration will be conducted by a sole neutral arbitrator who has had both training and experience as an arbitrator of general employment and commercial matters and who is and for at least ten (10) years has been, a partner, a shareholder, or a member in a law firm. If Employer and Employee cannot agree on an arbitrator, then the arbitrator will be selected by JAMS in accordance with Rule 15 of the JAMS employment arbitration rules and procedures. No person who has served as a mediator under the mediation provision, however, may be selected as the arbitrator for the same claim or dispute. Reasonable discovery will be permitted and the arbitrator may decide any issue as to discovery. The arbitrator may decide any issue as to whether or as to the extent to which any dispute is subject to the dispute resolution provisions in Section 12 and the arbitrator may award any relief permitted by law. The arbitrator must base the arbitration award on the provisions of Section 12 and applicable law and must render the award in writing, including an explanation of the reasons for the award. Judgment upon the award may be entered by any court having jurisdiction of the matter, and the decision of the arbitrator will be final and binding. The statute of limitations applicable to the commencement of a lawsuit will apply to the commencement of an arbitration under Section 12.2. The arbitrator's fees will be paid in equal portions by Employer and Employee, unless Employer agrees to pay all such fees.

13. Fees Related to Dispute Resolution. Unless otherwise agreed, the prevailing party will be entitled to its costs and attorneys' fees incurred in any litigation or dispute relating to the interpretation or enforcement of this Agreement Disclosure. Employee agrees to reveal the terms of this Agreement as it relates to non-solicitation, confidentiality, inventions and patents and work product and copyrights to any future employer or potential employer of Employee and authorizes Employer, at its election, to make disclosure regarding said provisions.

15. Representation of Employee. Employee represents and warrants to Employer that Employee is free to enter into this Agreement and has no contract, commitment, arrangement or understanding to or with any party that restrains or is in conflict with Employee's performance of the covenants, services and duties provided for in this Agreement. Employee agrees to indemnify Employer and to hold it harmless against any and all liabilities or claims arising out of any unauthorized act or acts by Employee that, the foregoing representation and warranty to the contrary notwithstanding, are in violation, or constitute a breach, of any such contract, commitment, arrangement or understanding.

16. Conditions of Employment. Employer's obligations to Employee under this Agreement are conditioned upon Employee's timely compliance with requirements of the United States immigration laws.

17. Assignability. During Employee's employment, this Agreement may not be assigned by either party without the written consent of the other. However, Employer may assign its rights and obligations under this Agreement without Employee's consent to a successor by sale, merger or liquidation, if such successor carries on the Business substantially in the form in which it is being conducted at the time of the sale, merger or liquidation. This Agreement is binding upon Employee, Employee's heirs, personal representatives and permitted assigns and on Employer, its successors and assigns. The Employer shall assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which Employee is principally involved and shall require such person or entity to assume the Employer's rights and obligations hereunder.

18. Notices. Any notices required or permitted to be given hereunder are sufficient if in writing and delivered by hand, by facsimile or email, by registered or certified mail, or by overnight courier, to Employee at 143 Annawan Road, Waban, MA 02468 and jskvarka@gmail.com, or to Employer at Trillium Therapeutics USA Inc. c/o Trillium Therapeutics Inc., 2488 Dunwin Drive, Mississauga, Ontario, L5L 1J9. Notices shall be deemed to have been given (i) upon delivery, if delivered by hand, (ii) seven days after mailing, if mailed, (iii) one business day after delivery, if delivered by courier, and (iv) one business day following receipt of an appropriate electronic confirmation, if by facsimile or by email.

19. Severability. If any provision of this Agreement or compliance by any of the parties with any provision of this Agreement constitutes a violation of any law, or is or becomes unenforceable or void, then such provision, to the extent only that it is in violation of law, unenforceable or void, shall be deemed modified to the extent necessary so that it is no longer in violation of law, unenforceable or void, and such provision will be enforced to the fullest extent permitted by law. The Parties shall engage in good faith negotiations to modify and replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces. If such modification is not possible, said provision, to the extent that it is in violation of law, unenforceable or void, shall be deemed severable from the remaining provisions of this Agreement, which provisions will remain binding on the parties.

20. Waivers. No failure on the part of either party to exercise, and no delay in exercising, any right or remedy hereunder will operate as a waiver thereof; nor will any single or partial waiver of a breach of any provision of this Agreement operate or be construed as a waiver of any subsequent breach; nor will any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by law.

21. Governing Law and Venue. Except as provided in Section 12 above, the validity, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts without regard to the conflicts of law provisions of such laws. A court of competent jurisdiction in Massachusetts shall have exclusive jurisdiction and venue of any lawsuit arising from or relating to Employee's employment with, or termination from, Employer, or arising from or relating to this Agreement. Employee and Employer consent to such venue and personal jurisdiction.

22. Section 280G Safe Harbor Cap. If it shall be determined that any payment or distribution or any part thereof of any type to or for the benefit of Employee whether pursuant to this Agreement or any other agreement between Employee and Employer, or any person or entity that acquires ownership or effective control of Employer, or ownership of a substantial portion of Employer's assets (within the meaning of Section 280G of the Code) whether paid or payable or distributed or distributable pursuant to the terms of the Agreement or any other agreement, (the "Total Payments"), is or will be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced to the maximum amount that could be paid to Employee without giving rise to the Excise Tax (the "Safe Harbor Cap"), if the net after- tax payment to Employee after reducing Employee's Total Payments to the Safe Harbor Cap is greater than the net after-tax (including the Excise Tax) payment to Employee without such reduction.

The reduction of the amounts payable hereunder, if applicable, shall be made by reducing payments that trigger the excise tax, and such reductions will be first the payment made pursuant to the Agreement and then to payments pursuant to any other agreements that are not subject to Section 409A of the Code, and finally to payments pursuant to any other agreements that are subject to Section 409A of the Code, provided that Employee shall have no ability to designate the order of such reductions. All mathematical determinations, and all determinations as to whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code), that are required to be made under this Section 21, including determinations as to whether the Total Payments to Employee shall be reduced to the Safe Harbor Cap and the assumptions to be utilized in arriving at such determinations, shall be made by a nationally recognized accounting firm selected by Employer (the "Accounting Firm").

If the Accounting Firm determines that the Total Payments to Employee shall be reduced to the Safe Harbor Cap (the "Cutback Payment") and it is established pursuant to a final determination of a court or an Internal Revenue Service (the "IRS") proceeding which has been finally and conclusively resolved, that the Cutback Payment is in excess of the limitations provided in this Section 11 (such excess amount hereinafter referred to as an "Excess Payment"), such Excess Payment shall be deemed for all purposes to be an overpayment to Employee made on the date such Employee received the Excess Payment. Employer or Employee, as applicable, shall notify the other within 30 days of its receipt of such final determination of the amount of the Excess Payment, along with a copy of the final determination, and Employee shall repay the Excess Payment amount to Employer within 30 days of such notification; provided, however, if Employee shall be required to pay an Excise Tax by reason of receiving such Excess Payment (regardless of the obligation to repay Employer), Employee shall provide Employer with written evidence of such requirement to pay an Excise Tax amount, and shall then be required to repay the Excess Payment reduced by such Excise Tax amount (or if already paid by Employee, Employer shall reimburse Employee within 10 days of proof of payment).

23. 409A Savings Clause. The intent of the parties is that payments and benefits under this Agreement will be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. For purposes of Code Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Employee and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Employee by Code Section 409A or damages for failing to comply with Code Section 409A. Notwithstanding anything herein to the contrary, a termination of employment shall be deemed to have occurred at the time such termination constitutes a "separation from service" within the meaning of Code Section 409A for purposes of any provision of this Agreement providing for the payment of any amounts or benefits in connection with a termination of employment and that is subject to Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean a "separation from service." If a payment obligation under this Agreement arises on account of Employee's separation from service while Employee is a " specified employee" (as defined under Code Section 409A(a)(2)(B)(i) and determined in good faith by the Company), any payment of "deferred compensation" (as defined under Treasury Regulation Section l .409A-l (b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-l(b)(3) through (b)(l2)) that is scheduled to be paid within six (6) months after such separation from service shall accrue without interest and shall be paid within 15 days after the end of the six:-month period beginning on the date of such separation from service or, if earlier, within 15 days after the Employee's death. Notwithstanding any other provision to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

24. Counterparts. This agreement may be executed in counterpart in different places, at different times and on different dates, and in that case all executed counterparts taken together collectively constitute a single binding agreement.

25. Costs and Fees Related to Negotiation and Execution of Agreement. Employee has read this Agreement carefully and understands each of its terms and conditions. Employee acknowledges and agrees that he has been advised to seek the advice of independent legal counsel to the extent Employee deems such advice necessary in connection with the review and execution of this Agreement. Each Party shall be responsible for the payment of its own costs and expenses, including legal fees and expenses, in connection with the negotiation and execution of this Agreement. Neither Party will be liable for the payment of any commissions or compensation in the nature of finders' fees or brokers' fees, gratuity or other similar thing or amount in consideration of the other Party entering into this Agreement to any broker, agent or third party acting on behalf of the other Party.

26. Entire Agreement. This instrument contains the entire agreement of the parties with respect to the relationship between Employee and Employer and supersedes all prior agreements and understandings, and there are no other representations or agreements other than as stated in this Agreement related to the terms and conditions of Employee's employment. This Agreement may be changed only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought, and any such modification will be signed by Employer.

IN WITNESS WHEREOF, the parties have duly signed and delivered this Agreement as of the day and year first above written.

EMPLOYER

By: /s/ Robert Kirkman
Name: Robert Kirkman
Title: Executive Chair

EMPLOYEE

Signature: /s/ Jan Skvarka
Name: Jan Skvarka

Exhibit 10.16

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement"), effective November 2, 2020 ("Effective Date"), is made between Trillium Therapeutics USA Inc., a Delaware corporation ("Employer" or the "Company"), and Ingmar Bruns, MD, PhD ("Employee"). Employee and the Company are sometimes referred to herein as the "Parties" and individually as a "Party."

RECITALS

A. Employer is an immuno-oncology company in the business of discovering and developing cancer therapies.

B. Employer desires to obtain the services of Employee as its Chief Medical Officer, in which capacity Employee will have access to Employer's Confidential Information (as hereinafter defined), and to obtain assurance that Employee will protect Employer's Confidential Information and will not solicit its employees during the term of employment and for a reasonable period of time after termination of employment pursuant to this Agreement, and Employee is willing to agree to these terms.

C. Employee desires to be assured of the salary, bonus opportunity and other benefits in this Agreement and, as additional consideration, to obtain the stock options that Employer is willing to grant.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement, and other good and valuable consideration, the Parties, intending to be legally bound, agree as follows:

1. Employment. Employer hereby employs Employee, and Employee agrees to be employed as its Chief Medical Officer, commencing on the Effective Date. In this role, Employee will report directly to the Chief Executive Officer ("CEO") and will have such responsibilities, duties and authority commensurate with the position at similar companies. Employee will devote his full business time and attention to the Employee's duties. Employee will comply with all written/known rules, policies and procedures of Employer as modified from time to time. Employee will perform all of Employee's responsibilities in compliance with all applicable laws and will ensure that the operations that Employee manages are in compliance with all applicable laws. Beginning on the later of February 1, 2021 or when the Company re-opens its office as a result of the Covid-19 pandemic, Employee will work primarily from Employer's office in Massachusetts, USA.

2. Term of Employment. The term of employment will not be for a definite period, but rather continue indefinitely until terminated in accordance with the terms and conditions of this Agreement.

3. Compensation and Stock Options. For the duration of Employee's employment under this Agreement, the Employee will be entitled to compensation which will be computed and paid pursuant to the following subparagraphs.

3.1. Base Salary. Employer will pay to Employee a base salary ("Base Salary") at an annual rate of four hundred forty thousand U.S. Dollars ($440,000), payable in installments on the Company's regular payroll dates for executives (but in no event less than monthly), subject to withholdings and deductions as required or permitted by law. Employee's Base Salary will be reviewed annually by the Employer and may be adjusted in the sole discretion of Employer based on such review, but will not be reduced by Employer unless the Employer reduces Employee's then-current Base Salary by no more than 10% in connection with a similar, across-the-board reduction in the base salaries of similarly-situated executives at the Company.

3.2. Incentive Bonus. Employee shall be eligible for a bonus of up to forty percent (40%) at target of Employee's then-current Base Salary (for calendar year 2020, the bonus amount shall be prorated for the period commencing on the Effective Date and ending on December 31, 2020), based on achievement of criteria and objectives set annually by Employer's Board of Directors. The determinations of the Board with respect to Employee's incentive bonus will be final and binding. Employee must be in good standing on the bonus payout date, which shall be no later than March 15 of the calendar year following the calendar year to which the bonus relates. The bonus is not considered to be earned until the bonus payout date. If, for any reason, Employee is no longer an employee of the Company on the bonus payout date, Employee will not be eligible for, or entitled to receive, a bonus payment. Employee may also participate in other bonus or incentive plans adopted by Employer that are applicable to Employee's position, as they may be changed from time to time, but nothing herein shall require the adoption or maintenance of any such plan.

3.3. Stock Options. As a material inducement to the Employee entering into this Agreement and becoming an employee of the Company, and subject to approval by the Board or Compensation Committee, the Company will grant the Executive an option to purchase four hundred thousand (400,000) shares of the Company's common stock ("New Hire Award"). The New Hire Award shall vest over four years, with twenty-five percent of the New Hire Award vesting on the one-year anniversary of the Effective Date and the remaining shares vesting in thirty-six equal monthly installments following the one-year anniversary of the Effective Date, subject to the Executive's continued service relationship with the Company. The New Hire Award shall be granted in the form of a non-qualified stock option as an inducement grant consistent with the requirements of NASDAQ Stock Market Rule 5635(c)(4) instead of pursuant to the Company's existing equity plan.

In the event that the Company terminates Employee's employment due to a Change of Control, such termination shall be deemed to constitute termination without Cause pursuant to Section 5.2, and all of the Employee's options (subject to any performance conditions and all other conditions of the operative Stock Option Plan), will vest immediately prior to the termination date. Such vested options may be exercised until the earlier of (a) 120 days following the date of expiry of the notice period in connection with such termination (or, if there is no such notice period, 120 days following the actual termination date); or (b) the normal expiry date of the option rights. Upon the expiration of such period, all unexercised option rights of Employee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to Employee under the Stock Option Plan. For the purposes of this Agreement "Change of Control" shall mean any one or a combination of:

(i) any transaction at any time and by whatever means pursuant to which (A) Trillium Therapeutics Inc. (hereinafter, the "Corporation") goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of Corporation voting securities immediately prior to such corporate transaction or reorganization or (B) any person or any group of two or more persons acting jointly or in concert (other than the Corporation, a wholly-owned subsidiary (as defined in the Securities Act (Ontario)) of the Corporation, an employee benefit plan of the Corporation or of any of its wholly-owned subsidiaries, including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the Business Corporations Act (Ontario)) of, or acquires the right to exercise control or direction over, securities of the Corporation representing 50% or more of the Corporation's then issued and outstanding securities in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a person other than a wholly-owned subsidiary of the Corporation;

(iii) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more persons which were wholly-owned subsidiaries of the Corporation immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any other person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of the Corporation); or

(v) the Board of Directors passes a resolution to the effect that, for the purposes of some or all of the option agreements issued under the applicable Stock Option Plan, an event set forth in (i), (ii), (iii) or (iv) above has occurred.

3.4. Signing Bonus. Employee shall receive a one-time signing bonus in an amount of one hundred twenty thousand U.S. Dollars ($120,000), less withholdings, on the first payroll following Employee's start date. In the event that Employee voluntarily terminates his employment with the Company before the end of the first year of employment, Employee agrees to repay the Company the full amount of the signing bonus. Employee will repay the amount of the signing bonus owed by personal check or other negotiable instrument within 30 days of the termination date. Employee's voluntary termination for Good Reason as defined in Section 6.2 below shall not be a basis for Employee to repay any portion of said signing bonus.

4. Other Benefits.

4.1. Vacations, Holidays and Expenses. For the duration of Employee's employment hereunder, Employee will accrue up to four weeks of paid vacation each calendar year, which may be used in accordance with the Company's vacation policy in effect from time to time. Employer will reimburse Employee in accordance with company policies and procedures for reasonable expenses necessarily incurred in the performance of duties hereunder against appropriate receipts and vouchers indicating the specific business purpose for each such expenditure.

4.2. Health and Welfare Benefits. Employee is eligible to participate in the Company's 401(k) Plan, as may be amended by the Company from time to time. The Company currently offers a hundred percent match on contributions to the 401(k) Plan up to five percent of Employee's Base Salary or such lessor amount as may be required under applicable law. Employee shall also be entitled to participate in the Company's group health, life insurance, disability insurance and other plans, as may be provided by the Company from time to time. Employee hereby acknowledges that he will not be eligible to participate in any group health, welfare, life insurance or other plans maintained by the Parent Company.

4.3. Right of Set-off. By accepting this Agreement, Employee consents to a deduction from any amounts Employer owes Employee from time to time (including amounts owed to Employee as wages or other compensation, fringe benefits, or vacation pay, as well as any other amounts owed to Employee by Employer), to the extent of the clear and established amounts, if any, that Employee owes to Employer. Whether or not Employer elects to make any set-off in whole or in part, if Employer does not recover by means of set-off the full amount Employee owes it, calculated as set forth above, Employee agrees to pay immediately upon Employer's demand, the unpaid balance to Employer.

4.4. Indemnification. Employee will receive indemnification coverage pursuant to the terms and conditions of any applicable by-laws and/or Directors and Officers insurance policy that the Company makes available to its officer and directors. The Company agrees to maintain Director and Officer insurance coverage consistent with past practice. Any renewal Director and Officer insurance policy shall cover the periods of Employee's employment with the Company, both as an active and a former employee of the Company and shall not decrease Employee's protections thereunder.

In addition, the Company will enter into an Indemnification Agreement with Employee in a form mutually agreeable to the Company and Employee as of the Effective Date.

5. Termination By Employer.

5.1. For Cause. Employer will have the right to immediately terminate Employee's employment under this Agreement for Cause. "Cause" means the reasonable and good faith belief by the CEO that any of the following has occurred: (a) any material breach of a material provision of this Agreement by Employee, including, without limitation, Employee's covenants in Sections 7, 8, 9 and 10; (b) Employee's willful and continued failure to substantially perform Employee's material responsibilities reasonably assigned to him by the CEO (other than such a failure as a result of a Disability); (c) Employee's willful failure to comply with lawful and reasonable directives of the CEO; (d) commission of a felony or misdemeanor or failure to contest prosecution for a felony or misdemeanor; (e) Employee willfully engaged in a violation of any statute, rule or regulation, any of which in the judgment of Employer is harmful to the business or to Employer's reputation; (f) Employee willfully engaged in unethical practices, dishonesty or disloyalty that materially injures the Company or its business reputation; *provided*, that before terminating Employee's employment for "Cause" under subsections (a), (b) or (c), the Employer shall provide Employee with written notice of the circumstances giving rise to a termination for Cause and a 30-day opportunity to cure such grounds, if curable. If cured, such events or grounds shall no longer be deemed a basis for a termination of Employee for "Cause," at any time during Employee's employment.

Upon termination of Employee's employment hereunder for Cause, Employer shall pay the Employee's accrued Base Salary, any accrued but unused vacation and any other amounts earned through the termination date under an applicable company plan or policy, within the time period required by law but in no event more than 30 days after the termination date (the "Accrued Obligations"). Employee will have no rights to any unvested benefits or any other compensation or payments after the termination date except for the Accrued Obligations.

5.2. Without Cause. Employer may terminate Employee's employment under this Agreement without Cause and without advance notice; provided, however, that in addition to the Accrued Obligations, Employer will continue to pay Employee, as severance pay ("Severance Pay"), Employee's Base Salary at the rate in effect on the termination date through the date that is six (6) months from the termination date; provided, further, that if Employee's termination is due to a Change of Control (as defined in Section 3.3 above), then in lieu of the foregoing, Employer will continue to pay, as severance pay, Employee's Base Salary at the rate in effect on the termination date through the date that is nine (9) months from the termination date. Furthermore, upon a termination by Employer without Cause and subject to an Employee's election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, Employer will pay to Employee a lump sum amount equal to six (6) times the employer paid portions of the monthly premiums in effect at the termination date for medical, dental and vision coverage in which the Employee participated as of the termination date (the "Health Benefit Payment"). Employee shall only be entitled to the Severance Pay and Health Benefit Payment if Employee signs (and then Employee does not rescind, as may be permitted by law) a general release of claims in favor of Employer in a form acceptable to Employer (the "Release"), provided, however, that such release of claims shall only require Employee to release Employer from claims relating directly to Employee's employment and the termination thereof, and shall not require Employee to release claims relating to vested employee benefits or relating to other matters, including, but not limited to, claims relating to his rights as a shareholder of the Company or any rights to indemnification which Employee possesses as of the separation date. The Severance Pay will be made at usual and customary pay intervals of Employer beginning on the first payroll period after the release of claims becomes effective and will be subject to all appropriate deductions and withholdings. The Health Benefit Payment will be made with the first payment of Severance Pay and will be subject to all appropriate deductions and withholdings. Employee shall only be entitled to Severance Pay and the Health Benefit Payment under this Agreement if Employee signs (and does not rescind) the Release with the applicable rescission period having expired within 60 days following Employee's separation from service (or such shorter period as set forth in the Release), and if such sixty (60) day period spans two calendar years, payments will in all cases commence in the later calendar year. Upon termination, Employee will have no rights to any unvested benefits or any other compensation or payments except as stated in this paragraph and, if applicable, in Section 3.3.

5.3. Death or Disability

Employee's employment shall terminate automatically upon Employee's death during his employment. Either Employer or Employee may terminate Employee's employment in the event of Employee's Disability during his employment. If Employer determines in good faith that the Disability of Employee has occurred (pursuant to the definition of Disability set forth below), it shall give to Employee a written notice of its intention to terminate Employee's employment. In such event, Employee's employment with Employer shall terminate effective on the 30th day after receipt of such notice by Employee (the Disability Effective Date), provided that, within the 30 days after such receipt, Employee shall not have returned to full-time performance of Employee's duties. For purposes of this Agreement, "disability" means the inability of Employee, whether due to accident, sickness or otherwise, as determined by a medical doctor acceptable to the CEO and confirmed in writing by such doctor, to perform the essential functions of Employee's position under this Agreement, with or without reasonable accommodation (provided that no accommodation that imposes undue hardship on Employer will be required) for an aggregate of ninety (90) days during any period of one hundred eighty (180) consecutive days, or such longer period as may be required under disability law. Upon termination in the event of Employee's death or Disability, Employer shall pay to Employee's estate or Employee the Accrued Obligations. Employee's estate or Employee will have no right to any unvested benefits or any other compensation or payments except as stated in this paragraph and in Section 3.3

6. Resignation By Employee.

6.1 Resignation by Employee Other than for Good Reason. Employee may terminate Employee's employment under this Agreement for any reason provided that Employee gives Employer at least sixty (60) days' notice in writing. Employer may, at its option, accelerate such termination date to any date at least two (2) weeks after Employee's notice of termination. Employer may also, at its option, relieve Employee of all duties and authority after notice of termination has been provided. Employer will provide Employee with the Accrued Obligations, and all compensation, payments and unvested benefits will cease on the termination date.

6.2 Resignation by Employee for Good Reason. Furthermore, Employee may terminate this Agreement at any time upon written notice to the Employer for "Good Reason", defined as (a) a material diminution of Employee's authority, duties or responsibilities; (b) a material reduction in Employee's Base Salary (except for a reduction of no more than 10% of Employee's Base Salary consistent with section 3.1 above); (c) relocation of Employee's principal workplaces, referring to Boston-metro area, by more than 50 miles, unless such relocation reduces Employee's regular commuting time (and excluding Employee's typical travel as set forth in this Agreement); (d) any breach by the Company of Section 4.4 above; or (e) a material breach of a material provision of this Agreement; *provided*, that before resigning for "Good Reason" under subsections (a), (b), (c) or (e), the Employee shall (i) provide Employer with written notice of the circumstances giving rise to a termination for Good Reason (which notice must be provided by Employee within 90 days of the Employee learning of the existence of the condition(s) giving rise to such Good Reason) and a 30-day opportunity to cure such grounds; and (ii) if the Employer did not cure such grounds, Employee ends his employment within 60 days after providing such notice to the Employer. If Employee terminates employment under this Agreement for Good Reason, in addition to the Accrued Obligations, Employee shall also be entitled to the "Severance Pay" and "Health Benefit Payment" as defined in Section 5.2 above, subject to the Release requirement and the timing of the payments described therein.

7. Restrictive Covenants.

7.1. Noncompetition Covenant. Employee agrees that during his employment with the Company and for a period of one (1) year following Employee's termination of employment for any reason other than a termination by the Company without Cause, as "Cause" is defined in Section 5.1 of the Agreement or by the Employee for Good Reason ("Restricted Period"), Employee shall not, anywhere the Company conducts business or is known by Employee to contemplate conducting business as of the termination date (the "Restricted Territory"), directly or indirectly (whether for compensation or without compensation), as principal, agent, owner, partner, employee, consultant, shareholder, member, director, manager or officer, as the case may be, or otherwise howsoever, own, operate, be engaged in or connected with the operation of or have any financial interest in or advance, lend money to, guarantee the debts or obligations of or permit Employee's name or part thereof to be used or employed in any operation, whether a proprietorship, partnership, joint venture, company or other entity, legal or otherwise, whatsoever, or otherwise carry on or engage in any activity or business involving the field of innate immune system checkpoint inhibitors; provided, however, that such restrictions shall not preclude Employee from owning up to 1% of the totally outstanding stock of a publicly traded entity**.** It is mutually agreed upon by Employee and the Company that the grant of the New Hire Award shall serve as consideration for Employee's compliance with this Section (in lieu of any post- employment garden leave payments), and that Employee would not receive the New Hire Award but-for Employee's agreement to these restrictions on competition. Employee acknowledges that Employee has the right to consult with counsel prior to executing this Agreement. Employee further acknowledges that this Agreement is the formal offer of employment and that it was delivered to Employee at least ten (10) business days before the commencement of Employee's employment with the Company. Nothing in this Section shall restrict the right of the Employee to practice medicine in any geographic area for any period of time during the Restricted Period.

7.2. Non-solicitation Covenant. During the period commencing on the Effective Date and terminating on the first anniversary of the termination date, regardless of the reason for termination, Employee shall not, directly or indirectly (whether for compensation or without compensation), as principal, agent, owner, partner, employee, consultant, shareholder, member, director, manager or officer, as the case may be (other than as the holder of an ownership interest of not more than 1% of the total outstanding stock of a publicly traded entity):

(i) solicit, or attempt to obtain business from, accept business from or contact any current or former customer of the Company regarding activity or business that is competitive with the business activities of the Company as they existed during the period that Employee provided services to the Company; or

(ii) induce or attempt to induce any Company employee to terminate employment with the Company, hire or participate in the hiring of any Company employee or independent contractor, or interfere with or attempt to disrupt the relationship, contractual or otherwise, between the Company and any Company employee or independent contractor (other than advertising not specifically targeted at the Company's employees or contractors and serving as a reference upon request). For purposes of this paragraph, a Company employee or independent contractor means any person employed or contracted by the Company during the twelve (12) month period prior to the termination date.

7.3. Outside Employment. While employed by the Company, Employee is expected to devote his full-time efforts and energy to his job with the Company. The following types of outside employment (which includes paid consulting engagements) are strictly prohibited:

(i) Employment that conflicts with Employee's work schedule, duties and responsibilities;

(ii) Employment that creates a conflict of interest or is incompatible with Employee's employment with the Company;

(iii) Employment that interferes with the protection of the Company's proprietary or confidential information;

(iv) Employment that impairs or has a detrimental effect on Employee's work performance with the Company;

(v) Employment that requires Employee to conduct work or related activities for outside employment on the Company's property during the Employee's working hours or using the Company's facilities and/or equipment in relation to the Employee's outside employment; and

(vi) Employment that directly or indirectly competes with the business or the interests of the Company.

If Employee wishes to engage in outside employment, he must submit a written request to the Company explaining the details of the outside employment. No work related to Employee's outside employment may be performed during Company time, with Company property or equipment, or on Company premises. The Company shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of outside employment. Authorization to engage in outside employment can be revoked at any time. Volunteer/pro bono engagements are permitted by the Company so long as such engagements do not interfere with Employee's work for the Company. Failure to adhere to this policy may result in discipline up to and including termination.

8. Confidential Information. Employee recognizes that Employer's business and continued success depend upon the use and protection of confidential and proprietary business information, including, without limitation, the information and technology developed by or available through licenses to Employer, to which Employee has access (all such information being "Confidential Information"). For purposes of this Agreement, the phrase "Confidential Information" includes, for Employer and its current or future subsidiaries and affiliates, without limitation, and whether or not specifically designated as confidential or proprietary: all business plans and marketing strategies; information concerning existing and prospective markets and customers; financial information; information concerning the development of new products and services; information concerning any personnel of Employer (including, without limitation, skills and compensation information); and technical and non-technical data related to software programs, designs, specifications, compilations, inventions, improvements, methods, processes, procedures and techniques; provided, however, that the phrase does not include information that (a) was lawfully in Employee's possession prior to disclosure of such information by Employer; (b) was, or at any time becomes, available in the public domain other than through a violation of this Agreement; (c) is documented by Employee as having been developed by Employee outside the scope of Employee's employment and independently; or (d) is furnished to Employee by a third party not under an obligation of confidentiality to Employer.

Employee agrees that during Employee's employment and after termination of employment irrespective of cause, Employee will use Confidential Information only for the benefit of Employer and will not directly or indirectly use or divulge, or permit others to use or divulge, any Confidential Information for any reason, except as authorized by Employer. Employee's obligation under this Agreement is in addition to any obligations Employee has under state or federal law. Employee agrees to deliver to Employer immediately upon termination of Employee's employment, or at any time Employer so requests, all tangible items containing any Confidential Information (including, without limitation, all memoranda, photographs, records, reports, manuals, drawings, blueprints, prototypes, notes taken by or provided to Employee, and any other documents or items of a confidential nature belonging to Employer) whether in hard copy, electronic, or other format, together with all copies of such material in Employee's possession or control. Employee agrees that in the course of Employee's employment with Employer, Employee will not violate in any way the rights that any entity has with regard to trade secrets or proprietary or confidential information.

Employee's obligations under this Section 8 are indefinite in term and shall survive the termination of Employee's employment and/or this Agreement. However, Employee further understands that nothing in this Agreement prohibits Employee from reporting to any governmental authority information concerning possible violations of law or regulation and that Employee may disclose Confidential Information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution or liability, provided Employee files any document containing Confidential Information under seal and does not disclose the Confidential Information, except pursuant to court order. Employee understands that in the event it is determined that the disclosure of Company trade secrets was not done in good faith pursuant to the above, Employee will be subject to substantial damages, including attorneys' fees.

Employee acknowledges that certain whistleblower laws permit Employee to communicate directly with governmental or regulatory authorities, including communications with the U.S. Securities and Exchange Commission about possible securities law violations, without the Company's permission or notification, and that the Company will not consider such communications to violate this or any other agreement between Employee and the Company or any Company policy.

Employee acknowledges that under U.S. Defend Trade Secrets Act of 2016, Employee will not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of a trade secret that is made in confidence to government officials, either directly or indirectly, or to an attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law, or in a complaint or other document filed in a lawsuit or other proceeding, provided such filing is made under seal. If Employee has any questions as to what comprises such confidential or proprietary information or trade secrets, or to whom if anyone it may be disclosed, Employee will consult with the Company. Employee understands that in the event it is determined that the disclosure of Company trade secrets was not done in good faith, Employee will be subject to substantial damages, including punitive damages and attorneys' fees.

9. Work Product and Copyrights. Employee agrees that all right, title and interest in and to the materials resulting from the performance of Employee's duties at Employer and all copies thereof, including works in progress, in whatever media, (the "Work"), will be and remain in Employer upon their creation. Employee will mark all Work with Employer's copyright or other proprietary notice as directed by Employer. Employee further agrees:

9.1. To the extent that any portion of the Work constitutes a work protectable under the copyright laws of the United States (the "Copyright Law"), that all such Work will be considered a "work made for hire" as such term is used and defined in the Copyright Law, and that Employer will be considered the "author" of such portion of the Work and the sole and exclusive owner throughout the world of such copyright; and

9.2. If any portion of the Work does not qualify as a "work made for hire" as such term is used and defined in the Copyright Law, that Employee hereby assigns and agrees to assign to Employer, without further consideration, all right, title and interest in and to such Work or in any such portion of such Work and any copyright in such Work and further agrees to execute and deliver to Employer, upon request, appropriate assignments of such Work and copyright in such Work and such other documents and instruments as Employer may request to fully and completely assign such Work and copyright in such Work to Employer, its successors or nominees, and that Employee appoints Employer as attorney-in-fact to execute and deliver any such documents on Employee's behalf in the event Employee should fail or refuse to do so within a reasonable period following Employer's request.

10. Inventions and Patents. For purposes of this Agreement, "Inventions" includes, without limitation, information, inventions, contributions, improvements, ideas, or discoveries, whether protectable or not, and whether or not conceived or made during work hours. Employee agrees that all Inventions conceived or made by Employee during the period of employment with Employer belong to Employer, provided they grow out of Employee's work with Employer or are related in some manner to the Employer's business, including, without limitation, research and product development, and projected business of Employer or its affiliated companies. Accordingly, Employee will:

10.1. Make adequate written records of such Inventions, which records will be Employer's property;

10.2. Assign to Employer, at its request, any rights Employee may have to such Inventions for the U.S. and all foreign countries;

10.3. Waive and agree not to assert any moral rights Employee may have or acquire in any Inventions and agree to provide written waivers from time to time as requested by Employer; and

10.4. Assist Employer (at Employer's expense) in obtaining and maintaining patents or copyright registrations with respect to such Inventions. Employee understands and agrees that Employer or its designee will determine, in its sole and absolute discretion, whether an application for patent will be filed on any Invention that is the exclusive property of Employer, as set forth above, and whether such an application will be abandoned prior to issuance of a patent. Employer will pay to Employee, either during or after the term of this Agreement, the following amounts if Employee is sole inventor, or Employee's proportionate share if Employee is joint inventor: $750 upon filing of the initial application for patent on such Invention; and $1,500 upon issuance of a patent resulting from such initial patent application, provided Employee is named as an inventor in the patent.

Employee further agrees that Employee will promptly disclose in writing to Employer during the term of Employee's employment and for one (1) year thereafter, all Inventions whether developed during the time of such employment or thereafter (whether or not Employer has rights in such Inventions) so that Employee's rights and Employer's rights in such Inventions can be determined. Employee represents and warrants that Employee has no Inventions, software, writings or other works of authorship useful to Employer in the normal course of the business, which were conceived, made or written prior to the date of this Agreement and which are excluded from the operation of this Agreement.

NOTICE: This Section 10 does not apply to Inventions for which no equipment, supplies, facility, or trade secret information of Employer was used and which was developed entirely on Employee's own time, unless: (a) the Invention relates (i) directly to the business of Employer or (ii) to Employer's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by Employee for Employer.

11. Remedies. Notwithstanding other provisions of this Agreement regarding dispute resolution, Employee agrees that Employee's violation of any of Sections 7, 8, 9 or 10 of this Agreement might cause Employer irreparable harm which would not be adequately compensated by monetary damages and that an injunction may be granted by any court or courts having jurisdiction, restraining Employee from violation of the terms of this Agreement, upon any breach or threatened breach of Employee of the obligations set forth in any of Sections 7, 8, 9 or 10. The preceding sentence shall not be construed to limit Employer from any other relief or damages to which it may be entitled as a result of Employee's breach of any provision of this Agreement, including Sections 7, 8, 9 or 10.

12. Dispute Resolution. Except for the right of Employer and Employee to seek injunctive relief in court, any controversy, claim or dispute of any type arising out of or relating to Employee's employment or the provisions of this Agreement shall be resolved in accordance with this Section 12 regarding resolution of disputes, which will be the sole and exclusive procedure for the resolution of any disputes. This Agreement shall be enforced in accordance with the Federal Arbitration Act, the enforcement provisions of which are incorporated by this reference. Matters subject to these provisions include, without limitation, claims or disputes based on statute, contract, common law and tort and will include, for example, matters pertaining to termination, discrimination, harassment, compensation and benefits. Matters to be resolved under these procedures also include claims and disputes arising out of statutes such as the Fair Labor Standards Act, Title VII of the Civil Rights Act, the Age Discrimination in Employment Act, and all state laws related to employment. Nothing in this provision is intended to restrict Employee from submitting any matter to an administrative agency with jurisdiction over such matter.

12.1. Mediation. Employer and Employee will make a good faith attempt to resolve any and all claims and disputes by submitting them to mediation before resorting to arbitration or any other dispute resolution procedure. The mediation of any claim or dispute must be conducted in Massachusetts in accordance with the then-current JAMS procedures for the resolution of employment disputes by mediation, by a mediator who has had both training and experience as a mediator of general employment and commercial matters. If the Parties to this Agreement cannot agree on a mediator, then the mediator will be selected by JAMS in accordance with JAMS' strike list method. Within thirty (30) days after the selection of the mediator, Employer and Employee and their respective attorneys will meet with the mediator for one mediation session of at least four hours. If the claim or dispute cannot be settled during such mediation session or mutually agreed continuation of the session, either Employer or Employee may give the mediator and the other Party to the claim or dispute written notice declaring the end of the mediation process. All discussions connected with this mediation provision will be confidential and treated as compromise and settlement discussions. Nothing disclosed in such discussions, which is not independently discoverable, may be used for any purpose in any later proceeding. The mediator's fees shall be paid entirely by the Company.

12.2. Arbitration. If any claim or dispute has not been resolved in accordance with Section 12.1, then the claim or dispute will be determined by arbitration in accordance with the then-current JAMS employment arbitration rules and procedures, except as modified herein, said arbitration to occur in Massachusetts. Employee understands that Employee may only bring such claims in Employee's individual capacity, and not as a plaintiff or class member in any purported class proceeding or any purported representative proceeding. The arbitration will be conducted by a sole neutral arbitrator who has had both training and experience as an arbitrator of general employment and commercial matters and who is and for at least ten (10) years has been, a partner, a shareholder, or a member in a law firm. If Employer and Employee cannot agree on an arbitrator, then the arbitrator will be selected by JAMS in accordance with Rule 15 of the JAMS employment arbitration rules and procedures. No person who has served as a mediator under the mediation provision, however, may be selected as the arbitrator for the same claim or dispute. Reasonable discovery will be permitted and the arbitrator may decide any issue as to discovery. The arbitrator may decide any issue as to whether or as to the extent to which any dispute is subject to the dispute resolution provisions in Section 12 and the arbitrator may award any relief permitted by law. The arbitrator must base the arbitration award on the provisions of Section 12 and applicable law and must render the award in writing, including an explanation of the reasons for the award. Judgment upon the award may be entered by any court having jurisdiction of the matter, and the decision of the arbitrator will be final and binding. The statute of limitations applicable to the commencement of a lawsuit will apply to the commencement of an arbitration under Section 12.2. The arbitrator's fees shall be paid entirely by the Company.

13. Disclosure to Future or Potential Employers. Employee agrees to reveal the terms of this Agreement as it relates to non-solicitation, confidentiality, inventions and patents and work product and copyrights to any future employer or potential employer of Employee and authorizes Employer, at its election, to make disclosure regarding said provisions.

14. Representation of Employee. Employee represents and warrants to Employer that Employee is free to enter into this Agreement and has no contract, commitment, arrangement or understanding to or with any party that restrains or is in conflict with Employee's performance of the covenants, services and duties provided for in this Agreement. Employee agrees to indemnify Employer and to hold it harmless against any and all liabilities or claims arising out of any unauthorized act or acts by Employee that, the foregoing representation and warranty to the contrary notwithstanding, are in violation, or constitute a breach, of any such contract, commitment, arrangement or understanding.

15. Conditions of Employment. Employer's obligations to Employee under this Agreement are conditioned upon Employee's timely submission of satisfactory proof of Employee's legal authorization to work in the United States, as required by United States immigration laws.

16. Assignability. During Employee's employment, this Agreement may not be assigned by either Party without the written consent of the other. However, Employer may assign its rights and obligations under this Agreement without Employee's consent to a successor by sale, merger or liquidation, if such successor carries on the business substantially in the form in which it is being conducted at the time of the sale, merger or liquidation. This Agreement is binding upon Employee, Employee's heirs, personal representatives and permitted assigns and on Employer, its successors and assigns. The Employer shall assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which Employee is principally involved and shall require such person or entity to assume the Employer's rights and obligations hereunder. For the avoidance of doubt, if Employee remains employed or becomes employed by the Employer, the purchaser or any of their affiliates in connection with any such transaction, then Employee shall not be entitled to any severance pay or benefits pursuant to Section 5.2 or 6.2 of this Agreement solely as a result of such transaction.

17. Notices. Any notices required or permitted to be given hereunder are sufficient if in writing and delivered by hand, or email, by registered or certified mail, or by overnight courier, to Employee at his current address on file with the Company and ingmar.bruns@me.com, or to Employer at Trillium Therapeutics USA Inc. c/o Trillium Therapeutics Inc., 2488 Dunwin Drive, Mississauga, Ontario, L5L 1J9. Notices shall be deemed to have been given (i) upon delivery, if delivered by hand, (ii) seven days after mailing, if mailed, (iii) one business day after delivery, if delivered by courier, and (iv) one business day following receipt of an appropriate electronic confirmation, if by email.

18. Severability. If any provision of this Agreement or compliance by any of the Parties with any provision of this Agreement constitutes a violation of any law, or is or becomes unenforceable or void, then such provision, to the extent only that it is in violation of law, unenforceable or void, shall be deemed modified to the extent necessary so that it is no longer in violation of law, unenforceable or void, and such provision will be enforced to the fullest extent permitted by law. The Parties shall engage in good faith negotiations to modify and replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces. If such modification is not possible, said provision, to the extent that it is in violation of law, unenforceable or void, shall be deemed severable from the remaining provisions of this Agreement, which provisions will remain binding on the Parties.

19. Waivers. No failure on the part of either Party to exercise, and no delay in exercising, any right or remedy hereunder will operate as a waiver thereof; nor will any single or partial waiver of a breach of any provision of this Agreement operate or be construed as a waiver of any subsequent breach; nor will any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by law.

20. Governing Law and Venue. The validity, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts without regard to the conflicts of law provisions of such laws. To the extent that any court action is permitted consistent with Section 11 of this Agreement or to enforce Section 12 of this Agreement, a court of competent jurisdiction in Massachusetts shall have exclusive jurisdiction and venue of any such lawsuit, and Employee and Employer consent to such venue and personal jurisdiction.

21. Section 280G Safe Harbor Cap. If it shall be determined that any payment or distribution or any part thereof of any type to or for the benefit of Employee whether pursuant to this Agreement or any other agreement between Employee and Employer, or any person or entity that acquires ownership or effective control of Employer, or ownership of a substantial portion of Employer's assets (within the meaning of Section 280G of the Code) whether paid or payable or distributed or distributable pursuant to the terms of the Agreement or any other agreement, (the "Total Payments"), is or will be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced to the maximum amount that could be paid to Employee without giving rise to the Excise Tax (the "Safe Harbor Cap"), if the net after- tax payment to Employee after reducing Employee's Total Payments to the Safe Harbor Cap is greater than the net after-tax (including the Excise Tax) payment to Employee without such reduction.

The reduction of the amounts payable hereunder, if applicable, shall be made by reducing payments that trigger the excise tax, and such reductions will be first the payment made pursuant to the Agreement and then to payments pursuant to any other agreements that are not subject to Section 409A of the Code, and finally to payments pursuant to any other agreements that are subject to Section 409A of the Code, provided that Employee shall have no ability to designate the order of such reductions. All mathematical determinations, and all determinations as to whether any of the Total Payments are "parachute payments" (within the meaning of Section 280G of the Code), that are required to be made under this Section 21, including determinations as to whether the Total Payments to Employee shall be reduced to the Safe Harbor Cap and the assumptions to be utilized in arriving at such determinations, shall be made by a nationally recognized accounting firm selected by Employer (the "Accounting Firm").

If the Accounting Firm determines that the Total Payments to Employee shall be reduced to the Safe Harbor Cap (the "Cutback Payment") and it is established pursuant to a final determination of a court or an Internal Revenue Service (the "IRS") proceeding which has been finally and conclusively resolved, that the Cutback Payment is in excess of the limitations provided in this Section 11 (such excess amount hereinafter referred to as an "Excess Payment"), such Excess Payment shall be deemed for all purposes to be an overpayment to Employee made on the date such Employee received the Excess Payment. Employer or Employee, as applicable, shall notify the other within 30 days of its receipt of such final determination of the amount of the Excess Payment, along with a copy of the final determination, and Employee shall repay the Excess Payment amount to Employer within 30 days of such notification; provided, however, if Employee shall be required to pay an Excise Tax by reason of receiving such Excess Payment (regardless of the obligation to repay Employer), Employee shall provide Employer with written evidence of such requirement to pay an Excise Tax amount, and shall then be required to repay the Excess Payment reduced by such Excise Tax amount (or if already paid by Employee, Employer shall reimburse Employee within 10 days of proof of payment).

22. 409A Savings Clause. The intent of the Parties is that payments and benefits under this Agreement will be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. For purposes of Code Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Employee and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Employee by Code Section 409A or damages for failing to comply with Code Section 409A. Notwithstanding anything herein to the contrary, a termination of employment shall be deemed to have occurred at the time such termination constitutes a "separation from service" within the meaning of Code Section 409A for purposes of any provision of this Agreement providing for the payment of any amounts or benefits in connection with a termination of employment and that is subject to Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean a "separation from service." If a payment obligation under this Agreement arises on account of Employee's separation from service while Employee is a " specified employee" (as defined under Code Section 409A(a)(2)(B)(i) and determined in good faith by the Company), any payment of "deferred compensation" (as defined under Treasury Regulation Section l .409A-l (b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-l(b)(3) through (b)(l2)) that is scheduled to be paid within six (6) months after such separation from service shall accrue without interest and shall be paid within 15 days after the end of the six:-month period beginning on the date of such separation from service or, if earlier, within 15 days after the Employee's death. Notwithstanding any other provision to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

23. Counterparts. This Agreement may be executed in counterpart in different places, at different times and on different dates, and in that case all executed counterparts taken together collectively constitute a single binding agreement.

24. Withholding; Tax Effect. All payments made by the Company to the Employee under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Employee for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

25. Costs and Fees Related to Negotiation and Execution of Agreement. Employee has read this Agreement carefully and understands each of its terms and conditions. Employee acknowledges and agrees that he has been advised to seek the advice of independent legal counsel to the extent Employee deems such advice necessary in connection with the review and execution of this Agreement. Each Party shall be responsible for the payment of its own costs and expenses, including legal fees and expenses, in connection with the negotiation and execution of this Agreement. Neither Party will be liable for the payment of any commissions or compensation in the nature of finders' fees or brokers' fees, gratuity or other similar thing or amount in consideration of the other Party entering into this Agreement to any broker, agent or third party acting on behalf of the other Party.

26. Entire Agreement. This instrument contains the entire agreement of the Parties with respect to the relationship between Employee and Employer and supersedes all prior agreements and understandings, and there are no other representations or agreements other than as stated in this Agreement related to the terms and conditions of Employee's employment. This Agreement may be changed only by an agreement in writing signed by the Party against whom enforcement of any waiver, change, modification, extension or discharge is sought, and any such modification will be signed by Employer. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Employee's employment to the extent necessary to effectuate the terms contained herein.

IN WITNESS WHEREOF, the Parties have duly signed and delivered this Agreement as of the day and year first above written.

EMPLOYER

By: /s/ Jan Skvarka
Name: Jan Skvarka
Title: CEO

EMPLOYEE

Signature: /s/ Ingmar Bruns
Name: Ingmar Bruns

Exhibit 10.17

THIS INDENTURE made this **26th** day of May, 2015.

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

BETWEEN:

PENWEST REVENUE CORP.

herein called the "Landlord"

OF THE FIRST PART;

- and -

TRILLIUM THERAPEUTICS INC.

herein called the "Tenant"

OF THE SECOND PART;

W I T N E S S E T H T H A T:

ARTICLE I
DEFINITIONS

1.01 Definitions

In this lease:

i. "Additional Rent" means all and any monies required to be paid by the Tenant to the Landlord under or pursuant to the terms of this Lease, save only for Minimum Rent.

ii. "Architect" shall mean the architect from time to time named by the Landlord or at the option of the Landlord, the Landlord's engineer or surveyor or certified BOMA contractor. Any certificate provided by the Architect and called for by the terms of this Lease shall be final and binding on the parties hereto save in the case of demonstrable error.

iii. "Building" means the lands and premises described in Schedule "A" attached hereto as such lands and premises may be altered, expanded, reduced from time to time and the building(s), improvements, equipment and facilities erected thereon or situate from time to time therein, the municipal address of which is 2480-2482-2484-2486- 2488 Dunwin Drive, Mississauga, Ontario.

iv. "Common Areas" means those areas, facilities, utilities, improvements, equipment and installations in the Building which from time to time are not designated or intended by the Landlord to be leased to tenants of the Building and those areas, facilities, utilities, improvements, equipment and installations which serve or are for the benefit of the Building and which are designated from time to time by the Landlord as part of the Common Areas. Without limiting the generality of the foregoing, Common Areas includes all parking areas and parking garages, if any, all entrances and exits thereto and all structural elements thereof, employee parking areas, access roads, driveways, truckways, delivery passages, the roof, exterior weather walls, exterior and interior structural elements and bearing walls in the improvements comprising the Building, loading and related areas, pedestrian sidewalks, landscaped areas, service areas, corridors, equipment, storage facilities, stairways, ramps, electrical, telephone, meter, valve, mechanical, storage and service rooms, general signs, columns, pipes, electrical, plumbing, drainage, mechanical, heating, ventilating and air conditioning systems and equipment and all other installations, equipment and services located therein or related thereto as well as the structures housing the same.

v. "Landlord" includes the Landlord and its successors and assigns and its authorized representatives.

vi. "Lease" means this Indenture of Lease and includes any riders and schedules hereto and shall also include any written agreements entered into which have the effect of amending this Indenture from time to time.

vii. "Lease Commencement Date" means the first date set forth in Section 2.03 of this Lease.

viii. "Leased Premises" means the premises demised to the Tenant and shown on Schedule "B" attached hereto and more particularly described in Section 2.01 hereof. The boundaries of the Leased Premises shall extend from the top surface of the structural subfloor to the bottom surface of the structural ceiling. The Leased Premises includes all water, gas, sewage, mechanical, telephone or other communication facilities for the exclusive use of the Leased Premises.

ix. "Lease Year" shall mean a period of time, the first Lease Year commencing on the Lease Commencement Date and ending on the 31st day of December in the calendar year of the Lease Commencement Date. Thereafter Lease Years shall consist of consecutive periods of twelve calendar months ending in each case on December 31st, save for the last Lease Year of the Term which shall terminate upon the expiration or earlier termination of this Lease, as the case may be.

x. "Minimum Rent" means the annual minimum rent payable by the Tenant pursuant to Section 3.01 hereof.

xi. "Mortgagee" means any mortgagee or hypothecary creditor (including any trustee for bondholders) of the Building or any part thereof.

xii. "Operating Costs" means the total cost and expense incurred in owning, operating, repairing, replacing, maintaining, managing and administering the Building and the Common Areas, excluding only the original acquisition costs and financing and mortgage charges, but specifically including without limiting the generality of the foregoing, all Taxes, landscaping charges, the total annual cost and expenses of insuring lands, buildings, improvements, equipment and other property in the Building and Common Areas and from time to time owned or operated by the Landlord or for which the Landlord is legally liable in such manner and form with such companies and such coverage and in such amounts as the Landlord or the Mortgagee from time to time determines; cleaning, snow removal; garbage and waste collection and disposal (if any); lighting, electricity, public utilities; the cost of electricity for any signs designated by the Landlord as part of the Building and the Common Areas; salaries, of all personnel including supervisory personnel employed to carry out the maintenance and operation of the Building and the Common Areas, including contributions and premiums towards fringe benefits, unemployment and Workers' Compensation Insurance, pension plan contributions and similar premiums and contributions; the cost of the rental of any equipment and signs and the cost of building supplies used by the Landlord in the maintenance of the Building and the Common Areas; accounting and audit fees incurred in the preparation of the statements required to be prepared and supplied by the Landlord under the terms of this Lease; legal fees as reasonably attributable to the daily operations of the Building, but excluding legal fees otherwise recoverable and legal fees for lease enforcement; all repairs and replacements to and maintenance and operation of the Building and the Common Areas and the systems, facilities and equipment serving the Building and the Common Areas; depreciation or amortization of the costs, including repair and replacement, of all maintenance and cleaning equipment and master utility meters and the costs incurred for repairing or replacing all other fixtures, equipment and facilities serving or comprising the Building and the Common Areas which by their nature require periodic or substantial repair and replacement and which are not charged fully in the Lease Year in which they are incurred over a period equal to the useful life of a particular repair or replacement, all in accordance with generally accepted accounting principles; interest calculated at two (2) percentage points above the average prime bank commercial lending rate charged during such Lease Year by any Canadian chartered bank designated from time to time by the Landlord upon the undepreciated or unamortized portion of the original cost of all maintenance and cleaning equipment and master utility meters and upon the undepreciated or unamortized portion of the cost of such repairs and replacements referred to above.

Notwithstanding anything to the contrary contained herein, Operating Costs shall not include, and the Tenant shall not be required to pay, any part of any of the following:

(i) Landlord's income tax, capital tax, business tax or any other tax personal to the Landlord;

(ii) costs and expenses properly chargeable to capital account, including, without limitation, the cost of repairs or replacements to the structure of the Building, including without limitation, the foundations, exterior weather walls, subfloor, roof, bearing walls and structural columns and beams of the Building and the cost of major repairs or replacements to the heating, ventilating and air conditioning system and equipment serving the Building;

(iii) the amount of any Sales Taxes (as such term is defined in Section 5.02xi below) paid or payable by the Landlord on the purchase of goods and services included in Operating Costs which may be available to the Landlord as a credit in determining the Landlord's net tax liability or refund on account of such Sales Taxes;

(iv) all costs and expenses for which any other tenant of the Building is entirely responsible under the provisions of its lease;

(v) all costs and expenses recoverable by guarantees and/or warranties given to the Landlord with respect to the Building;

(vi) all costs and expenses incurred by the Landlord in leasing space in the Building;

(vii) all costs and expenses incurred as a result of the negligence of the Landlord or those for whom it is at law responsible; and

(viii) all fines or penalties incurred by the Landlord for late payment of Taxes or other payments for which the Landlord is responsible under this Lease.

xiii. "Proportionate Share" means a fraction, the numerator of which is the Rentable Area of the Leased Premises (24,000 square feet) and the denominator of which is the Rentable Area of the Building (47,000 square feet), being 51.06%.

xiv. "Rent" means all Minimum Rent and Additional Rent payable pursuant to the terms of this Lease.

xv. "Rentable Area of the Leased Premises" means the area expressed in square feet of all floors of the Leased Premises measured from:

(i) the exterior face of all exterior walls, doors and windows;

(ii) the exterior face of all interior walls, doors and windows separating the Leased Premises from Common Areas, if any; and

(iii) the centre line of all interior walls separating the Leased Premises from adjoining leasable premises.

The Rentable Area of the Leased Premises includes all interior space whether or not occupied by projections, structures or columns, structural or non-structural. For the purposes of this Lease, the Rentable Area of the Leased Premises is 24,000 square feet.

xvi. "Rentable Area of the Building" means the area in square feet of all premises in the Building set aside for leasing by the Landlord from time to time, but excluding all Common Areas. For the purposes of this Lease, the Rentable Area of the Building is 47,000 square feet.

xvii. "Rules and Regulations" means the rules and regulations adopted and promulgated by the Landlord from time to time, in accordance with Section 10.04 below, acting reasonably and in such manner as would a prudent landlord of a reasonably similar building and of which the Tenant receives written notice.

xviii. "Taxes" means all duties, real property taxes, levies (including, without limitation, commercial concentration levies or any other tax or levy imposed on the Building or the Landlord based on total gross area or floor area), assessments and payments, extraordinary as well as ordinary, whether foreseen or unforeseen, as shall during the Term hereby demised be laid, levied, assessed or imposed upon or become liens upon the Leased Premises or the Building or any part thereof or any appurtenances thereto or the leasehold estate hereby created or as may be levied, assessed or imposed upon the Landlord by reason of its ownership of the Leased Premises and/or the Building, all by virtue of any present or future law, order or ordinance of Canada or of the provincial, city, county or local government or of any department, office or bureau thereof of any other governmental authority. Taxes shall also include any and all penalties, late payment or interest charges imposed by any municipality or other taxing authority as a result of the Tenant's late payments of any Taxes or instalments thereof. Taxes shall not include the Landlord's capital tax, income tax or any other tax personal to the Landlord. The Landlord's calculation of Taxes shall include Taxes that would have resulted from the Building being fully completed, fully assessed and fully occupied by tenants during the Term and any renewals with no special exemptions or reductions and without taking into account any actual or potential reduction of Taxes or change of assessment category or class for occupiable premises in the Building which are vacant from time to time, it being the intent that the Landlord shall receive all credits or reductions of Taxes related to such occupiable but vacant space in the Building.

xix. "Tenant" shall be deemed and taken to mean each and every person or party mentioned as a Tenant herein, be the same one or more and his, its, her, or their respective heirs, administrators, successors and assigns, as the case may be. If there is more than one Tenant, any notice required or permitted by this Lease may be given by or to any one of them and has the same force and effect as if given by or to all of them. Any reference to Tenant includes, where the context allows, the servants, employees, agents, invitees and licensees of the Tenant and all others over whom the Tenant may reasonably be expected to exercise control.

xx. "Term" means the period of time referred to in Section 2.03 hereof.

xxi. "Hazardous Substances" means any contaminant, pollutant, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls and any other substance or material now or hereinafter declared, defined or deemed to be hazardous, toxic, contaminants or pollutants in or pursuant to any applicable federal, provincial or municipal statutes, regulations, orders and by-laws.

ARTICLE II
GRANT AND TERM

2.01 Leased Premises

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenants rents from the Landlord, the Leased Premises. The Landlord and the Tenant acknowledge and agree that the Leased Premises are shown on Schedule "B" attached hereto and that the Rentable Area of the Leased Premises as defined herein is 24,000 square feet.

2.02 Use of Common Areas

The use and occupation by the Tenant of the Leased Premises shall entitle the Tenant to the use in common with all others entitled thereto of the Common Areas, subject however, to the terms and conditions of this Lease and to the Rules and Regulations for the use thereof as prescribed from time to time by the Landlord.

2.03 Term of Lease

TO HAVE AND TO HOLD the Leased Premises for and during the Term of ten (10) years, to be computed from the 1st day of November, 2015, and fully to be completed and ended on the 31st day of October, 2025, save as hereinafter provided for earlier termination.

2.04 Excuse of Performance

Anything in this Lease to the contrary notwithstanding, neither the Landlord nor the Tenant shall be deemed in default with respect to the performance of any of the terms, covenants and conditions of this Lease if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material or service, through act of God or other cause beyond the control of the Landlord or the Tenant, as the case may be, (providing such cause is not due to the wilful act or neglect of the Landlord or the Tenant, as the case may be). However, the provisions of this Section do not operate to excuse the Tenant from the prompt payment of Minimum Rent, Additional Rent or any other payments required by this Lease.

ARTICLE III
RENT

3.01 Minimum Rent

The Tenant covenants and agrees to pay unto the Landlord from and after the Lease Commencement Date a Minimum Rent for the Leased Premises (plus applicable Sales Taxes) payable in equal consecutive monthly instalments in advance on or before the first day of each month, without any prior demand therefor and without any deduction, abatement or set-off whatsoever, as follows:

i. From November 1, 2015 to December 31,2015 - Minimum Rent Free Period.

ii. From January 1, 2016 to October 31, 2017 - $228,000 per annum ($19,000.00 per month) calculated at $9.50 per square foot Rentable Area of the Leased Premises.

iii. From November 1, 2017 to October 31, 2019 - $264,000 per annum ($22,000.00 per month) calculated at $11.00 per square foot Rentable Area of the Leased Premises.

iv. From November 1, 2019 to October 31, 2021 - $276,000 per annum ($23,000.00 per month) calculated at $11.50 per square foot Rentable Area of the Leased Premises.

v. From November 1, 2021 to October 31, 2023 - $288,000 per annum ($24,000.00 per month) calculated at $12.00 per square foot Rentable Area of the Leased Premises.

vi. From November 1, 2023 to October 31, 2025 - $300,000 per annum ($25,000.00 per month), calculated at $12.50 per square foot Rentable Area of the Leased Premises.

The Landlord acknowledges receipt (by the agent Avison Young Commercial Real Estate (Ontario) Inc.) of One Hundred and Seventy Six Thousand, Two Hundred and Eighty Dollars ($176,280.00) to be applied towards payment of the first month's Minimum Rent, Additional Rent and Sales 'faxes calculated thereon coming due under the terms of this Lease, the 60th month's Minimum Rent, Additional Rent and Sales Taxes calculated thereon coming due under the terms of this Lease, and the remaining portion to be applied to a security deposit to be held by the Landlord without interest payable to the Tenant, pending discharge of all of the Tenant's obligations due under the Lease, and any remaining portion applied against the last two (2) months' Minimum Rent, Additional Rent and Sales Taxes calculated thereon coming due under the terms of this Lease.

3.02 Additional Rent

i. The parties hereto agree that any money required to be paid as Additional Rent shall be deemed to be and be collectible as Rent and the Landlord shall have the same remedies in respect of arrears of Additional Rent as it has in respect of arrears of Minimum Rent. If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless, if not paid when due, be collectible as Additional Rent with the next instalment of Minimum Rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder or limit any other remedy of the Landlord.

ii. The Landlord estimates that Additional Rent (including Operating Costs, Taxes, Landlord's insurance and utilities) for the year 2015 shall be $8.00 per square foot.

3.03 Rent and Additional Rent Past Due

If the Tenant fails to pay, when the same is due and payable, any Minimum Rent, Additional Rent or other amount payable by the Tenant under this Lease, such unpaid amounts shall bear interest from the due date thereof to the date of payment at an annual rate which is three (3) percentage points above the Prime Rate, subject to monthly compounding. For the purposes hereof, "Prime Rate" means the commercial lending rate of interest, expressed as an annual rate, which TD Canada Trust from time to time in Toronto as the reference rate of interest and commonly known as its "Prime Rate" and which serves as the basis upon which effective rates of interest are calculated for Canadian dollar loans made in Canada to its best commercial customers with interest payable as a function of its Prime Rate.

ARTICLE IV
NET LEASE

4.01 Intent

The Tenant acknowledges and agrees that it is intended that this Lease is a completely carefree net lease to the Landlord, except as expressly herein set out, that the Landlord is not responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Leased Premises, or the use and occupancy thereof, or the business carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Leased Premises except as expressly herein set out.

ARTICLE V
TAXES

5.01 Taxes Payable by Landlord

The Landlord shall pay all Taxes which are levied, rated, charged or assessed against the Building or any part thereof subject always to the provisions of this Lease regarding payment of Taxes by the Tenant. However, the Landlord may defer payment of any such Taxes or defer compliance with any statute, law, by-law, regulation or ordinance in connection with the levying of any such Taxes in each case to the fullest extent permitted by law, so long as it diligently prosecutes any contest or appeal of any such taxes, and absorbs directly any additional fine or penalty arising as a result of any such deferral, contest or appeal.

5.02 Taxes Payable by Tenant

i. The Tenant shall and will during the Term hereby demised pay and discharge, as Additional Rent, all Taxes levied, laid or assessed on or against the Leased Premises.

ii. In the event that a separate tax bill is issued by any lawful taxing authority, then the Tenant shall pay its Taxes on the basis of such separate tax bill. If there is no such separate tax bill, then the Tenant's Taxes shall, at the option of the Landlord, be calculated by the Landlord on the basis of the assessed value of the Leased Premises. In the event that there is not a separate tax bill for the Leased Premises available, and the Landlord elects or is not able to charge on the basis of assessed value, then the Tenant shall pay in lieu thereof its Proportionate Share of all such Taxes levied, rated, charged or assessed from time to time against the Building. In any event, in addition to the Taxes levied or assessed against the Leased Premises, the Tenant shall also pay a Proportionate Share of all such Taxes levied, rated, charged or assessed from time to time against the Common Areas to the extent only that such Taxes on the Common Areas have not been included in the Taxes otherwise charged to the Tenant hereunder.

iii. All Taxes shall be paid by the Tenant to the Landlord upon receipt of an invoice for the ‘faxes from the Landlord or the taxing authority having jurisdiction.

iv. In the case of assessments for local improvements or betterments which are assessed or imposed during the Term and which may by law be payable in instalments, the Tenant shall only be obligated to pay such instalments as same fall due during the Term, together with interest on deferred payments, on condition that the Tenant shall take such steps as may be prescribed by law to convert the payment of the assessment into instalment payments. Such payments of instalments and any interest thereon shall be made before any fine, penalty, interest or cost may be added thereto for nonpayment of any instalment or interest thereon.

v. In any suit or proceeding of any kind or nature arising or growing out of the failure of the Tenant to keep any covenant contained in this Article, the certificate or receipt of the department, officer or bureau charged with collection of the Taxes, showing that the tax, assessment or other charge affecting the Leased Premises is due and payable or has been paid, shall be prima facie evidence that such tax, assessment or other charge was due and payable as a lien or charge against the Leased Premises or that it has been paid as such by the Landlord.

vi. The Tenant shall have the right to contest or review by legal proceedings or in such manner as the Tenant in its opinion shall deem advisable (which proceedings or other steps taken by the Tenant shall be conducted diligently at its own expense and free of expense to the Landlord) any and all Taxes levied, assessed or imposed upon or against the Leased Premises or taxes in lieu thereof required to be paid by the Tenant hereunder. No such contest shall defer or suspend the Tenant’s obligations to pay the Taxes as herein provided pending the contest, but if by law it is necessary that such payment be suspended to preserve or perfect the Tenant’s contest, then the contest shall not be undertaken without there being first deposited with the Landlord a sum of money equal to twice the amount of the Taxes that are the subject of the contest, to be held by the Landlord as an indemnity to pay such Taxes upon conclusion of the contest and all costs thereof that may be imposed upon the Landlord or the Leased Premises.

vii. The Tenant upon request of the Landlord will promptly exhibit to the Landlord copies of all paid bills for Taxes.

viii. Any Tax relating to a fiscal period of the taxing authority, a part of which is within the Term and a part of which is prior to the commencement of the Term or subsequent to the expiration or earlier termination of the Term, shall, whether or not such Taxes shall be assessed, levied, imposed or become a lien upon the Leased Premises, or shall become payable during the demised term, be apportioned and adjusted between the Landlord and the Tenant as of the stated date of commencement or expiration of the Term, as the case may be.

ix. If the Tenant designates that Taxes go to support separate schools, the Tenant shall pay the difference, if any, between the rate for separate and public schools to the Landlord, together with any other payment pursuant to this Section 5.02.

x. Notwithstanding any other provisions of this Section 5.02, the Landlord may, at its option, estimate the amount of Taxes payable by the Tenant during a particular Lease Year and the Tenant shall, at the request of the Landlord, pay one-twelfth of such estimate to the Landlord together with the monthly payment of Minimum Rent, with appropriate adjustments to be made between the Landlord and the Tenant within ninety (90) days after the end of each Lease Year. The Landlord covenants to remit Taxes collected from the Tenant to the appropriate taxing authority having jurisdiction as and when due.

xi. Despite any other provisions of this Lease, the Tenant shall pay to the Landlord an amount equal to any and all goods and services taxes, sales taxes, value added taxes, business transfer taxes, or any other taxes imposed on the Landlord or the Tenant with respect to the Rent payable by the Tenant to the Landlord under this Lease, or in respect of the rental of space under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, business transfer tax, or otherwise (hereinafter individually and collectively called "Sales Taxes"). The amount of the Sales Taxes so payable by the Tenant shall be calculated by the Landlord in accordance with the applicable legislation and shall be paid to the Landlord at the same time as the amounts to which such Sales Taxes apply are payable to the Landlord under the terms of this Lease or upon demand or at such other time or times as the Landlord from time to time determines. Despite any other provisions of this Lease, the amount payable by the Tenant under this paragraph shall be deemed not to be Rent, but the Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent under this Lease.

5.03 Business Taxes and Other Taxes of Tenant

In addition to the Taxes payable by the Tenant pursuant to Section 5.02, the Tenant shall pay as Additional Rent to the lawful taxing authorities or to the Landlord, as it may direct, and shall discharge in each Lease Year, when the same becomes due and payable:

i. All taxes, rates, duties, assessments and other charges that are levied, rated, charged or assessed against or in respect of all improvements, equipment and facilities of the Tenant on or in the Leased Premises or the Building or any part or parts thereof or the Landlord on account of its ownership thereof or interest therein; and

ii. Every tax and license fee which is levied, rated, charged or assessed against or in respect of any and every business carried on in the Leased Premises or in respect of the use or occupancy thereof or any other part of the Building by the Tenant and every sub-tenant or licensee of the Tenant or against the Landlord on account of its ownership thereof or interest therein, all of the foregoing being collectively referred to as "business taxes" and whether in any case any such taxes, rates, duties, assessments or license fees are rated, charged or assessed by any federal, provincial, municipal or other body during the Term. If there are not separate tax bills provided for business taxes, the Landlord is entitled to allocate business taxes to the Tenant using the methods referred to in subsection 5.02ii hereof.

ARTICLE VI
CONSTRUCTION OF LEASED PREMISES

6.01 Landlord's Obligation

Subject only to Landlord's obligations under Section 10.02 and 11.02, and in Schedule D, Section 7, the Landlord covenants and agrees to deliver the Leased Premises in their "as is" condition ("as is" as of April 13, 2015) and Tenant accepts the Leased Premises in "as is" condition ("as is" as of April 13, 2015).

6.02 Tenant's Obligation

(a) The Tenant shall be responsible for installing its own Leasehold Improvements in the Leased Premises to a high standard befitting the quality of the Building, including but not limited to internal partitions and fixtures, together with the cost of any modifications to the Leased Premises required by its occupancy ("Leasehold Improvements"). The Leasehold Improvements to be installed by the Tenant shall be subject to (1) Tenant's obtaining Landlord approval of Tenant's plans and specifications, said approval not to be unreasonably withheld or delayed; (2) Tenant complying with all requirements of applicable municipal by-laws, building codes and fire, health and other regulations and all other relevant provincial and federal legislation and regulations thereunder. All Leasehold Improvements shall be effected by contractors selected and engaged by the Tenant. Landlord shall not be entitled to any management, supervisory, administrative or other fees with respect to the Tenant's Leasehold Improvements.

(b) All work performed by the Tenant and/or its contractors with respect to the Leased Premises shall:

ii. be done as expeditiously as possible, in a good and workmanlike manner and with first class new materials;

iii. be done in compliance with applicable municipal by-laws, building codes and fire, health and other regulation, and such reasonable rules and regulations as the Landlord may make; and

iv. be done at the cost and risk of the Tenant.

ARTICLE VII
CONDUCT OF BUSINESS BY TENANT

7.01 Use of Premises

(a) The Tenant shall, throughout the Term, use the Leased Premises solely as laboratory facilities, production and testing facilities, research and development, and general business and administrative offices (including a staff kitchen) in keeping with the current standards of the Building, and in accordance with all municipal and governmental laws, bylaws and regulations. The Tenant will not use or permit or suffer the use of the Leased Premises or any part thereof for any other business or purpose.

(b) During the Term, Tenant shall not be obliged to physically occupy the Leased Premises provided that it complies with all the terms and conditions hereof. Tenant shall be entitled to have access to the Leased Premises 24 hours per day, 7 days per week, 365 days per year.

7.02 Conduct and Operation of Business

In the conduct of the Tenant's business pursuant to this Lease, the Tenant shall:

i. abide by all Rules and Regulations formulated by the Landlord from time to time, including relating to the delivery of goods and merchandise to the Leased Premises;

ii. not commit or suffer or permit to be committed any waste upon or damage to the Leased Premises or any nuisance or other act or thing which disturbs the quiet enjoyment of any other tenant of the Building and not perform nor carry on any practices which may damage the Building;

iii. not do nor suffer nor permit to be done any act in or about the Common Areas or the Building which in the Landlord's reasonable opinion hinders or interrupts the flow of traffic to, in and from the Building and not do nor suffer nor permit anything to be done which in the Landlord's opinion in anyway obstructs the free movement of parties doing business in the Building;

iv. not use any travelling or flashing lights or signs or any loudspeakers, television, phonograph, radio or other audio, visual or mechanical devices in manner so that they can be heard or seen outside the Leased Premises without the prior written consent of the Landlord, which consent may be unreasonably withheld.

7.03 Observance of Law

The Tenant shall, at its sole cost and expense and subject to the other provisions of this Lease, promptly:

i. observe and comply with all provisions of law including, without limiting the generality of the foregoing, all requirements of all governmental authorities, including federal, provincial, and municipal legislative enactments, by-laws and other regulations now or hereafter in force which pertain to or affect the Leased Premises, the Tenant's use of the Leased Premises or the conduct of any business in the Leased Premises, or the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Leased Premises;

ii. observe and comply with all police, fire, environmental and sanitary regulations imposed by any governmental authorities (whether federal, provincial or municipal) or made by fire insurance underwriters;

iii. carry out all modifications, alterations or changes of or to the Leased Premises and the Tenant's conduct of business in or use of the Leased Premises which are required by any such authorities.

ARTICLE VIII
BUILDING AND COMMON AREAS – CONTROL AND PAYMENT

8.01 The Landlord shall operate and maintain the Building in such manner as the Landlord determines from time to time, and in a first class and reputable manner as would a prudent landlord of a similar building having regard to size, age and location.

The Building and the Common Areas are at all times subject to the exclusive control and management of the Landlord. Without limiting the generality of the foregoing, the Landlord has the right in its control, management and operation of the Building and by the establishment of Rules and Regulations with respect to the operation of the Building or any part thereof at all times throughout the Term to close all or any portion of the Building to such extent as may in the opinion of the Landlord's counsel be legally sufficient to prevent a dedication thereof or the accrual of any rights to any third party or the public; grant, modify and terminate easements or other agreements pertaining to the use and maintenance of all or any part of the Building; obstruct or close off all or any part of the Building for the purpose of maintenance, repair or construction; employ all personnel, including supervisory personnel and managers necessary for the operation, maintenance and control of the Building, provided that in so doing, the Landlord shall not materially interfere with, or impair or interrupt, the reasonable conduct of the Tenant's business from the Leased Premises.

8.02 Tenant to Bear Proportionate Share of Operating Costs

In each Lease Year, the Tenant shall pay to the Landlord, as Additional Rent its Proportionate Share of the Operating Costs incurred by the Landlord during such Lease Year.

The Additional Rent provided to be paid herein shall be paid by monthly instalments in advance on the first day of each and every month throughout the Term in an amount to be reasonably fixed from time to time by the Landlord as an estimate of actual expenses. The Landlord shall within ninety (90) days of the end of each Lease Year within the Term hereof or so soon thereafter as is possible submit to the Tenant a statement setting out the Operating Costs and the Tenant's Proportionate Share thereof, together with copies of such supporting documentation as is reasonably necessary to enable the Tenant to verify such statement or calculations. To the extent that the Tenant's Proportionate Share is greater than the amount actually paid by it, the Tenant shall forthwith upon receipt of the said statement pay such difference to the Landlord. In the event that the Tenant's Proportionate Share is less than the amount actually paid, such excess payment shall be refunded by the Landlord to the Tenant.

8.03 Examination of Landlord's Records

Provided the Tenant is not then in default under this Lease, the Tenant shall have the right, no more often than once per year during normal business hours and upon giving reasonable notice within 90 days of delivery of the statement of Tenant's occupancy costs (or Additional Rent) for any Fiscal Year, to attend at the Landlord's office at which its records for the Building are kept, at the Tenant's sole expense, to examine a sample population of invoices and receipts supporting such statement using standard audit practices (the "Examination"). If the Tenant retains the services of an audit consultant for the Examination, such audit consultant shall be an independent chartered accountant and such audit consultant shall not be one which charges its fees on a contingency fee basis. The Tenant shall reimburse the Landlord for all reasonable costs incurred by the Landlord with respect to the Examination, including, without limiting the generality of the foregoing, time spent by the Landlord's staff in connection with the Examination. Upon completion of the Examination, the Tenant shall provide the Landlord with copies of all reports, summaries and any other materials prepared by the person carrying out the Examination.

If the audit discloses that statement of Tenant's occupancy costs (or Additional Rent) for any Fiscal Year is overstated by three percent (3%) or more, the Landlord will pay to the Tenant, on demand, the cost of the audit in addition to the excess overpaid by the Tenant, together with interest on the latter calculated from the first day of such period at the Landlord's rate of interest as set out in the Lease.

The Tenant acknowledges and agrees that any records reviewed under this provision constitute confidential information of the Landlord, which shall not be disclosed to anyone other than the audit consultant performing the Examination and the principals of the Tenant who receive the results of the Examination. The Tenant further acknowledges and agrees that the disclosure of such information to any other person, whether by the Tenant or anyone acting on behalf of the Tenant, shall constitute an Event of Default under this Lease. Accordingly, the Tenant and its audit consultant shall execute and deliver to the Landlord a confidentiality agreement prepared by the Landlord, in favour of the Landlord, prior to the Examination.

ARTICLE IX
SIGNS, AWNINGS, CANOPIES, FIXTURES AND ALTERATIONS

9.01 Installation by the Tenant

(a) All fixtures installed by the Tenant shall be new or completely reconditioned. The Tenant shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed any trade fixtures, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures, shades or awnings or make any changes to the Leased Premises without first obtaining the Landlord's written approval and consent not to be unreasonably withheld or delayed. The Tenant shall present to the Landlord plans and specifications in form, content and such detail as the Landlord may reasonably require for such work at the time approval is sought. The Tenant covenants that any work that may be done in respect of the Leased Premises by or on behalf of the Tenant shall be done in such a manner as not to conflict or interfere with any work being done or about to be done by the Landlord in or about the Building, whether such conflict or interference shall arise in relation to labour unions or otherwise and the Tenant shall obtain all requisite permits, licences and inspections in respect of any such work done by or on the Tenant's behalf.

(b) Notwithstanding the foregoing, the Tenant shall not require the Landlord's consent for any alterations and installations performed in the Leased Premises provided that such alterations and/or installations do not (i) affect the structural components of the Building; (ii) affect base Building systems; (iii) require a building permit; (iv) affect parking availability, zoning or the appearance of the Building; and (v) cost in excess of $50,000.00.

(c) Notwithstanding anything herein contained, the Tenant shall make no alterations, additions or improvements that would lessen the value or Rentable Area of the Leased Premises or the Building, or would interfere with the usage of the Common Areas.

9.02 Removal and Restoration

(a) All alterations, decorations, additions and improvements made by the Tenant or made by the Landlord on the Tenant's behalf by agreement under this Lease shall remain the property of the Tenant for the Term hereof. Such alterations, decorations, additions and improvements shall not be removed from the Leased Premises without prior consent in writing from the Landlord.

(b) Upon expiration of this Lease, the Tenant shall not be required to remove such alterations, decorations, additions and improvements or restore the Leased Premises to its original condition. Upon the expiration of this Lease, and upon the Tenant's removal from the Leased Premises, all such alterations, decoration, additions and improvements shall at the option of the Landlord become the property of the Landlord or be removed by the Landlord at the expense of the Landlord.

9.03 The Tenant Shall Discharge all Liens

The Tenant shall not suffer or permit any construction or other liens to be filed or placed or exist against the title of the lands on which the Leased Premises are situate nor against the Tenant's leasehold interest in the Leased Premises by reason of work, labour, services or materials supplied or claimed to have been supplied to the Tenant or anyone holding the Leased Premises or any part thereof through or under the Tenant, and nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of the Landlord, expressed or implied, by inference or otherwise, to any contractor, subcontractor, labourer or materialman for the performance of any labour or the furnishing of any materials for any specific improvement, alteration or repair of or to the Leased Premises or any part thereof, nor as giving the Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any construction or other liens against the title of the lands on which the Leased Premises are situate. If any such construction lien shall at any time be filed against the Leased Premises, the Tenant shall cause the same to be discharged of record within ten (10) days after the later of the date of filing the same and the date on which the Tenant receives notice in writing of same. If the Tenant shall fail to discharge such construction lien within such period, then, in addition to any other right or remedy of the Landlord, the Landlord may, but shall not be obligated to, procure the discharge of such construction lien by deposit in court or bonding, and in such event the Landlord shall be entitled, if the Landlord so elects, to compel the prosecution of any action for such construction lien by the lien claimants and to pay the amount of the judgment, if any, in favour of the lien claimant with interest, costs and allowances. Any amount paid by the Landlord for any of the aforesaid purposes or for the satisfaction of any other lien, not caused or claimed to be caused by the Landlord, and all reasonable legal and other expenses of the Landlord, including reasonable counsel fees, in defending any such action or in or about procuring the discharge of such lien, with all necessary disbursements in connection therewith, with interest thereon at the rate determined pursuant to section 3.03, from the date of payment shall be repaid by the Tenant to the Landlord on demand, and if unpaid may be treated as Additional Rent as provided in this Lease.

9.04 Signs, Awnings, Canopies and Advertising

i. The Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the Leased Premises any sign, awning or canopy or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Leased Premises that do not comply with municipal approvals and by-laws and without first obtaining the Landlord's written approval and consent, such approval and consent not to be unreasonably withheld or delayed.

ii. The Tenant shall have the right to install, at Tenant's own cost, building signage in a size and style befitting the quality of the Building, subject to municipal approval and city bylaws. The Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all times.

ARTICLE X
MAINTENANCE AND REPAIR OF LEASED PREMISES

10.01 Maintenance and Repair by the Tenant

The Tenant covenants, subject to Section 11.02, to repair the Leased Premises, reasonable wear and tear not inconsistent with the operation of the Building and the Leased Premises and damage by fire, lightning and tempest and other perils against which the Landlord is insured only excepted. Without limiting the generality of the foregoing, the Tenant agrees that it will at all times keep the Leased Premises (including exterior entrances and all glass and show windows) and all partitions, doors, fixtures, equipment and appurtenances thereof (including lighting, heating and plumbing fixtures and the electrical, mechanical, heating and air conditioning systems serving the Leased Premises) in good order, condition and repair (including periodic painting or redecorating and preventative maintenance as determined by the Landlord and including such repairs or replacements as are required to keep the Leased Premises in good repair and condition), reasonable wear and tear not inconsistent with the operation of the Building and the Leased Premises, damage by fire, lightning and tempest and other perils against which the Landlord is insured only excepted. All aforesaid repairs, restorations and replacements shall be in quality and class equal to the original work or installations.

10.02 Maintenance and Repair By The Landlord

Notwithstanding the provisions of Section 10.01 hereof, the Landlord shall at all times throughout the Term, maintain and repair or cause to be maintained and repaired at its sole cost and expense, the structure of the Building, including without limitation, the foundations, exterior weather walls, subfloor, roof, bearing walls and structural columns and beams of the Building. If, however, the Landlord is required to maintain or repair the structure of the Building and/or any other part of the Building by reason of any act, omission or negligence of the Tenant, or those for whom in law it is responsible, the Tenant shall pay the Landlord's costs for making such maintenance or repairs, plus fifteen (15%) percent for overhead, upon presentation of a bill therefor, as Additional Rent. Said bill shall include interest at the rate determined pursuant to Section 3.04 on said cost commencing to accrue thirty (30) days after the date the said bill has been provided by the Landlord to the Tenant to the date of payment in full by the Tenant.

If the Tenant refuses or neglects to repair properly as required hereunder and to the reasonable satisfaction of the Landlord as soon as reasonably possible after written demand, the Landlord may make such repairs without liability to the Tenant for any loss or damage that may accrue to the Tenant's merchandise, fixtures or other property or to the Tenant's business by reason thereof, and upon completion thereof the Tenant shall pay the Landlord's costs for making such repairs, plus fifteen (15%) percent for overhead, upon presentation of a bill therefor, as Additional Rent. Said bill shall include interest at the rate of ten percent (10%) per annum on said cost commencing to accrue thirty (30) days after the date the said bill has been provided by the Landlord to the Tenant to the date of payment in full by the Tenant.

10.03 Surrender of Premises

The Tenant covenants subject to Article IX that it will leave the Leased Premises in good repair, reasonable wear and tear not inconsistent with the operation of the Building and the Leased Premises and damage by fire, lightning and tempest and other perils against which the Landlord is insured excepted. Without limiting the generality of the foregoing, but subject to the provisions of Section 9.02(b) hereof, it is agreed that at the expiration or earlier termination of the Term, the Tenant shall surrender the Leased Premises in the same condition as the Leased Premises were in upon delivery of possession thereto under this Lease, reasonable wear and tear not inconsistent with the operation of the Building and the Leased Premises and damage by fire, lightning and tempest only excepted, and shall surrender all keys for the Leased Premises to the Landlord at the place then fixed for the payment of Rent and shall inform the Landlord of all combinations on locks, safes and vaults, if any, in the Leased Premises. The Tenant's obligations to observe or perform this covenant shall survive the expiration or other termination of the Term of this Lease.

10.04 Rules and Regulations

The Rules and Regulations adopted and promulgated by the Landlord from time to time and listed on Schedule "C" attached hereto are hereby made a part of this Lease, and the Tenant agrees to comply with and observe the same. Tenant's failure to keep and observe said Rules and Regulations shall constitute a breach of this Lease in a manner as if the same were contained herein as covenants. Landlord reserves the right from time to time to amend or supplement said Rules and Regulations and to adopt and promulgate additional Rules and Regulations applicable to the Leased Premises and the Building. Notice in writing of such Rules and Regulations and amendments and supplements, if any, shall be given to the Tenant, and the Tenant agrees thereupon to comply with and observe all such Rules and Regulations, and amendments thereto and supplements thereof, provided that no rule or regulation shall contradict any provision of this Lease. The Landlord shall not be responsible to the Tenant for non- observance or violation of the any of the provisions of such Rules and Regulations or of the terms of any other lease of premises in the Building and the Landlord shall be under no obligation to enforce any such provisions. Provided that such Rules and Regulations are non- discriminatory against the Tenant and are enforced equally against all other tenants of the Building, where applicable.

10.05 Tenant Not to Overload Facilities

The Tenant shall not install any equipment which will exceed or overload the capacity of any utility, electrical or mechanical facilities in the Leased Premises and the Tenant will not bring into the Leased Premises or install any utility, electrical or mechanical facility or service which the Landlord does not approve. The Tenant agrees that if any equipment installed by the Tenant requires additional utility, electrical of mechanical facilities, the Landlord may in its sole discretion if they are available elect to install them at the Tenant's expense and in accordance with plans and specifications to be approved in advance in writing by the Landlord.

10.06 Tenant Not to Overload Floors

The Tenant shall not bring upon the Leased Premises or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size or use, might in the opinion of the Landlord damage the Leased Premises and shall not at any time overload the floors of the Leased Premises. If any damage is caused to the Leased Premises by any machinery, equipment, object or thing or by overloading, or by any act, neglect or misuse on the part of the Tenant, or any of its servants, agents or employees, or any person having business with the Tenant, the Tenant will forthwith repair the same, or at the option of the Landlord, pay the Landlord forthwith on demand the cost of making good the same.

ARTICLE XI
UTILITIES AND HEATING, VENTILATING AND AIR CONDITIONING

11.01 Utility Charges

The Tenant shall be solely responsible for and promptly pay as Additional Rent, all charges for heat, water, gas, electricity or any other utility used or consumed in the Leased Premises, or allocated to the Leased Premises by the Landlord. Should the Landlord elect to supply the water, gas, heat, electricity or any other utility used or consumed in the Leased Premises, the Tenant agrees to purchase and pay for the same as Additional Rent at the applicable rates charged to the Landlord by the proper regulatory authority. In the event that the charge for any utility is allocated by the Landlord to the Leased Premises, such charge shall be equitably determined by the Landlord upon the advice of a qualified engineer or technician and such charge and any cost or expense incurred by the Landlord in determining such allocation shall be the sole responsibility of the Tenant. In no event shall the Landlord be liable to any injury to the Tenant, its servants, agents, employees, customers and invitees or for any injury or damage to the Leased Premises or to any property of the Tenant, or to any property of any other person, firm or corporation on or about the Leased Premises caused by an interruption or failure in the supply of any such utilities to the Leased Premises. If so required by the Landlord or by the utility company or requested by the Tenant, separate meters shall be installed in the Leased Premises at the Tenant's expense.

11.02 Heating, Ventilating and Air Conditioning

i. The Tenant shall have the right, at its option, to manage the day to day operations of the Leased Premises such as making repairs to the HVAC system, lighting, plumbing, security and other matters relating to the use and occupation of the Leased Premises by the Tenant. Should the Tenant exercise this right, it shall operate, maintain and keep in good repair (including, without limitation, maintenance and repairs occasioned by every day wear and tear) and regulate the heating, ventilating and air conditioning system and equipment serving the Leased Premises in such a manner as to maintain reasonable conditions of temperature and humidity within the Leased Premises. Items that are the responsibility of the Landlord shall be at (he Landlord's cost and items that are the responsibility of the Tenant shall be at the cost of the Tenant. For greater certainty, the Tenant's obligation to maintain and repair shall not extend to the replacement of such system and equipment or any major components thereof, and shall be subject to the Landlord's obligation as set out in Section 11.02ii below.

Should the Tenant decline to exercise the option provided for in Section 11.02i above, then the Tenant shall pay monthly in advance, together with but not as part of monthly instalments of Minimum Rent, the Landlord's costs and expenses of all repairs to and maintenance and operation of the heating, ventilating and air conditioning system and equipment which serve the Leased Premises. If the Leased Premises are served by a heating, ventilating and air conditioning system and equipment which serves more than one premises in the Building, the Tenant shall be obligated to pay a share only of the foregoing costs and expenses. The Tenant's share of all such costs and expenses shall be equitably determined by the Landlord upon the advice of a qualified engineer or technician and such costs or expenses shall be allocated amongst the tenants served by the said heating, ventilating and air conditioning system and equipment. The foregoing costs and expenses shall exclude the cost of fuel and electricity consumed by the use of such equipment to the extent only that such costs and expenses are charged separately to and paid by the Tenant pursuant to other provisions of this Lease;

ii. The Landlord shall, at its sole cost and expense, replace the heating, ventilating and air conditioning system and equipment or any major components thereof if at any time during the Term any of such system, equipment and/or components are incapable of being repaired. If, however, the Landlord is required to repair or replace such system and equipment or any major components thereof as a result of any act, omission or negligence of the Tenant or those for whom it is in law responsible, the Tenant shall pay the Landlord's cost for making such repairs or replacements, plus fifteen (15%) percent for overhead, upon presentation of a bill therefor, as Additional Rent. Said bill shall include interest at the rate determined pursuant to Section 3.03 on the said cost from the date of completion of such repairs by the Landlord to the date of payment in full by the Tenant.

ARTICLE XII
INSURANCE AND INDEMNITY

12.01 Tenant's Insurance

i. The Tenant shall throughout the Term, at its own cost and expense, take out and keep in full force and effect and in the names of the Tenant (and the Landlord and the Mortgagee as additional insureds as their respective interests may appear), the following insurance:

(i) Insurance upon property of every description and kind owned by the Tenant or for which the Tenant is legally liable and which is located within the Building in an amount of not less than ninety percent (90%) of the full replacement value thereof and with coverage against at least the perils of fire and standard extended coverage including sprinkler leakages (where applicable);

(ii) Broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in the amount of not less than the replacement cost of all leasehold improvements and of all boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Leased Premises;

(iii)) Public liability and property damage insurance including personal injury liability, contractual liability and owners' protective insurance coverage with respect to the Leased Premises and the Tenant's use of the Common Areas. Such policies shall be written on a comprehensive basis within inclusive limits of not less than Five Million Dollars ($5,000,000.00) for bodily injury or property damage or such higher limits as the Landlord or the Mortgagee may reasonably require from time to time;

(iv) Any other form of insurance as the Tenant or the Landlord or the Mortgagee may reasonably require from time to time, but only with respect to the Leased Premises, in form, in amounts and for insurance risks against which a prudent tenant would insure.

ii. All policies required to be written on behalf of the Tenant pursuant to this Section 12.01 shall contain the Mortgagee's standard mortgage clause, if required by the Mortgagee, and shall contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord and against those for whom the Landlord is in law responsible, whether any such damage is caused by the act, omission or negligence of the Landlord or those for whom the Landlord is in law responsible.

iii. All policies shall be taken out with insurers acceptable to the Landlord and shall be in a form satisfactory from time to time to the Landlord at all times acting reasonably. The Tenant agrees that certificates of insurance on the Landlord's standard form or if required by the Landlord or the Mortgagee certified copies or certificates of each such insurance policy will be delivered to the Landlord as soon as practicable after the placing of the required insurance. All policies shall contain an undertaking by the insurers to notify the Landlord and the Mortgagee in writing not less than thirty (30) days prior to any material change, cancellation or termination thereof.

iv. The Tenant agrees that if the Tenant fails to take out or keep in force any such insurance referred to in this Section 12.01, or should any such insurance not be approved by either the Landlord or the Mortgagee, each acting reasonably, and should the Tenant not rectify the situation immediately after written notice by the Landlord to the Tenant, the Landlord has the right without assuming any obligation in connection therewith to affect such insurance at the sole cost of the Tenant and all outlays by the Landlord shall be immediately paid by the Tenant to the Landlord as Additional Rent without prejudice to any other rights and remedies of the Landlord under this Lease.

12.02 Increase in Fire Insurance Premium

The Tenant covenants with the Landlord that, except for the use of the Leased Premises in accordance with Section 7.01 hereof, the Tenant will not do or omit or permit to be done or omitted upon the Leased Premises anything which shall be or result in a nuisance or which shall cause any increase of premium for the fire, boiler and/or casualty rates on the Leased Premises or the Building or any part thereof above the rate for the least hazardous type of occupancy legally permitted in the Leased Premises and the Tenant shall pay such additional premium on the fire, boiler and/or casualty insurance policies. The Tenant also shall pay in such event any additional premium on the rent insurance policy that may be carried by the Landlord for its protection against rent loss through fire. If notice of cancellation shall be given respecting any insurance policy or if any insurance policy upon the Leased Premises or the Building or any part thereof shall be cancelled or refused to be renewed by an insurer by reason of the use or occupation of the Leased Premises or any part thereof or the acts or omissions of the Tenant, the Tenant shall forthwith remedy or rectify such use or occupation upon request to do so in writing by the Landlord, and if the Tenant shall fail to do so within twenty-four (24) hours of such written request, the Landlord shall have the right to enter the Leased Premises and rectify the situation, without liability to the Tenant for any loss or damage occasioned by such entry and rectification, or shall be entitled to hold the Tenant liable for any damage or loss resulting from such cancellation or refusal. In determining whether increased premiums are the result of the Tenant's use of the Leased Premises, a schedule, issued by the organization making the insurance rate on the Leased Premises, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make the fire insurance rate of the Leased Premises. Bills for such additional premiums shall be rendered by the Landlord to the Tenant at such times as the Landlord may elect, and shall be due from and payable by the Tenant when rendered, and the amount thereof shall be deemed to be and be paid as Additional Rent.

12.03 Landlord's Insurance

The Landlord shall at all times throughout the Term carry insurance on the Building (excluding the footings and foundations) and the machinery, boilers and equipment contained therein and owned by the Landlord or for which the Landlord has assumed responsibility against damage caused by fire and extended perils, including the perils of flood, earthquake and the standard commercial building form, All Risks Perils, or their equivalent, in such reasonable amounts and with such reasonable deductions as would be carried by a prudent owner of a reasonably similar building, having regard to size, age and location. The Landlord shall also carry throughout the Term public liability and property damage insurance with respect to the Landlord's operations in the Building in such reasonable amounts and with such reasonable deductions as determined from time to time by the Landlord, but in any event not less than $5,000,000.00 per occurrence, and shall also carry such other form or forms of insurance as the Landlord or the Mortgagee reasonably considers advisable including from time to time rental income insurance, sound and television equipment insurance and war risk insurance (when war insurance is available and a state or war exists or is threatened). The Tenant shall throughout the Term pay its Proportionate Share of the total costs incurred by the Landlord in respect of the purchasing of all such insurance coverages as part of Operating Costs.

Notwithstanding the Landlord's covenant herein and the Tenant's contribution to the cost of the Landlord's insurance premiums; (i) the Tenant is not relieved of any liability arising from or contributed to by its negligence or its wilful acts or omissions; (ii) no insurable interest or other benefit (including an implied waiver of subrogation from the Landlord's insurers) is conferred upon the Tenant under the Landlord's insurance policies; and (iii) the Tenant has no right to receive proceeds from the Landlord's insurance policies.

12.04 Plate Glass

The Tenant shall replace in accordance with the Landlord's specifications, at the expense of the Tenant, any and all plate and other glass damaged or broken from any cause whatsoever in and about the Leased Premises, save and except the negligence of the Landlord or those for whom it is at law responsible, The Tenant shall insure and keep insured, at its expense, all plate and other glass in the Leased Premises for and in its name and in the name of the Landlord, with interest of the Mortgagee of the Leased Premises noted in the insurance policy, if so required.

12.05 Sign Insurance

The Tenant shall insure and keep insured, at its expense, all signs relating to the Tenant's business placed or erected on the exterior of the Leased Premises or the Building for and in its name and in the name of the Landlord, with the interest of the Mortgagee of the Leased Premises noted in the insurance policy, if so required by the Landlord.

12.06 Loss or Damage

The Landlord shall not be liable for any death or injury arising from or out of any occurrence in, upon, at or relating to the Building or damage to property of the Tenant or of others located on the Leased Premises, nor shall it be responsible for any loss of or damage to any property of the Tenant or others from any cause whatsoever, unless such death, injury, loss or damage results from the negligence of the Landlord, its agents, servants or employees or other persons for whom it may in law be responsible. Without limiting the generality of the foregoing, the Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, flood, snow or leaks from any part of the Leased Premises or from the pipes, appliances, plumbing works, roof or subsurface of any floor or ceiling or from the street or any other place or by dampness or by any other cause whatsoever. The Landlord shall not be liable for any such damage caused by other tenants or persons in the Building or by occupants of adjacent property thereto, or the public, or caused by construction or by any private, public of quasi-public work. All property of the Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of the Tenant only and the Tenant shall indemnify the Landlord and save it harmless from any claims arising out of any damages to the same, including, without limitation, any subrogation claims by the Tenant's insurers.

12.07 Indemnification of the Landlord

The Tenant shall indemnify the Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Leased Premises, the occupancy or use by the Tenant of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of the Tenant, its agents, contractors, employees, servants, licensees, or concessionaires or invitees. In case the Landlord shall, without fault on its part, be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect and hold the Landlord harmless and shall pay all reasonable costs, expenses and solicitors' and counsel fees on a solicitor and his client basis incurred or paid by the Landlord in connection with such litigation.

ARTICLE XIII
DESTRUCTION OF LEASED PREMISES

13.01 Total or Partial

Destruction of Leased Premises Provided and it is hereby expressly agreed that if, during the Term, the Leased Premises are totally or partially destroyed or damaged by fire or the elements, explosion, riot, impact by aircraft or vehicles, smoke damage, sprinkler leakage, malicious damage, acts of God or the Queen's enemies or other perils in respect of which the Landlord is insured, the following provisions shall have effect:

i. If the Leased Premises are rendered partially unfit for occupancy by the Tenant, the Rent hereby reserved shall abate in part only in the proportion that the part of the Leased Premises rendered unfit for occupancy by the Tenant bears to the whole of the Leased Premises or if the Leased Premises are rendered wholly unfit for occupancy by the Tenant the Rent hereby reserved shall be suspended in each case until the Leased Premises have been rebuilt and/or repaired or restored;

ii. Notwithstanding the provisions of subparagraph (a) immediately preceding, if the Leased Premises in the opinion of the Architect to be given within ten (10) days of such destruction or damage shall be incapable of being rebuilt and/or repaired or restored with reasonable diligence within 180 days of the happening of such destruction or damage, then either the Landlord or the Tenant may at its option terminate this Lease by notice in writing to the other within thirty (30) days of the date of such destruction or damage and in the event of such notice being so given this Lease shall cease and become null and void from the date of such destruction or damage and the Tenant shall immediately surrender the Leased Premises and all interest therein to the Landlord and the Rent shall be apportioned and shall be payable by the Tenant only to the date of such destruction or damage and the Landlord may re-enter and repossess the Leased Premises discharged of this Lease but if within the said period of thirty (30) days neither the Landlord nor the Tenant shall have given notice terminating this Lease as aforesaid, then upon the expiration of the said period of thirty (30) days the Landlord shall with reasonable promptitude proceed to repair or restore the Leased Premises;

iii. If the Leased Premises shall be capable with reasonable diligence of being rebuilt and/or restored within 180 days of the happening of such destruction or damage in the written opinion of the Architect given within ten (10) days of such destruction or damage, then the Landlord shall rebuild and/or restore or repair the Leased Premises with all speed within the aforesaid 180 days.

iv. The certificates of the Architect shall bind the parties as to the due completion of repairs.

13.02 Total or Partial Destruction of Building

In the event that fifty percent (50%) or more of the gross floor area of the Building shall be damaged or destroyed by fire or other cause, notwithstanding that the Leased Premises may be unaffected by such fire or other cause, the Landlord shall have the right, to be exercised by notice in writing delivered to the Tenant within sixty (60) days from and after said occurrence, to elect to cancel and terminate this Lease. Upon the giving of such notice to the Tenant, the Term of this Lease shall expire by lapse of time upon the third (3rd) day after such notice is given, and the Tenant shall vacate the Leased Premises and surrender the same to the Landlord.

ARTICLE XIV
ACKNOWLEDGEMENT OF TENANCY, ATTORNMENT AND SUBORDINATION

14.01 Acknowledgement of Tenancy

Within five (5) business days after request therefor by the Landlord, or in the event that upon any sale, assignment, mortgage, charge or hypothecation of the Leased Premises and/ or the land thereunder by the Landlord, an acknowledgement of tenancy shall be required from the Tenant, the Tenant agrees to deliver in recordable form a certificate to any proposed Mortgagee or purchaser, or to the Landlord, certifying (if such be the case) that this Lease is in full force and effect; that Rent is paid currently without any defences or offsets thereto; that the Tenant is in possession; that there are no prepaid Rent or security deposits other than those set out in this Lease; that there are no uncured defaults by the Landlord or stating those claimed by the Tenant, and such other matters as the Landlord may reasonably require.

14.02 Attornment

The Tenant shall, if possession is taken under, or any proceedings are brought for the foreclosure of, or in the event of the exercise of the power of sale under any mortgage, charge, ground or underlying lease, or sale and leaseback transaction, deed of trust, or the lien resulting from any other method of financing, refinancing or collateral financing made by the Landlord, or otherwise in existence against the Leased Premises or the Building, attorn to the ground or underlying lessor, Mortgagee, chargee, lessee, trustee, other encumbrancer or the purchaser upon any such foreclosure, sale or other proceeding and recognize such ground or underlying lessor, Mortgagee, chargee, lessee, trustee, other encumbrancer or the purchaser as the Landlord under this Lease.

14.03 Subordination

It is a condition of this Lease and the Tenant's right granted hereunder, that this Lease and all of the rights of the Tenant hereunder are, and shall at all times be, subject and subordinate to any and all ground or underlying leases, mortgages, trust deeds, or the charge or lien resulting from, or any instruments of, any financing, refinancing or collateral financing or any renewals or extensions thereof from time to time in existence against the lands, buildings and improvements forming the Leased Premises and/or the Building, provided the Tenant shall not be required to deliver to the Landlord a postponement by which the interest of the Tenant shall be subject to the rights of any such ground or underlying lessor, Mortgagee, trustee, chargee or other encumbrancer until the Landlord obtains from such party a non-disturbance agreement in a form satisfactory to the Tenant, acting reasonably. Such non-disturbance agreement shall be on the Tenant's standard form and shall include, without limitation, provisions that so long as the Tenant is not in default under this Lease, such ground or underlying lessor, Mortgagee, trustee, chargee or other encumbrancer will not do anything which will result in the termination of this Lease; that such ground or underlying lessor, Mortgagee, trustee, chargee or other encumbrancer will not disturb the Tenant's possession of the Leased Premises; and that such ground or underlying lessor, Mortgagee, trustee, chargee or other encumbrancer will comply with all obligations of the Landlord under this Lease.

ARTICLE XV
ASSIGNMENT AND SUBLETTING

15.01 Consent Required

The Tenant covenants not to assign, mortgage or encumber this Lease nor sublet the Leased Premises in whole or in part or permit the occupation of all or any part thereof by others without the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. The consent of the Landlord to any assignment, mortgage, encumbrance or subletting shall not constitute a waiver of necessity for such consent to any subsequent assignment, mortgage, encumbrance or subletting. Subject to Section 15.07, this prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law. If this Lease is assigned or any part of the Leased Premises is occupied by anybody other than the Tenant, the Landlord may collect rent from the assignee, subtenant or occupant and apply the net rent collected to the Rent and other amounts payable hereunder. No such assignment, subletting, occupancy or collection or the acceptance of the assignee, subtenant or occupant as Tenant shall be deemed a waiver of this covenant. Notwithstanding any assignment, mortgage, encumbrance or sublease, the Tenant shall remain fully liable on this Lease and shall not be released from performing any of its terms, covenants and conditions. The preparation and cost of preparing an assignment of this Lease or a sublease of the Leased Premises shall be borne by the Tenant and the Tenant shall pay all reasonable costs, both legal and administrative, incurred by the Landlord in reviewing and consenting to such assignment or subletting. Any assignee, sublessee, trustee, mortgagee or occupant shall execute an indenture, prepared by the Landlord, and covenant directly with the Landlord agreeing to be bound by all of the terms of this Lease as if such assignee, sublessee, trustee, mortgagee or occupant had originally executed this Lease as Tenant.

15.02 Conditions of Consent

Prior to any consent being given, the Landlord shall be entitled to be satisfied, acting reasonably, as to the financial ability and business standing of the proposed assignee, sublessee, trustee, mortgagee or occupant is satisfactory to the Landlord and that the nature of the business to be carried on in the Leased Premises shall not conflict with any other businesses then being carried on by any tenants or occupants of the Building, or possibly put the Landlord in breach of any restrictive covenants which it may have granted.

15.03 Mechanics of Consent

Request by the Tenant to assign, mortgage or encumber this Lease or to sublet, transfer or part with possession of all or any part of the Leased Premises shall be in writing to the Landlord with such information as the Landlord may reasonably require and shall include an original copy of the proposed assignment, sublease, mortgage, transfer or document evidencing the parting with or sharing possession and the Landlord shall within fifteen (15) days thereafter notify the Tenant in writing either (a) that it consents to or does not consent to the assignment, subletting, mortgaging, transferring, parting with or sharing possession, as the case may be.

15.04 No Advertising of Leased Premises

The Tenant shall not print, publish, post, display or broadcast any notice or advertisement to the effect that the Leased Premises are for lease or for sale or otherwise advertise the proposed sale or lease of the whole or any part of the Leased Premises and shall not permit any broker or other party to do any of the foregoing, unless the complete text and format of any such notice, advertisement or offer is first approved in writing by the Landlord, such approval not to be unreasonably withheld or delayed. Without in any way restricting or limiting the Landlord’s right to refuse any text or format on other grounds, any text or format proposed by the Tenant shall not contain any reference to the rental rate of the Leased Premises.

15.05 Assignment by Landlord

In the event of the sale or lease by the Landlord of the Building or any part thereof or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and only to the extent that such purchaser or assignee assumes the covenants and obligations of the Landlord hereunder, the Landlord shall, thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligation.

15.06 Corporate Ownership

If the Tenant is a corporation or if the Landlord has consented to an assignment of this Lease or a subletting of the Leased Premises to a corporation, any transfer or issue by sale, assignment, operation of law or other disposition, or by subscription, from time to time, of all or any part of the corporate shares of the Tenant or of any parent or subsidiary corporation of the Tenant or any corporation which is an associate or affiliate of the Tenant (as those terms are defined pursuant to the Business Corporations Act of Ontario and amendments thereto) which results in any change in the present effective voting control of the Tenant as at the date of execution of this Lease (or at the date an assignment of this Lease or subletting of the Leased Premises to a corporation is permitted) shall require the prior written consent of the Landlord and all of the terms and provisions of this Article XV shall apply to same as if same were a request for assignment or subletting pursuant to the provisions of Section 15.01 hereof. The Landlord acknowledges that this Section 15.06 shall not apply to the Tenant so long as the Tenant is or becomes a public corporation, meaning that the shares of the Tenant or of the parent corporation of the Tenant, if any, are listed on a recognized stock exchange.

15.07 Particular Assignment by Trillium

Notwithstanding anything to the contrary contained in the Lease, so long as the Tenant is Trillium Therapeutics Inc. and is not then in default under this Lease, the Tenant shall be entitled to assign this Lease or sublet the whole or any part of the Leased Premises, without the Landlord's consent, but upon written notice to the Landlord at least 10 days prior to the effective date thereof, to:

(a) a subsidiary, parent or affiliated corporation of the Tenant (within the meaning of the *Canada Business Corporations Jet);* provided, in the event that the assignee or subtenant ceases to be a subsidiary, parent or affiliate of the Tenant, a Transfer in respect of which the Landlord's consent is required as provided for herein shall be deemed to have occurred;

(b) a corporation formed as a result of a merger or amalgamation of the Tenant (within the meaning of the *Canada Business Corporations Act)* with another corporation; or

(c) the purchaser of the Tenant's business operations in Canada or a substantial portion thereof (other than as a result of a sale pursuant to bankruptcy, insolvency or similar creditor proceedings), provided that said purchaser is a publicly traded corporation on a major stock exchange in Canada or the United States of America or has a net worth at least equal to that of the Tenant as of the Commencement Date; or If the Tenant (or any permitted assignee thereof) is a corporation whose shares are traded publicly on a recognized exchange, and if such number of shares of such corporation or of any parent or affiliate of such corporation are issued or transferred, whether by operation of law or otherwise, so as to result in a change in the effective control of such corporation then, and so often as such a change of control shall occur, such change shall not be deemed to be an assignment of this Lease, and the Tenant shall notify the Landlord in writing in accordance with this section.

Notwithstanding the foregoing, it is understood and agreed that, upon any such Transfer, the Tenant will not be released nor relieved from its obligations under this Lease including, without limitation, the obligation to pay Rent and, if the Lease is assigned, the Transferee shall covenant directly with the Landlord to be bound by the terms of the Lease.

ARTICLE XVI
DEFAULT OF TENANT

16.01 Right to Re-Enter

When

i. the Tenant shall be in default in the payment of any Rent and such default shall continue for a period of five (5) consecutive days; or

ii. the Tenant shall be in default of any of its covenants, obligations or agreements under this Lease or of any term or condition of this Lease (other than its covenant to pay Rent) and such default shall continue for a period of fifteen (15) consecutive days after written notice by the Landlord to the Tenant specifying with reasonable particularity the nature of such default and requiring the same to be remedied (or, where such default is not capable of remedy within fifteen (15) consecutive days, then if the Tenant shall fail within such period to commence and proceed diligently to remedy such default within such longer period as is reasonably required to effect such remedy);

then and in any of such cases the then current month's Rent, together with the Rent for the three (3) months next ensuing shall immediately become due and payable, and at the option of the Landlord, the Term shall become forfeited and void, and the Landlord may without notice or any form of legal process whatsoever forthwith re-enter upon the Leased Premises or any part thereof in the name of the whole and repossess and enjoy the same as of its former estate, anything contained in any statute or law to the contrary notwithstanding, provided, however, that such forfeiture shall be wholly without prejudice to the right of the Landlord to recover arrears of Rent or damages for any antecedent default by the Tenant of its covenants, obligations or agreements under this Lease or any term or condition of this Lease and provided further that notwithstanding any such forfeiture the Landlord may subsequently recover from the Tenant damages for loss of Rent suffered by reason of this Lease having been prematurely determined.

16.02 Right to Relet

Should the Landlord elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Leased Premises, and relet the Leased Premises or any part thereof as agent for the Tenant for such term or terms (which may be for a term extending beyond the Term of this Lease) and at such rental or rentals and upon such other terms and conditions as the Landlord in its sole discretion may deem advisable; upon each reletting all rentals received by the Landlord from such reletting shall be applied; first, to the payment of any indebtedness other than Rent due hereunder from the Tenant to the Landlord; second, to the repayment of any costs and expenses of such reletting, including brokerage fees and solicitors' fees and of costs of such alterations and repairs; third, to the payment of Rent due and unpaid hereunder, and the residue, if any, shall be held by the Landlord and applied in payment of future Rent as the same may become due and payable hereunder. If such Rent received from such reletting during any month be less than that to be paid during that month by the Tenant hereunder, the Tenant shall pay any such deficiency to the Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the Leased Premises by the Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to the Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, the Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Should the Landlord at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from the Tenant all damages it may incur by reason of such breach, including the cost of recovering the Leased Premises, and including the worth at the time of such termination of the excess, if any, of the amount of Rent and charges equivalent to Rent reserved in this Lease for the remainder of the Term hereof over the then reasonable rental value of the Leased Premises for the remainder of the Term hereof, all of which amounts shall be immediately due and payable from the Tenant to the Landlord. In determining the Rent which would be payable by the Tenant hereunder, subsequent to default, the annual Rent for each year of the unexpired Term shall be equal to the then annual Minimum Rent payable by the Tenant at the time of default, together with all Additional Rent which would have been payable during the calendar year in which this Lease was terminated, pro-rated over a full calendar year, if required.

16.03 Legal Expenses

In case suit shall be brought for recovery of possession of the Leased Premises, for the recovery of Rent or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of the Tenant to be kept or performed and a breach shall be established, Tenant shall pay to Landlord all expenses incurred therefore, including reasonable solicitor's and counsel fees on a solicitor and his client basis.

16.04 Bankruptcy

The Tenant covenants and agrees that if the Term or any of the goods and chattels of the Tenant on the Leased Premises shall be at any time during the Term seized or taken in execution or attachment by any creditor of the Tenant or if the Tenant shall make any assignment for the benefit of creditors or any bulk sale or, becoming bankrupt or insolvent, shall take the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors or if any order shall be made for the winding up of the Tenant, or if the Leased Premises shall without the written consent of the Landlord become and remain vacant for a period of fifteen (15) days, or be used by any other persons than such as are entitled to use them under the terms of this Lease, or if the Tenant shall without the written consent of the Landlord abandon or attempt to abandon the Leased Premises or to sell or dispose of goods or chattels of the Tenant or to remove them or any of them from the Leased Premises, other than in the ordinary course of its business, so that there would not in the event of such abandonment, sale or disposal be sufficient goods on the Leased Premises subject to distress to satisfy the Rent above due or accruing due, then and in every such case the then current month's Rent and the next ensuing three (3) months' Rent shall immediately become due and be paid and the Landlord may re-enter and take possession of the Leased Premises as though the Tenant or the servants of the Tenant or any other occupant of the Leased Premises were holding over after the expiration of the Term and the Term shall, at the option of the Landlord, forthwith become forfeited and determined, and in every one of the cases above such accelerated Rent shall be recoverable by the Landlord in the same manner as the Rent hereby reserved and as if Rent were in arrears and the said option shall be deemed to have been exercised if the Landlord or its agents given notice to the Tenant as provided for herein.

16.05 The Landlord May Perform Covenants

If the Tenant shall fail to perform any of its covenants or obligations under or in respect of this Lease, the Landlord may from time to time at its discretion, perform or cause to be performed any of such covenants or obligations, or any part thereof, and for such purpose may do such things upon or in respect of the Leased Premises or any part thereof as the Landlord may consider requisite or necessary.

All expenses incurred and expenditures made by or on behalf of the Landlord under this Section shall be forthwith paid by the Tenant and if the Tenant fails to pay the same, the Landlord may add the same to the Rent and recover the same by all remedies available to the Landlord for the recovery of Rent in arrears.

16.06 Landlord May Follow Chattels

Provided that in case of removal by the Tenant of the goods and chattels of the Tenant from the Leased Premises, other than in the ordinary course of its business, the Landlord may follow the same for thirty (30) days in the same manner as is provided for in the Commercial Tenancies Act (Ontario).

16.07 Waiver of Exemptions

The Tenant hereby covenants and agrees with the Landlord in consideration of the premises and of the leasing and letting by the Landlord to the Tenant of the Leased Premises for the Term hereby created (and it is upon that express understanding that these presents are entered into) that notwithstanding anything contained in the Commercial Tenancies Act (Ontario), or in any other Statute which may hereafter be passed to take the place of the said Act or to amend the same, none of the goods or chattels owned by the Tenant at any time during the continuance of the Term hereby created on the Leased Premises shall be exempt from levy by distress for Rent in arrears by the Tenant as provided for by any Section or Sections of the said Act, or any amendment or amendments thereto, and that upon any claim being made for such exemption by the Tenant or on distress being made by the Landlord this covenant and agreement may be pleaded as an estoppel against the Tenant in any action brought to test the right to the levying upon any such goods as are named as exempted in said Section or Sections or amendment or amendments thereto, the Tenant waiving as the Tenant hereby does, all and every benefit that could or might have accrued to the Tenant under and by virtue of the said Section or Sections of the said Act or any amendment or amendments thereto but for this covenant. For clarification purposes it is understood and agreed that the Landlord shall have no claims under this Section 16.07 against goods or chattels leased by the Tenant from arm’s length third parties.

ARTICLE XVII
ACCESS BY THE LANDLORD

17.01 Right of Entry

i. The Landlord and any person authorized by the Landlord shall on reasonable notice to the Tenant have the right to use, install, maintain and/or repair pipes, wires, ducts or other installations in, under or through the Leased Premises for or in connection with the supply of any services to the Leased Premises or any other premises in the Building. Such services shall include (without limiting the generality of the foregoing) gas, electricity, water, sanitation, heat, ventilation and air-conditioning.

ii. When necessary by reason of accident or other cause or in order to make any repairs, alterations, improvements or additions in or relating to the Leased Premises or to other portions of the Building, the Landlord may, at mutually agreeable times, cause such reasonable and temporary obstruction of Common Areas as may be necessary and may interrupt or suspend the supply to the Leased Premises of electricity, water and other services where necessary and until said repairs, alterations, improvements or additions shall have been completed. There shall be no abatement in Rent because of any such obstruction, interruption or suspension provided that such repairs, alterations, improvements or additions are made as expeditiously as is reasonably possible and in a manner designed to minimize interference with the conduct of the Tenant's business.

iii. The Landlord or its agents shall have the right to enter upon the Leased Premises at all reasonable times and on reasonable notice to the Tenant to view the state of repair, condition and use thereof and to make such repairs, alterations, improvements or additions as it may deem advisable and the Landlord or its agents shall be allowed to take all material into and upon the Leased Premises that may be required therefor without the same constituting an eviction of the Tenant in whole or in part. The Rent shall in no way abate while such decorations, repairs, alterations, improvements or additions are being made by reason of loss or interruption of the business of the Tenant because of the prosecution of any such work, provided that the same are made as expeditiously as is reasonably possible and in a manner designed to minimize interference with the Tenant's business.

iv. The Landlord shall not be liable to the Tenant for any interference or inconvenience caused by any additional construction or repairs permitted hereunder, provided such additional construction or repairs are carried out as expeditiously as is reasonably possible and in a manner designed to minimize interference with the Tenant's business.

v. During the six (6) months prior to the expiration of the term of this Lease, the Landlord may at all reasonable times and on reasonable notice to the Tenant exhibit the Leased Premises to prospective tenants or purchasers and place upon the Leased Premises the usual notices "To Let" or "For Sale" which notices the Tenant shall permit to remain where placed without molestation.

vi. If the Tenant shall not be personally present to open and permit an entry into the Leased Premises, at any time, when for any reason an entry therein shall be necessary as a result of an emergency (for example, fire, flood, Act of God and the like), the Landlord or the Landlord's agents may enter the same by a master key, or may forcibly enter the same, without rendering the Landlord or such agents liable therefor, and without in any manner affecting the obligations and covenants of this Lease.

vii. Nothing in this Section contained, however, shall be deemed or construed to impose upon the Landlord any obligation, responsibility or liability whatsoever for the care, maintenance or repair of the building or any part thereof, except as otherwise in this Lease specifically provided.

ARTICLE XVIII
HOLDING OVER, SUCCESSORS

18.01 Holding Over

In the event the Tenant remains in possession of the Leased Premises after the end of the Term or Renewal Term, as applicable, and without the execution and delivery of a new lease, there shall be no tacit renewal of this Lease and the Term hereby granted, and the Tenant shall be deemed to be occupying the Leased Premises as a Tenant from month to month at a monthly rent payable in advance on the first day of each month equal to the sum of one-hundred and twenty five percent (125%) of the Minimum Rent payable during the last full month of the Term or Renewal Term, as applicable, and as additional rent, one-twelfth of the Additional Rent payable by the Tenant during the last Lease Year of the Term or Renewal Term, as applicable, and otherwise upon the same terms and conditions as are set forth in this Lease, so far as applicable.

18.02 Successors

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties, and if there shall be more than one tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been approved by the Landlord in writing as provided in Section 15.01 hereof.

ARTICLE XIX
QUIET ENJOYMENT

19.01 The Landlord's Covenant

The Landlord covenants with the Tenant for quiet enjoyment.

ARTICLE XX
MISCELLANEOUS

20.01 Waiver

Failure by the Landlord or the Tenant to require performance of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rent so accepted, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No covenant, term or condition of this Lease shall be deemed to have been waived by the Landlord or the Tenant, unless such waiver be in writing by the Landlord or the Tenant, respectively.

20.02 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement or any cheque or any letter accompanying any cheque or payment as Rent be deemed an accord and satisfaction, and the Landlord may accept such cheque or payment without prejudice to the Landlord's right to recover the balance of such Rent or pursue any other remedy in this Lease provided.

20.03 Entire Agreement

This Lease and the schedules and rider, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between the Landlord and the Tenant concerning the Leased Premises and there are no covenants, promises, agreements, conditions or representations, either oral or written, between them other than are herein and in the said schedules and rider, if any, set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless reduced to writing and signed by them.

20.04 No Partnership

The Landlord does not, in any way or for any purpose, become a partner of the Tenant in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with the Tenant.

20.05 Force Majeure

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labour troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Notwithstanding anything herein contained, the provisions of this Section 20.05 shall not operate to excuse the Tenant from the prompt payment of Minimum Rent, Additional Rent or any other payments required by the terms of this Lease, nor entitle the Tenant to compensation for any inconvenience, nuisance or discomfort thereby occasioned.

20.06 Notices

Any notice herein provided or permitted to be given by the Tenant to the Landlord shall be sufficiently given if delivered, or if mailed in Canada, registered and postage prepaid, addressed to the Landlord at 161 Frederick Street, Suite 201, Toronto, Ontario, M5A 4P3, and any notice herein provided or permitted to be given by the Landlord to the Tenant shall be sufficiently given if delivered, or if mailed in Canada, registered and postage prepaid, addressed to the Tenant at 2488 Dunwin Drive, Mississauga, Ontario L5L 1J9. Any such notice given as aforesaid shall be conclusively deemed to have been given on the day on which such notice is delivered or on the third day that there is postal delivery following the day on which such notice is mailed, as the case may be. Either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice the address therein specified shall be deemed to be the address of such party for the giving of notices hereunder. The word "notice" in this paragraph shall be deemed to include any request, statement or other writing in this Lease provided or permitted to be given by the Landlord to the Tenant or by the Tenant to the Landlord.

20.07 Place for Payment of Rent

The Tenant shall pay the Rent, including all Additional Rent, at the office of the Landlord specified in Section 20.06 hereof, or at such place or places as the Landlord may designate from time to time by notice in writing.

20.08 Approval in Writing

Wherever the Landlord's consent is required to be given hereunder or wherever the Landlord must approve any act or performance by the Tenant, such consent or approval, as the case may be, shall be given in writing by the Landlord before same shall be deemed to be effective.

20.09 Registration

The Tenant shall not register this Lease without the written consent of the Landlord. However, upon the request of either party hereto the other party shall join in the execution of a memorandum or so called "short form" of this Lease for the purpose of registration. Said memorandum or short form of this Lease shall describe the parties, the Leased Premises and the Term and shall be prepared and registered at the expense of the Tenant.

20.10 Governing Law

The Lease is to be governed by and construed according to the laws of the Province of Ontario.

20.11 Captions and Section Numbers

The captions, section numbers and article numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles or of this Lease, nor in any way affect this Lease.

20.12 Partial Invalidity

If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease and/or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be separately valid and enforceable to the fullest extent permitted by law.

20.13 No Option

The submission of this Lease for examination does not constitute a reservation of or option for the Leased Premises and this Lease becomes effective as a Lease only upon execution and delivery thereof by the Landlord and the Tenant.

20.14 Compliance with The Planning Act

It is an expressed condition of the within Lease and the Landlord and the Tenant so agree and declare that the provisions of Section 50 of the Planning Act, 1991 and amendments thereto, be complied with if applicable in law. Until any necessary consent to the Lease is obtained, the Term (including any extensions thereof) and the Tenant's rights and entitlement granted by this Lease are deemed to extend for a period only of twenty-one (21) years less one (1) day from the Lease Commencement Date. The Tenant shall apply diligently to prosecute such application for such consent forthwith upon the execution of the Lease by both the Landlord and the Tenant and the Tenant shall be responsible for all costs, expenses, taxes and levies imposed, charged or levied as a result of such application and in order to obtain such consent. The Tenant shall keep the Landlord informed, from time to time, of its progress in obtaining such consent and the Landlord shall cooperate with the Tenant in regard to such application. Notwithstanding the foregoing provisions of this Section 20.14, the Landlord reserves the right at any time to apply for such consent in lieu of the Tenant (at the Tenant's expense) and the Tenant's application is hereby expressly made subject to any application with the Landlord intends to make.

20.15 Compliance With Environmental Law

The Tenant hereby covenants and agrees to indemnify and save harmless the Landlord and all those for whom the Landlord is at law responsible from any and all loss, costs, claims, damages, liabilities, expenses or injuries caused or contributed to by any hazardous substances which are at any time located, stored or incorporated in any part of the Building or Leased Premises resulting from the actions of the Tenant during the term of this Lease or any renewal thereof.

20.16 Time To Be of the Essence

Time shall be of the essence of this Indenture of Lease.

20.17 Schedules

The following schedules form part of this Lease:

Schedule A - Legal Description of Building;
Schedule B - Sketch Floor Plan of Leased Premises;
Schedule B-l - Sketch Floor Plan showing Landlord's Work;
Schedule C - Rules and Regulations;
Schedule D - Special Provisions;
Schedule E - Tenant Leasehold Improvements - Feasibility Plan.

IN WITNESS WHEREOF the Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

PENWEST REVENUE CORP.

Per: /s/ Benjamin Rubin
Name: Benjamin Rubin
Title: President

I/We have authority to bind the Corporation

TENANT:

TRILLIUM THERAPEUTICS INC.

Per: /s/ James Parsons
Name: James Parsons
Title: CFO

I/We have authority to bind the Corporation

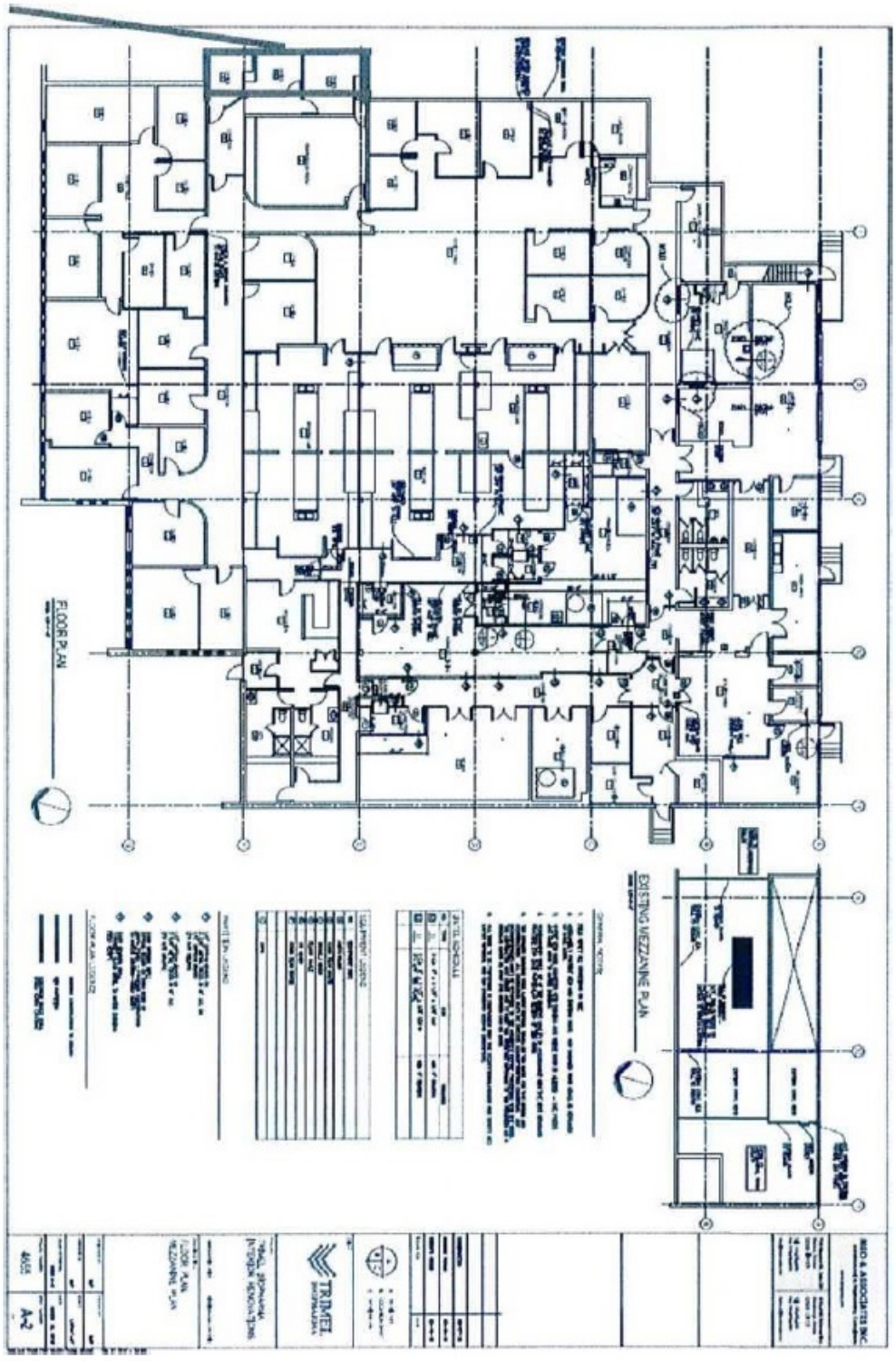
SCHEDULE "A"
LEGAL DESCRIPTION OF BUILDING

PIN 13421-0282 (LT) (No. 43)

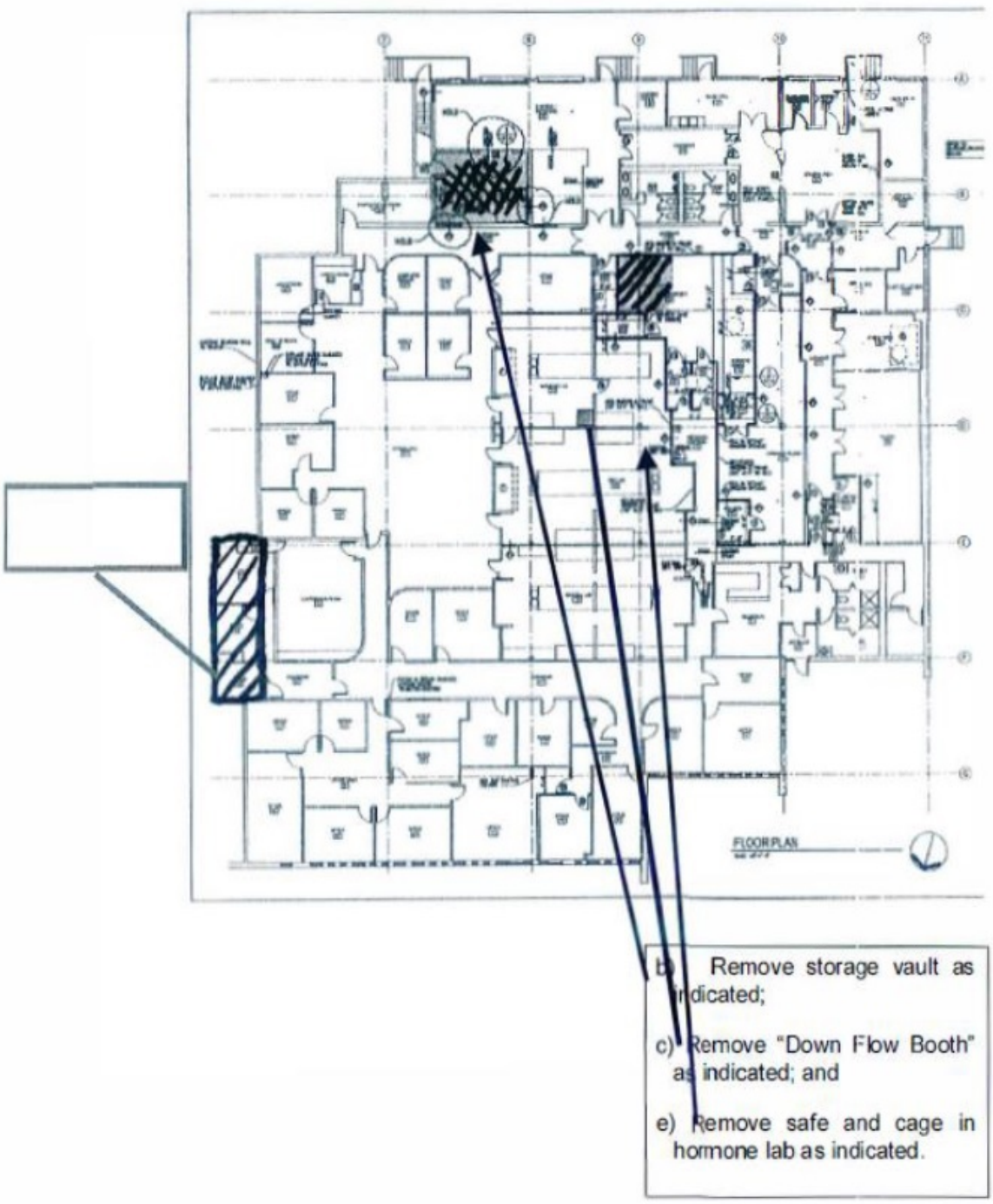
Lot 348, 349, 350, Plan 915 Mississauga and Part Lot 351, Plan 915 Mississauga, designated as Part 1 on Plan 43R-921; Mississauga

SCHEDULE “B” - SKETCH FLOOR PLAN OF LEASED PREMISES

[Excluded from Leased Premises]



Schedule "B-l"
Landlord's Work



SCHEDULE "C"
RULES AND REGULATIONS

1. All loading and unloading of goods shall be done only in the areas, and through the entrances, designated for such purposes by the Landlord.

2. Intentionally deleted.

3. All garbage and refuse shall be kept in the kind of containers specified by the Landlord and shall not be burned in or about the Leased Premises.

4. The plumbing facilities shall not be used for any other purpose than that for which they are intended, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by the Tenant.

5. The Tenant shall use at the cost of the Tenant such pest extermination contractor as the Landlord may reasonably direct and at such intervals as the Landlord may reasonably require.

6. The Tenant, its employees or agents, shall not mark, paint, drill or in any way deface any walls, ceilings, partitions, floors, wood, stone or iron without the written consent of the Landlord, other than as required for normal decoration provided that upon the expiration or earlier termination of this Lease, the Tenant shall repair all damage caused thereby in a good and workmanlike manner.

7. The Tenant shall not permit any cooking in the Leased Premises without the written consent of the Landlord, except in the kitchen and cafeteria premises designated by the Tenant for use by its staff.

8. No sidewalk, entry, passageway or staircase shall be obstructed or used by the Tenant, its officers, agents, servants, employees, contractors, customers, invitees or licensees for any purpose other than ingress to and egress from the Leased Premises.

9. Intentionally deleted.

10. Intentionally deleted.

11. No one shall use the Leased Premises for sleeping apartments or residential purposes, or for the storage of personal effects or articles other than those required for the purposes permitted by the lease to which these rules and regulations are annexed.

12. Any hand trucks, carryalls or similar appliances used in the Building shall be equipped with rubber tires, side guards and such other safeguards as the Landlord shall require.

13. No animals or birds shall be brought into the Leased Premises except as permitted by the Lease to which these rules and regulations are annexed.

14. Intentionally deleted.

15. The Tenant shall not solicit business in the Common Areas or distribute any handbills or other advertising matter in the Common Areas or in automobiles parked in the parking areas.

16. The Tenant shall keep the Leased Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures.

17. The Tenant shall comply with all applicable requirements of the governmental and other such authorities having jurisdiction regulating noise, vibration and odours.

SCHEDULE "D"
SPECIAL PROVISIONS

1. SPACE MEASUREMENT:

Prior to the Commencement Date, the Landlord shall, at its cost, deliver to the Tenant a certificate from a third party architect or certified BOMA contractor confirming the actual measurement of the Leased Premises in accordance with BOMA (ANSI/BOMA Z65.1 - 1996) standards.

2. NO RELOCATION:

The Landlord shall not be permitted to alter or relocate the Leased Premises during the Term or any extensions thereof

3. OPTION TO TERMINATE:

Tenant shall have the option to terminate the Lease effective any time after the end of the Sixtieth (60th) month of the Term, being October 31, 2020. Tenant shall give written notice of its intention to exercise the Termination Option not later than nine (9) months prior to the effective date. In the event the Termination Option is exercised, Tenant shall pay the Landlord the unamortized balance (based on an 8% rate) of the Tenant Improvement Allowance plus Four (4) months Minimum Net and Additional Rent if terminated from the 61st month to the 84th month, or Two (2) months Minimum Net and Additional Rent if terminated after the 84th month (the "Termination Option Fee"). Tenant shall pay the Termination Option Fee no later than thirty (30) days prior to the effective date of such termination.

4. FIXTURING PERIOD:

Provided the Lease has been fully executed and proof of the required insurance has been provided, the Tenant shall be granted access to the Leased Premises as of August 1,2015, (or earlier, as close as possible to July 1, 2015, based on the moving out schedule of the departing occupant of the Leased Premises) until one day before the Commencement Date (the "**Fixturing Period**"). During the Fixturing Period, access to the Leased Premises shall be granted to the Tenant, and all terms of the Lease shall remain in full force and effect, save and except for Minimum Rent and Additional Rent which shall not be due and payable until the Commencement Date. The Tenant shall be permitted to occupy the Leased Premises during the Fixturing Period for the purpose of conducting business.

5. PARKING:

The Tenant shall be entitled to fifty (50) free parking spaces on-site throughout the Term. Of these, thirty-six (36) shall be available on a first-come, first-serve basis, and the balance shall be Reserved Parking - fourteen (14) reserved spaces.

6. OPTION(S) TO EXTEND:

Provided the Tenant is not currently in material default, the Tenant shall have the option to extend the Lease (the "**Option(s) to Extend**") for up to Two (2) further term(s) of Five (5) years each (the "**Extended Term(s)**") upon giving the Landlord at least six (6) months' written notice of the exercise of such right subject to the same provisions as are contained in the Lease except that (a) there shall be no improvement allowance, rent free period, etc.; (b) there shall be no further right to extend; and (c) the rent for the extended term shall be the then market rent for the Premises as determined by agreement between the Landlord and Tenant.

In the event Tenant exercises its option(s) to extend, but the Landlord and Tenant are unable to reach agreement with respect to the financial terms during the Extended Term(s) within sixty (60) days of delivery of the written notice by the Tenant to the Landlord exercising the Tenant's Option to Extend, then the matter shall be referred to arbitration in accordance the *Arbitration Act* (Ontario) and the decision of the arbitrator(s) shall be final and binding on the parties named hereto. Landlord and Tenant agree that the cost of the arbitration shall be borne equally by Landlord and Tenant.

7. LANDLORD'S WORK:

Provided the Lease has been fully executed, the Landlord will complete all below Landlord's Work at the Landlord's sole cost and shall use best efforts to substantially complete the Landlord's Work no later than July 1st, 2015 ("**Work Completion Date**"):

a) Ensure that all existing plumbing, electrical, mechanical, HVAC and lighting within the office areas are in proper working order, all existing bathroom facilities are in proper working order, and that the HVAC servicing the other areas are in proper working order;

b) Remove storage vault as indicated on Schedule "B-l";

c) Remove "Down Flow Booth" as indicated on Schedule "B-l";

d) Insure that the existing UPS system and generator remain with the Leased Premises for Tenant use and is in proper working order as of the Fixturing Period Date (the cost of acquisition of UPS and generator, up to a cap of $48,000, to be deducted from the total Leasehold Improvement Allowance); and

e) Remove the safe and cage in the hormone lab as indicated on Schedule "B-l".

In the event Landlord's Work is not completed by the Work Completion Date, and it is not as a result of the Tenant's actions, the Fixturing Period and Commencement Date shall be delayed one day for each day beyond the Work Completion Date that the work is not complete.

The Landlord will complete all Landlord's Work in a good and workmanlike manner and ensure that the entire unit will be in accordance with all building and fire codes, prior to occupancy.

The Tenant shall, within thirty (30) days following the completion of the Landlord's Work, notify the Landlord of any defects and the Landlord shall correct such defects within fifteen (15) days following notice to the Landlord. In the event that the Landlord fails to correct any of the deficiencies in the Landlord's Work, then the Tenant may, at its option, correct such deficiencies and the Landlord shall reimburse the Tenant for such costs within thirty (30) days from the date Tenant remitted payment.

For greater clarity, the attached Schedules "B" and "B-l" floor plan do not accurately reflect the current as-built plan and the Landlord will not be making any alterations thereto.

8. TENANT'S WORK AND TENANT INDUCEMENT:

The Leased Premises shall be accepted by the Tenant on an "as is" basis and the Landlord shall not be required to do any work in respect thereof prior to delivering possession of the Leased Premises to the Tenant except for the Landlord's Work itemized above. Any installations, removals, alterations, additions, partitions, repairs or improvements which are necessary to enable the Tenant to carry on its business in the Leased Premises (the "**Tenant's Work**") shall be made, erected or installed at the sole cost of the Tenant.

As an inducement to the Tenant to enter into this Lease, the Landlord shall provide the Tenant with an allowance in the amount of Fifteen Dollars ($15.00) per square foot of Rentable Area of the Premises, plus HST, (the "**Leasehold Improvement Allowance**") for the purpose of constructing leasehold improvements in the Premises, including professional fees (the "Leasehold Improvements"), and acquisition of the UPS and generator, payable as follows:

a) A portion (up to two dollars ($2.00) per square foot of Rentable Area, plus applicable taxes) to be used by Landlord for the acquisition of the UPS and generator;

b) Ten Dollars ($10.00) per square foot of Rentable Area, plus applicable taxes, payable by Landlord to Tenant, within ten (10) business days from the Lease being executed by the Tenant in a form acceptable to the Landlord.

c) The balance of the Leasehold Improvement Allowance shall be paid by Landlord to Tenant upon substantial completion of the construction of the Leasehold Improvements and delivery of all paid invoices to the Landlord. The Leasehold Improvements shall be completed by the Tenant, at its sole expense and in a good and workmanlike manner, and shall be approximately as described on the "**Feasibility Plan**" drawing attached as Schedule "E", subject to reasonable modifications by the Tenant and subject to the Landlord's prior approval of all plans, which approval shall not be unreasonably withheld or delayed. The Tenant shall be permitted to select its own contractors, consultants, trades, etc., subject to the Landlord's prior reasonable approval. Tenant shall coordinate the construction of the Leasehold Improvements. All work shall conform to relevant bylaws and regulations. Landlord shall not be entitled to any management, supervisory, administrative or other fees with respect to the Tenant's Leasehold Improvements.

d) The Tenant shall be responsible for any costs in excess of the Leasehold Improvement Allowance.

9. MINIMUM RENT FREE PERIOD:

The Tenant will not be required to pay Minimum Rent for the first two (2) months of the Term namely, November 1, 2015 to December 31, 2015 (the "**Minimum Rent Free Period**"). The Tenant shall be required to pay the Tenant's Proportionate Share of Operating Costs, Taxes and utilities during the Minimum Rent Free Period.

10. SPACE PLANNING CONSULTANT:

Upon the execution of this Lease agreement, the Landlord will reimburse the Tenant with respect to the services of a space planning consultant or architect to determine the “Feasibility Plan” layout for the Tenant and the costs related thereto, to a maximum cost of $0.10 plus applicable taxes per square foot of the Rentable Area of the Leased Premises.

SCHEDULE "E"
TENANT LEASEHOLD IMPROVEMENTS - FEASIBILITY PLAN

Exhibit 10.18

January 3, 2019

PPF OFF 100 Cambridge Park Drive, LLC
c/o Morgan Stanley Real Estate Advisor, Inc.
1585 Broadway, 37th Floor
New York, New York 10036
Attention: Jennie Pries Friend

VIA Courier

Re: Trillium Therapeutics USA Inc. and PPF PFF 100 Cambridge Park Drive, LLC Lease Agreement

Dear Ms. Friend,

Please see attached two original copies of the lease agreement. Please sign and return one copy for our records.

Thank you and we look forward to opening our office in Cambridge.

Please call or email me if you have any questions.

Yours sincerely,

James Parsons
Chief Financial Officer

100 CAMBRIDGEPARK DRIVE

CAMBRIDGE, MASSACHUSETTS

LEASE

Between

PPF OFF 100 CAMBRIDGE PARK DRIVE, LLC,
a Delaware limited liability company

("LANDLORD")

AND

TRILLIUM THERAPEUTICS USA INC.,
a Delaware corporation

("TENANT")

dated as of
December 10, 2018

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EXHIBITS

LEASE AGREEMENT

This Lease Agreement (this **"Lease")** is made and entered into as of the 10th day of December, 2018 (the **"Effective Date"),** by and between **PPF OFF 100 CAMBRIDGE PARK DRIVE, LLC,** a Delaware limited liability company **("Landlord") and TRILLIUM THERAPEUTICS USA INC.,** a Delaware corporation **("Tenant").**

NOW, THEREFORE, in consideration of the mutual covenants herein contained and $10.00 and other good and valuable consideration, the receipt, sufficiency and delivery of which is hereby acknowledged, Landlord and Tenant hereby covenant and agree as follows:

ARTICLE 1

Basic Lease Information

Section 1.1 **"Building"** shall mean the building and improvements commonly known as 100 CambridgePark Drive in Cambridge, Massachusetts.

Section 1.2 **"Property'"** shall mean the Building, together with the land on which the Building is located, together with, at the discretion of Landlord, the parking garages, parking lots, facilities and other improvements, if any, serving the Building and the land on which the Building is located.

Section 1.3 **"Other Buildings":** Individually or collectively, the buildings and improvements in Cambridge, Massachusetts commonly known as 125 CambridgePark Drive, 150 CambridgePark Drive and 200 CambridgePark Drive, respectively.

Section 1.4 **"Premises"** shall mean the area containing 3,161 rentable square feet located on the fifth (5th) floor of the Building and shown on the floor plan attached to this Lease as Exhibit A.

Section 1.5 **"Rentable Square Footage of the Property"** is deemed to be 135,572 rentable square feet.

Section 1.6 **"Rentable Square Footage of the Premises"** is deemed to be 3,161 rentable square feet.

Section 1.7 **"Base Rent":**

Period of Time	Annual Base Rent	Monthly Base Rent
Commencement Date - First (1st) anniversary of Commencement Date	$ 164,372.00	$ 13,697.67
First (1st) anniversary of Commencement Date -	$ 169,303.16	$ 14,108.60

Period of Time	Annual Base Rent	Monthly Base Rent
Second (2nd) anniversary of Commencement Date		
Second (2nd) anniversary of Commencement Date - Third (3nl) anniversary of Commencement Date	$ 174,382.25	$ 14,531.85
Third (3rd) anniversary of Commencement Date - Fourth (4th) anniversary of Commencement Date	$ 179,613.72	$ 14,967.81
Fourth (4th) anniversary of Commencement Date - Fifth (5th) anniversary of Commencement Date	$ I85,002.13	$ 15,416.84

Section 1.8 **"Tenant's Pro Rata Share":** 2.33%.

Section 1.9 **"Expense Base Year":** Calendar Year 2019.

Section 1.10 **"Tax Base Year":** Fiscal Year 2019, commencing on July I, 2018 and expiring on June 30, 2019.

Section 1.11 **"Term":** The period of time commencing on the Commencement Date and expiring on the Expiration Date.

Section 1.12 **"Commencement Date":** The date on which Landlord tenders possession of the Premises to Tenant with the Landlord Work Substantially Completed.

Section 1.13 **"Scheduled Commencement Date":** April I, 2019.

Section 1.14 **"Expiration Date":** The date which is the last day of the calendar month in which the day immediately preceding the fifth (5th) anniversary of the Commencement Date occurs, unless sooner terminated or extended in accordance with the terms and conditions of this Lease.

Section 1.15 **"Lease Year":** The first Lease Year shall commence on the Commencement Date and shall end on the last day of the calendar month preceding the month in which the first anniversary of the Commencement Date occurs. Each succeeding Lease Year shall commence on the day following the end of the preceding Lease Year and shall extend for twelve (12) consecutive months; provided, however, the last Lease Year shall expire on the Expiration Date.

Section 1.16 "Landlord Work": The alterations and improvements described as the **"Landlord Work"** in the Work Letter (the **"Work Letter")** attached to this Lease as Exhibit C and incorporated herein by this reference.

Section 1.17 "Brokers": Newmark Knight Frank and Avison Young.

Section 1.18 "Permitted Use": General office purposes, consistent with a first-class office building, and no other purpose or purposes.

Section 1.19 "Notice Addresses":

All notices to Tenant shall be sent to the following addresses:

Tenant:

Prior to the Commencement Date:

Trillium Therapeutics Inc.
2488 Dunwin Drive
Mississauga, Ontario, Canada, L5L I J9
Attention: Dr. Niclas Stiernholm, CEO

Following the Commencement Date:

Trillium Therapeutics USA Inc.,
I00 CambridgePark Drive
Cambridge, Massachusetts 02140
Attention: Dr. Yaping Shou

With copies:

Trillium Therapeutics Inc.
2488 Dunwin Drive
Mississauga, Ontario, Canada, L5L IJ9
Attention: Dr. Niclas Stiernholm, CEO

Landlord:

All notices to Landlord shall be sent to the following addresses:

PPF OFF 100 Cambridge Park Drive, LLC
c/o Morgan Stanley Real Estate Advisor, Inc.
1585 Broadway, 37th Floor
New York, New York 10036
Attention: Jennie Pries Friend, Managing Director

With copies to:

PPF OFF 100 Cambridge Park Drive, LLC
c/o Longfellow Real Estate Partners, LLC
260 Franklin Street, Suite 1920
Boston, Massachusetts 02110
Attention: Jamison N. Peschel

and

Goulston & Storrs PC
400 Atlantic Avenue
Boston, MA 02110-3333
Attention: Frank E. Litwin, Esq.

Section 1.20 "Business Day(s)": Monday through Friday of each week, exclusive of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and such other days as may be designated by Landlord from time-to-time as holidays with respect to the Building. Notwithstanding any contrary language in this Lease, as it relates to computing the time to respond to any notice, request for approval/disapproval or other submission made under the Lease, such time period shall begin to run on the Business Day following the date on which such notice is effective under this Lease or, as to requests not in the nature of notice for approval/disapproval or other submission on the Business Day following the date on which such request or other submission is received.

Section 1.21 "Law(s)": All applicable laws, statutes, codes, ordinances, orders, rules, regulations, conditions of approval and requirements of all federal, state, county, municipal and governmental authorities and all administrative or judicial orders or decrees and all permits, licenses, approvals and other entitlements issued by governmental entities, and rules of common law, relating to or affecting the Property or the use or operation thereof, whether now existing or hereafter enacted, including, without limitation, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and the regulations and guidelines promulgated thereunder, and, the rules and regulations of the Massachusetts Architectural Access Board (M.G.L. c. 22, § 13A, et seq.; 521 C.M.R. 1.00 et seq.), as the same may be amended, modified, and supplemented from time-to-time.

Section 1.22 "Normal Business Hours": 8:00 A.M. to 6:00 P.M. on Business Days.

Section 1.23 "Letter of Credit Amount": $82,186.02, subject to the provisions of Article 25.

ARTICLE 2
Lease Grant

Section 2.1 **Lease Grant.**

For and with respect to the Term, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. In addition, Tenant shall have the non-exclusive right in common with others to use such other portions of the Property and the Other Buildings, that are designated by Landlord from time to time for the common use of tenants and other occupants of the Property, including, but not limited to, sidewalks, common corridors, elevator foyers, common restrooms, conference facilities, fitness center/game room, and lobby areas (collectively, the **"Common Areas").** Such use of the Common Areas by Tenant shall be subject to and in accordance with the provisions of this Lease, as well as the Rules and Regulations (as hereinafter defined). Subject to casualties, to Force Majeure, and to the terms and conditions of this Lease, throughout the Term of this Lease Landlord shall provide Tenant with access to and use of the Premises, and the Common Areas, on a 24 hour per day, 7 day per week basis.

ARTICLE 3
Condition of the Premises

Section 3.1 **Condition; Delivery.** Tenant has inspected the Premises and agrees (i) to accept possession of the Premises in the condition existing on the Commencement Date, with the Landlord Work Substantially Completed (as defined in the Work Letter), in vacant, broom-clean condition and in all other respects in its "as is," "where is" condition, and (ii) except for the performance of the Landlord Work, Landlord has no obligation to perform any work, supply any materials, incur any expense or make any alterations or improvements to prepare the Premises for Tenant's occupancy. All work to be performed by Tenant in connection with Tenant's initial occupancy of the Premises (collectively, the **"Initial Installations")** shall be considered to be "Alterations" and shall be performed in accordance with the terms and conditions of this Lease, including, without limitation, the provisions of Section 7.3. Landlord shall be deemed to have tendered possession of the Premises to Tenant upon the delivery of notice by Landlord to Tenant stating that the Premises are vacant, broom-clean, and in the condition required by this Lease. No failure to tender possession of the Premises to Tenant on or before any particular date shall affect any other obligations of Tenant hereunder. There shall be no postponement of the Commencement Date for any delay in the tender of possession to Tenant which results from any Tenant Delay (as defined in the Work Letter). Tenant's commencement of the Initial Installations shall be conclusive evidence, as against Tenant, that Landlord has completed all work to be performed by Landlord under this Lease, Tenant has accepted possession of the Premises in its then current condition and at the time such possession was taken, the Premises, the Building, and the Property were in a good and satisfactory condition as required by this Lease.

Section 3.2 **Early Access.** From and after March 8, 2019, or such later time as Landlord determines that the Landlord Work has sufficiently progressed to the point where permitting Tenant to enter the Premises will not adversely affect the timely completion of the remaining elements of the Landlord Work, in accordance with and subject to the terms and conditions of Section 5.1 of the Work Letter, Landlord shall permit Tenant to enter the Premises for the limited purpose of installing Tenant's telecommunication, electronic, phone and data cabling and related equipment installed by or for the exclusive benefit of Tenant and located in the Premises or in the walls or above the finished ceiling of the Premises **("Cabling Work").** Any such early entry shall be at Tenant's sole risk and expense, and Landlord shall have no liabilities or obligations to Tenant in connection therewith, including any liability for damage or injury to persons or property in connection therewith. Upon such entry, notwithstanding that the Commencement Date may not yet have occurred, Tenant shall be bound by and shall comply with all provisions of this Lease, including, without limitation, the provisions of this Lease regarding the performance of alterations, improvements and installations in the Premises; provided, however, Tenant will not be obligated to pay Base Rent, Tenant's Pro Rata Share of the Tax Excess, or Tenant's Pro Rata Share of the Expense Excess prior to the Commencement Date. Without limitation, all of such work performed by Tenant in the Premises shall be coordinated with any work being performed by Landlord and in such manner as to maintain harmonious labor relations. In no event shall any such work by Tenant damage the Building or the Premises or interfere with the timely performance and completion of the Landlord Work. Such early access shall be on all the terms and conditions of this Lease.

ARTICLE 4
Rent

Section 4.1 **Payments.** (a) Tenant shall pay to Landlord, without any setoff or deduction, except as may be specifically set forth in this Lease, the total amount of Base Rent and Additional Rent (collectively, the **"Rent")** due for the Term. **"Additional Rent"** shall mean all sums (exclusive of Base Rent) that Tenant is required to pay to Landlord under this Lease. Tenant shall pay all payments of Base Rent, Tenant's Pro Rata Share of the Tax Excess (as hereinafter defined), and Tenant's Pro Rata Share of the Expense Excess (as hereinafter defined) in advance on the first (1st) day of each calendar month during the Term, without notice or demand. All other items of Rent shall be due and payable by Tenant not later than thirty (30) days after delivery of bills or invoices by Landlord. All payments of Rent shall be by good and sufficient check or by other means (such as automatic debit or electronic transfer) acceptable to Landlord, in accordance with payment instructions provided by Landlord to Tenant from time-to-time, and to addresses as may be designated by Landlord from time-to-time.

(b) If Tenant fails to pay any item or installment of Rent when due, in addition to and without limitation of all other rights and remedies of Landlord as a result thereof, Tenant shall pay to Landlord, as Additional Rent, (i) a late charge of five percent (5%) of such past due amount, provided, however, that for the first such occurrence in any twelve-month period Tenant shall pay such late charge only if the past due amount remains unpaid within five (5) days of the date when due, and (ii) interest on all delinquent amounts which shall accrue from the date due until paid at the lesser of (x) a per annum rate of twelve percent (12%) per annum from the date such payment is due until paid, or (y) the highest rate permitted by applicable Law. If the Term commences on a day other than the first (1^{st}) day of a calendar month or terminates on a day other than the last day of a calendar month, the monthly Base Rent, Tenant's Pro Rata Share of the Tax Excess and Tenant's Pro Rata Share of the Expense Excess for such month shall be prorated based on the number of days in such calendar month. Landlord's acceptance of less than the amount of Rent then due shall be considered a payment on account of the earliest Rent then due. No endorsement or statement on a check or letter accompanying a check or payment shall be considered an accord and satisfaction. Landlord may accept any check or payment without prejudice to the right of Landlord to recover the balance due or to pursue other available remedies. Tenant's covenant to pay Rent is independent of every other covenant in this Lease.

(c) Concurrent with the execution of this Lease, Tenant has paid one month's Base Rent **("Advance Rent")** to Landlord. If the Commencement Date is on the first day of a month, then the Advance Rent shall be credited towards the first month's Base Rent payment. If the Commencement Date is not the first day of a month, then on the Commencement Date Tenant shall pay Base Rent for the period from the Commencement Date through the last day of such month, and the Advance Rent shall be credited towards Base Rent payable for the next succeeding calendar month.

Section 4.2 **Expense Excess and Tax Excess.** For and with respect to each calendar year (or portion thereof) during the Term, from and after the Commencement Date, Tenant shall pay Tenant's Pro Rata Share of the amount (the **"Expense Excess"),** if any, by which Expenses (as hereinafter defined) for such calendar year (or portion thereof) exceed Expenses for the Expense Base Year. For and with respect to each tax fiscal year, which commences on July I and expires on the following June 30 (each, a **"Fiscal Year")** during the Term, from and after the Commencement Date, Tenant shall pay Tenant's Pro Rata Share of the amount, if any, by which Taxes (as hereinafter defined) for each Fiscal Year during the Term exceed Taxes for the Tax Base Year **("Tax Excess").** Landlord will provide Tenant with its good faith estimate of the Expense Excess and the Tax Excess prior to the commencement of each calendar year. On or before the first (1st) day of each month of each calendar year during the Term, Tenant shall pay to Landlord monthly installments equal to one-twelfth (1/12) of Tenant's Pro Rata Share of Landlord's good faith estimate of the Expense Excess for the respective calendar year and one-twelfth (1/12) of Tenant's Pro Rata Share of Landlord's good faith estimate of the Tax Excess for the respective Fiscal Year. If Landlord determines at any time or from time to time that its good faith estimate of the Expense Excess and/or the Tax Excess was incorrect, then Landlord shall provide Tenant with a revised estimate thereof. After its receipt of the revised estimate, Tenant's remaining monthly payments for such calendar year or Fiscal Year shall be based upon the revised estimate provided by Landlord. If Landlord does not provide Tenant with an estimate of the Expense Excess or of the Tax Excess prior to January I of a calendar year, Tenant shall continue to pay monthly installments based on the previous year's estimate(s) until Landlord provides Tenant with the new estimate. Upon delivery of the new estimate, an adjustment shall be made for any month for which Tenant paid monthly installments based on the previous year's estimate(s). Such adjustment shall be effected by Tenant paying Landlord the amount of any underpayment within thirty (30) days after receipt of the new estimate, or by Landlord refunding to Tenant any overpayment within thirty (30) days or, if Landlord so elects, by crediting the overpayment against the next due future installment(s) of Additional Rent, as applicable. If the Tax Base Year is more than or less than twelve (12) months, the Tax Base Year shall be adjusted pro-rata so that the Tax Base Year is determined on a twelve (12) month basis. If any Fiscal Year after the Tax Base Year is more than or less than twelve (12) months, then such Fiscal Year shall be adjusted pro-rata so that such Fiscal Year is determined on a twelve (12) month basis for the purposes of calculating the Tax Excess for such Fiscal Year. Within one hundred fifty (150) days following the end of each calendar year or Fiscal Year, as applicable, Landlord shall furnish Tenant with a reconciliation statement (each, a **"Statement")** of the actual Expenses and Expense Excess and/or the actual Taxes and Tax Excess for the prior calendar year or Fiscal Year, as applicable. If the amount paid on account of estimated Expense Excess and/or estimated Tax Excess for the prior calendar year or Fiscal Year, as applicable, is more than the actual Expense Excess and/or actual Tax Excess, as the case may be, for the prior calendar year or Fiscal Year, as applicable, then Landlord shall apply any overpayment by Tenant against the installment payment(s) next becoming due on account of the estimated Expense Excess or Tax Excess, as applicable. If the amount paid on account of the estimated Expense Excess and/or estimated Tax Excess for the prior calendar year or Fiscal Year, as applicable, is less than the actual Expense Excess and/or actual Tax Excess, as the case may be, for such prior year, then Tenant shall pay Landlord, within thirty (30) days after its receipt of the Statement of Expenses and/or Taxes, the amount of such underpayment.

Section 4.3 **Expenses.** **"Expenses"** shall mean all costs and expenses incurred in each calendar year in connection with operating, maintaining, repairing, and managing the Building and/or the Property, including, but not limited to, the following: (a) labor and labor related costs, including wages, salaries, bonuses, taxes, insurance, uniforms, training, retirement plans, pension plans and other employee benefits; (b) management fees (whether paid to Landlord or paid to affiliated or unaffiliated property management companies); (c) the cost of equipping, staffing and operating an on-site and/or off-site management office for the Building, provided if the management office services one or more other buildings or properties, the shared costs and expenses of equipping, staffing and operating such management office(s) shall be equitably prorated and apportioned between the Building and the other buildings or properties; (d) accounting costs; (e) the cost of services; (f) rental and purchase cost of parts, supplies, tools and equipment; (g) insurance premiums and deductibles; (h) electricity, gas and other utility costs; (i) the costs and expenses of operating, maintaining, repairing and managing parking facilities serving the Building, including, without limitation, valet services; (j) the costs and expenses of transportation services and shuttle bus services provided to tenants and occupants of the Building; and (k) the amortized cost of capital improvements made to the Building and/or the Property, or capital assets acquired for the Building and/or the Property which are (a) intended to reduce over the useful life thereof operating expense costs or otherwise improve the operating efficiency of the Building and/or the Property; or (b) are reasonably necessary for the health and safety for the occupants of the Building and/or the Property; or (c) are required to comply with any applicable Laws. The cost of such capital improvements or capital assets shall be amortized by Landlord over the their useful life (as reasonably determined by Landlord in accordance with customary practice in the real estate industry), and shall include, at Landlord's option, actual or imputed interest at the Prime Rate plus three percent (3%); provided, however, the actual costs savings resulting from a capital improvement or capital asset may be included in Expenses to the extent of savings realized in a particular calendar year without regard to the foregoing amortization requirement. Landlord, by itself or through an affiliate, shall have the right to directly perform, provide and be compensated for any services provided by Landlord in connection with the Building and/or the Property. If Landlord incurs Expenses for the Building and/or the Property together with one or more other buildings or properties, whether pursuant to a reciprocal easement agreement, common area agreement or otherwise, the shared costs and expenses shall be equitably prorated and apportioned between the Building and/or the Property and such other buildings or properties.

Expenses shall not include the following: (1) the cost of capital improvements (except for the amortized costs thereof as expressly set forth above); (2) capital reserves; (3) depreciation; (4) principal or interest payments of mortgage and other non-operating debts of Landlord; (5) the cost of repairs or other work to the extent Landlord is reimbursed therefor by insurance or condemnation proceeds; (6) costs in connection with leasing space in the Building, including brokerage commissions and the costs of improving rentable areas in the Building for other tenants; (7) advertising and promotional expenditures and costs to prepare tenant space in the Building or to relocate any tenant in the Building; (8) costs incurred in connection with the sale, financing or refinancing of the Building; (9) fines, interest and penalties incurred due to the late payment of Taxes or Expenses; (10) organizational expenses associated with the creation and operation of the entity which constitutes Landlord; (11) legal fees or other expenses incurred in connection with enforcing leases with tenants in the Building; (12) charges for electricity, water, or other utilities, services or goods for which another tenant, is obligated to reimburse Landlord; (13) charitable or political contributions; and (14) any costs or expenses for services or amenities that are provided specifically for the benefit of a particular tenant, are of a nature not generally provided to multiple tenants in the Building, and for which Landlord is reimbursed by such tenant. If at any time during a calendar year less than 95% of the rentable area of the Building is occupied, then those Expenses that vary based upon occupancy (such as cleaning costs) shall be calculated as if 95% of the rentable area of the Building had been occupied and Landlord had been supplying such services to 95% of the rentable area of the Building.

Section 4.4 **Taxes.** **"Taxes"** shall mean the following: (i) all ad valorem real estate taxes, assessments, sewer and water rents, and other governmental levies, impositions or charges, whether general, special, ordinary, extraordinary, foreseen or unforeseen, which may from time to time be assessed, levied or imposed upon all or any part of the Property, (ii) all business improvement district impositions, charges and fees assessed, imposed or payable with respect to all or any part of the Property, and (iii) all expenses (including reasonable attorneys' fees and disbursements and experts' and other witnesses' fees) incurred in seeking abatement of or contesting any of the foregoing (but such expenses will not be included in Base Taxes if incurred during the Base Tax Year). If Landlord elects to pay any assessment in annual installments, then (i) such assessment shall be deemed to have been so divided and to be payable in the maximum number of installments permitted by Law, and (ii) there shall be deemed included in Taxes for each Fiscal Year the installments of such assessment becoming payable during such Fiscal Year, together with interest payable during such Fiscal Year on such installments and on all installments thereafter becoming due as provided by law, all as if such assessment had been so divided. If at any time the methods of taxation prevailing on the Effective Date shall be altered so that in lieu of or as an addition to the whole or any part of Taxes, there shall be assessed, levied or imposed (1) a tax, assessment, levy, imposition or charge based on the income or rents received from the Real Property whether or not wholly or partially as a capital levy or otherwise, (2) a tax, assessment, levy, imposition or charge measured by or based in whole or in part upon all or any part of the Real Property and imposed upon Landlord, (3) a license fee measured by the rents, or (4) any other tax, assessment, levy, imposition, charge or fee however described or imposed, including business improvement district impositions, fees, and charges, then all such taxes, assessments, levies, impositions, charges or fees or the part thereof so measured or based shall be deemed to be included within Taxes. Taxes shall not include any income, capital levy, franchise, capital stock, gift, estate or inheritance tax. If an abatement or reduction in Taxes is obtained for any year of the Term during which Tenant has previously paid Tenant's Pro Rata Share of any Tax Excess, then Taxes for that year will be retroactively adjusted and Landlord shall provide Tenant with a credit, if any, based on Tenant's Pro Rata Share of the adjustment or Tenant shall pay Landlord the amount of Tenant's Pro Rata Share of any such increase in the Tax Excess within thirty (30) days after Tenant's receipt of a statement from Landlord.

Section 4.5 **Audit.** Each Statement sent to Tenant shall constitute an account stated between Landlord and Tenant and shall be conclusively binding upon Tenant unless Tenant (i) pays to Landlord when due the amount set forth in such Statement, without prejudice to Tenant's right to audit such Statement, and (ii) within sixty (60) days after such Statement is delivered, sends a written notice to Landlord objecting to such Statement, specifying the reasons for such objection and stating that Tenant will audit the records concerning the items objected to by Tenant. Tenant and all auditors, representatives, contractors, agents, and other third parties involved on behalf of Tenant in any review, audit or dispute concerning Expenses or Taxes shall execute and deliver to Landlord a confidentiality agreement, in form and substance reasonably satisfactory to Landlord, whereby such parties agree not to disclose to any third party any of the information obtained in connection with such review. Tenant agrees that Tenant will not employ, in connection with any review, audit or dispute under this Lease, any person or entity who is to be compensated in whole or in part, on a contingency fee basis. If Tenant satisfies the foregoing conditions precedent, then Tenant may review or audit the Expenses or Taxes (as applicable) for the subject calendar year or Fiscal Year, as applicable. If the parties are unable to resolve any dispute as to the correctness of such Statement within thirty (30) days following the review or audit performed by Tenant, then either party may refer the issues raised by such review or audit to a nationally recognized public accounting firm selected by Landlord and reasonably acceptable to Tenant, and the decision of such accountants shall be conclusively binding upon Landlord and Tenant. If said accountants shall determine that Tenant shall have made any payment in excess of the amount properly due hereunder, such excess amount shall be refunded to Tenant by Landlord within thirty (30) days after said accountants shall have rendered their decision and if such accountants shall determine that Tenant shall have underpaid the amount properly due hereunder such under-payment shall be paid by Tenant to Landlord within thirty (30) days after said accountants shall have rendered their decision. Tenant shall pay the fees and expenses relating to such procedure, unless such accountants determine that Landlord overstated Expenses or Taxes by more than five percent (5%) for such calendar year or Fiscal Year, as applicable, in which case Landlord shall pay the reasonable out-of-pocket fees and expenses incurred by Tenant. Except as provided in this Section 4.5, Tenant shall have no right whatsoever to dispute by judicial proceeding or otherwise the accuracy of any Statement.

ARTICLE 5
Compliance with Laws; Use

Section 5.1 **Permitted Use.** The Premises shall be used only for the Permitted Use and for no other use, of any kind, whatsoever. Without limitation, Tenant shall not use or permit the use of the Premises for any purpose which is illegal, dangerous to persons or property or which, in Landlord's reasonable opinion, unreasonably disturbs any other tenants of the Building or interferes with the operation of the Building. From and after the delivery of the Premises to Tenant, Tenant shall cause the Premises to comply with all applicable Laws. In addition, Tenant shall, at its sole cost and expense, comply with all applicable Laws regarding the operation of Tenant's business in the Premises and the use, condition, configuration and occupancy of the Premises, to the extent such obligations arise out of or result from (i) the specific manner and nature of Tenant's use or occupancy of the Premises, as distinct from general office use, (ii) Alterations made by Tenant, or (iii) a breach by Tenant of any provisions of this Lease. Without limitation of the foregoing, Tenant shall be solely responsible for procuring and complying at all times with any and all necessary permits and approvals directly or indirectly relating or incident to the conduct of its business operations in the Premises. Promptly upon receipt, Tenant shall provide Landlord with copies of any notices it receives regarding a violation or alleged violation by Tenant of any Laws. Without limitation, Landlord may elect, at any time and from time to time, to undertake greenhouse gas production monitoring and testing, including, without limitation, testing within the Premises, provided that forty eight (48) hours' prior written notice thereof is delivered to Tenant. Tenant shall exercise good faith reasonable efforts to cooperate with all such testing activities.

Section 5.2 **Rules and Regulations.** Tenant shall comply with the rules and regulations of the Building attached to this Lease as **Exhibit D** as the same may be amended, modified or supplemented by Landlord from time to time, together with such other reasonable rules and regulations of general applicability adopted by Landlord from time to time (collectively, the **"Rules and Regulations").** Nothing contained in this Lease shall impose upon Landlord any obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease against any other tenant of the Building, and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its employees, agents, visitors or licensees, provided that Landlord shall enforce the Rules and Regulations against Tenant in a non-discriminatory fashion, except where differing circumstances justify different treatments.

Section 5.3 **Hazardous Materials.** (a) **"Hazardous Materials"** shall mean any substance which is or may hereafter be classified as a hazardous material, waste or substance under federal, state or local laws, rules and regulations, including, without limitation, 42 U.S.C. Section 6901 et seq., 42 U.S.C. Section 9601 et seq., 42 U.S.C. Section 2601 et seq., 49 U.S.C. Section 1802 et seq. and Massachusetts General Laws, Chapters 21C, 21D and 21E and the rules and regulations promulgated under any of the foregoing, as such laws, rules and regulations may be amended from time to time (collectively **"Hazardous Materials Laws").** Reference is hereby made to that certain Notice of Activity and Use Limitation (the **"AUL"),** dated as of April 23, 2013, recorded in the Middlesex South District Registry of Deeds on April 25, 2013 in Book 61671, Page 149. The AUL is incorporated into this Lease by this reference, as if fully and completely set forth herein, and Tenant shall comply with all of the terms and conditions of the AUL. Landlord represents to Tenant that, as of the Effective Date, to its actual knowledge, there are no Hazardous Materials on the Property (including the Premises), excepting only such materials and substances as (i) are stored or used in accordance with all applicable Laws, and (ii) are ordinarily and customarily used or located in comparable first-class Buildings.

(b) Tenant shall not, without the prior written consent of Landlord, bring or permit to be brought to or kept at, in or on the Premises any Hazardous Materials, excepting only in accordance with all applicable Hazardous Materials Laws. Tenant shall provide such further information concerning any Tenant's Hazardous Materials and/or their use, storage and/or disposal within thirty (30) days of Landlord's reasonable request concerning the same. With respect to any Hazardous Material brought or permitted to be brought or kept in or on the Premises in accordance with the foregoing, Tenant shall not permit any such Hazardous Materials to be discharged, to escape, be released or be disposed in or about the Premises; provided, however, Tenant may use cleaning supplies and materials containing ordinary and customary Hazardous Materials, as long as (i) such supplies and materials are customarily used in the ordinary course of usual and customary business office operations in comparable buildings, and (ii) the storage, transportation, usage, and disposal of all such Hazardous Materials is in compliance with all applicable Laws.

(c) Tenant hereby covenants and agrees to indemnify, defend and hold the Landlord and each of the Landlord Related Parties harmless from and against any and all claims against any of the Landlord or the Landlord Related Parties arising out of contamination of any part of the Property or other adjacent property, which contamination arises as a result of: (i) the presence of Hazardous Materials in the Premises, the presence of which is caused by any act or omission of any of the Tenant Parties, or (ii) from any breach by Tenant of its obligations under this Section 5.3. This indemnification of the Landlord and the Landlord Related Parties by Tenant includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work or any other response action required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil, soil vapor, or ground water at, on or under, or any indoor air in, the Building to the extent caused by (i) the acts or omissions of Tenant or the Tenant Parties, or (ii) from any breach by Tenant, or any Tenant Parties, of Tenant's obligations under this Section 5.3. The obligations and liabilities of Tenant under this Section 5.3 shall survive the expiration or any earlier termination of this Lease.

Section 5.4 **Landlord's Compliance.** Landlord shall cause the Common Areas of the Building to comply with all applicable Laws to the extent that non-compliance (i) would materially impair Tenant's use and occupancy of the Premises for the Permitted Uses; or (ii) would adversely restrict Tenant's access to the Premises. Notwithstanding the foregoing, Landlord shall have the right to contest in good faith any alleged violation of applicable Laws, including the right to apply for and obtain a waiver or deferment of compliance, the right to assert any and all defenses allowed at law or in equity, and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by law.

ARTICLE 6
Services to be Furnished by Landlord

Section 6.1 **Services.** Landlord shall furnish Tenant with the following services: (a) cold and hot water for use in the base building bathrooms and cold or tepid water for use in any kitchenette areas in the Premises which have been approved by Landlord; (b) customary heat and air conditioning in season in Cambridge, Massachusetts during Normal Business Hours; (c) building standard janitorial service on Business Days, substantially in accordance with the cleaning standards established by Landlord in its reasonable discretion with respect to the Building from time to time; (d) passenger elevator service; (e) electricity, in accordance with the terms and conditions set forth in Section 6.2; (f) chilled water for supplemental HVAC equipment installed from time-to-time in the Premises; (g) building security services consistent with the security services customarily provided by landlords of first-class buildings in Cambridge, Massachusetts; and (h) such other services as Landlord reasonably determines from time to time are necessary or appropriate for the Property. Tenant may elect to receive overtime HVAC service during hours other than during the Normal Business Hours, subject to the payment by Tenant, as Additional Rent, of Landlord's then current charge for overtime HVAC service and to providing such prior notice requesting overtime HVAC service as may be required by Landlord. As of the Effective Date, the charge for overtime HVAC is $95.00 per hour (subject to Landlord's right, from time to time, to increase such charge upon reasonable prior written notice to Tenant). Tenant shall pay, as Additional Rent, the then-applicable charges for the chilled water provided to the Premises, based on the meter (or meters) previously installed by Landlord to measure the consumption of chilled water on each floor of the Premises. Tenant shall pay, as Additional Rent, for all utilities furnished to or used within the Premises, including, without limitation, electricity, water, gas, steam and any other utility usage. Said charges may be based on Tenant's Pro Rata Share of the costs and expenses of providing such utilities. In addition and without limitation, Landlord may, at any time, install separate metering for the Premises or for any specific use within the Premises (including, without limitation, Tenant's information technology equipment) for electricity, water, gas, steam, or any other utility usage. Said separate metering may be a direct meter, a submeter, or a check meter. Any meter so installed may, at Landlord's option, be a "smart meter." Tenant shall pay for the consumption shown on the meter plus any fee applicable for reading, maintaining and/or replacing said meter, either directly to the third-party utility provider in the case of a direct meter or to Landlord in the case of a submeter or check meter. Upon reasonable request by Landlord, Tenant shall report to Landlord Tenant's usage as measured by said meter.

Section 6.2 **Electricity.** Landlord shall redistribute or furnish electrical service to or for the use of Tenant in the Premises. From and after the Commencement Date, Tenant shall pay to Landlord, as Additional Rent, an annual charge for electricity consumption in the Premises (the **"Tenant Electricity Charge")** at the rate of $2.00 per rentable square foot of the Premises, payable in equal monthly installments, in advance, on the first day of each calendar month during the Term. The Tenant Electricity Charge shall be subject to adjustment and change by Landlord from time to time, upon reasonable prior written notice to Tenant, based on changes in the costs and expenses incurred by Landlord to obtain and provide electricity. The rate to be paid by Tenant for electricity shall include the costs incurred by Landlord in maintaining or replacing electrical meters or submeters, and any taxes or other charges imposed on the Landlord in connection with the sale, furnishing or redistribution of electricity. Tenant's use of electrical service shall not exceed, either in voltage, rated capacity or overall load, the capacity which Landlord reasonably deems to be standard for office tenants of the Building in similarly sized space. Landlord shall have the right to measure electrical usage by commonly accepted methods, including the installation of measuring devices such as submeters and check meters. If Landlord determines that the value of the electrical service supplied to Tenant exceeds the electrical charges as calculated in accordance with this Section 6.2, then Tenant shall pay to Landlord, as Additional Rent, for the cost of such excess electrical usage and, if applicable, for the cost of purchasing and installing a separate meter, submeter or check meter to measure Tenant's consumption of electricity.

Section 6.3 **Service Interruptions.** Landlord reserves the right to suspend or interrupt any service when necessary, by reason of Force Majeure, accidents or emergencies, or for alterations or improvements to the Property which, in Landlord's reasonable judgment, is necessary or appropriate until such Force Majeure event, accident or emergency shall cease or such alterations or improvements are completed, and Landlord shall not be liable for any such suspension or interruption of services. Landlord shall use reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises as a result of any such suspension or interruption of service. The exercise of any such right or the occurrence of any such failure by Landlord shall not constitute an actual or constructive eviction, in whole or in part, or, except as expressly set forth in Section 6.4 below, entitle Tenant to any compensation, abatement or diminution of Rent, relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or Landlord's Agent by reason of inconvenience to Tenant, or interruption of Tenant's business, or otherwise. Landlord shall not be liable in any way to Tenant for any failure, defect or interruption of, or change in the supply, character and/or quantity of electric service furnished to the Premises for any reason except only to the extent caused by the gross negligence or willful misconduct of Landlord.

Section 6.4 **Essential Service Interruptions.** If Tenant is unable despite its good faith commercially diligent efforts to use the Premises for the ordinary conduct of Tenant's business due solely to an interruption of an Essential Service (as hereinafter defined) which Landlord is required to provide hereunder, other than as a result of casualty or condemnation and/or Force Majeure, and such condition continues for a period of longer than seven (7) consecutive Business Days after Tenant furnishes a notice to Landlord (the **"Abatement Notice")** identifying the condition and Essential Service which has been interrupted and stating that Tenant's inability to use the Premises is solely due to such condition, provided that (i) Tenant does not actually use or occupy the Premises during such seven (7) consecutive Business Day period, and (ii) such condition has not resulted from the negligence or misconduct of Tenant or any subtenants or occupants of the Premises, and/or their respective agents, contractors, subcontractors, employees, invitees or licensees, then Rent shall be abated on a per diem basis for the period (the **"Abatement Period")** commencing on the eighth (8^{th}) Business Day after Tenant delivers the Abatement Notice to Landlord and ending on the earlier of(x) the date Tenant reoccupies the Premises, or (y) the date on which such condition is substantially remedied. **"Essential Service"** shall mean the following services, but only to the extent that Landlord is required to provide such services to Tenant pursuant to the terms of this Lease and if not provided the absence of such service shall materially and adversely affect the use of the Premises for the ordinary conduct of Tenant's business: HVAC service; electrical service; passenger elevator service; and water and sewer service. The foregoing rent abatement shall be the sole and exclusive remedy of Tenant on account of such interruption or lack of service and Landlord shall have no further liabilities or obligations to Tenant on account thereof.

Section 6.5 **No Other Services.** Except as otherwise expressly provided in this Article 6, Landlord shall not be required to furnish any other services to the Premises. The obligations of Landlord which are set forth in this Article 6 shall be subject to Force Majeure and to the terms and conditions of this Lease, including Articles 13 and 14.

Section 6.6 **Conservation Requirements.** (a) Notwithstanding the foregoing, the services and utilities to be provided by Landlord under this Lease, and the obligations and responsibilities of Landlord in connection therewith, shall be subject to such energy, water or other conservation controls, limitations, or requirements (whether mandatory or voluntary) of general applicability to comparable office buildings imposed or issued by applicable governmental agencies or authorities, or public utilities or insurance carriers, including, without limitation, controls, limitations or requirements concerning the permitted range of temperature settings or imposing limitations or restrictions on the volume of energy consumption. If and to the extent required to comply with such energy, water or other conservation controls, limitations, or requirements (whether mandatory or voluntary) of general applicability to comparable office buildings issued by applicable governmental agencies or authorities, or public utilities or insurance carriers, Landlord shall not be deemed in violation of the terms and conditions of this Lease for the duration of such controls or requirements and the compliance by Landlord with such controls, limitations, or requirements shall not be considered an eviction, actual or constructive, of Tenant from the Premises and shall not entitle Tenant to terminate this Lease or to an abatement or reduction of any rent payable hereunder. Notwithstanding the foregoing, as to any such controls, limitations, or requirements that are voluntary rather than mandatory, the exculpation afforded by the foregoing clauses shall not be applicable unless comparable first-class office buildings in Cambridge, Massachusetts have generally instituted similar controls, limitations, or requirements.

(b) Landlord shall provide and install bulbs and tubes for Building standard lighting fixtures within the Premises and replacement tubes for such lighting, and the cost of such bulbs and tubes, together with the costs for replacement bulbs and tubes in the premises of other tenants of the Building, shall be included in Expenses; provided, however, (x) the cost of replacement of any specialty bulbs or tubes installed by Landlord at Tenant's request and the costs of ballasts replaced by Landlord in the Premises shall be paid by Tenant as Additional Rent, and (y) the cost of replacement of specialty bulbs or tubes of other tenants or ballasts replaced in other premises shall not be included in Expenses. Notwithstanding the foregoing, Landlord may elect to cease generally providing replacement of standard bulbs and tubes for tenants of the Building, in which event Tenant shall pay Landlord for such replacements as it requests as Additional Rent and the cost of replacements for Tenant and other tenants of the Building shall cease to be included in Expenses.

ARTICLE 7
Repairs and Alterations

Section 7.1 **Tenant's Repair Obligations.** Tenant shall, at its sole cost and expense, promptly perform all maintenance and repairs in and to the Premises (excepting only such repairs and maintenance that are the obligation of Landlord pursuant to the express provisions of this Lease), in order to keep the Premises in good condition and repair, reasonable wear and tear and damage by reason of casualty excepted. Tenant's repair and maintenance obligations shall include, without limitation, maintaining and repairing the following: (1) floor coverings; (2) interior partitions; (3) doors; (4) the interior side of demising walls; (5) Cabling Work; (6) any heating, ventilation and air conditioning systems that are located within and/or exclusively serving the Premises, including, without limitation, supplemental air conditioning units, private showers, kitchens, hot water heaters, plumbing, and similar facilities serving the Premises exclusively; and (7) Alterations made by or on behalf of Tenant. If Tenant fails to maintain or repair the Premises and such failure continues for more than fifteen (15) days after notice from Landlord, then Landlord may elect to perform such maintenance and repairs. In such event, Tenant shall reimburse Landlord, as Additional Rent, for all reasonable costs and expenses incurred by Landlord within thirty (30) days after receipt of an invoice therefore.

Section 7.2 **Landlord's Repair Obligations.** Landlord shall keep and maintain in good repair and working order the following: (1) the structural elements and foundation of the Building; (2) the mechanical, electrical, plumbing, sanitary, sprinkler, heating, ventilation and air conditioning, security, life-safety, elevator and other service systems or facilities of the Building up to the point of connection of localized distribution to the Premises (collectively, the **"Building Systems");** (3) the Common Areas; (4) the roof of the Building; (5) the exterior windows of the Building; and (6) the elevators serving the Building.

Section 7.3 **Alterations.**

(a) Tenant shall not make or perform any alterations, additions or improvements (collectively, **"Alterations")** in or to the Premises without first obtaining the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed; provided, however, Landlord's prior consent shall not be required for any Alteration that satisfies all of the following criteria (a **"Cosmetic Alteration"):** (1) is of a cosmetic nature such as painting, wallpapering, hanging pictures, and installing carpeting; (2) is not visible from the exterior of the Premises or Building; and (3) will not adversely affect the Building Systems, Common Areas or structure of the Building. Tenant shall give Landlord not less than five (5) Business Days' notice prior to performing any Cosmetic Alteration, which notice shall contain a description of such Cosmetic Alteration along with such plans and specifications, if any, prepared in connection therewith. Without limiting the foregoing, all such Cosmetic Alterations shall be subject to all of the terms and conditions of this Section 7.3. Prior to making any Alterations, Tenant, at its expense, shall (i) excepting only for Cosmetic Alterations, submit to Landlord for its approval, detailed plans and specifications **("Plans")** for such proposed Alteration, and with respect to any Alteration affecting any Building System, evidence that the proposed Alteration has been designed by, or reviewed and approved by, Landlord's designated engineer for the affected Building System, (ii) obtain all permits, approvals and certificates required by any Governmental Authorities for the proposed Alteration, and furnish copies thereof to Landlord, (iii) furnish to Landlord duplicate original policies or certificates of worker's compensation insurance (covering all persons to be employed by Tenant, and Tenant's contractors and subcontractors in connection with such Alteration) and commercial general liability (including property damage coverage) insurance and Builder's Risk coverage, all in such form, with such companies, for such periods and in such amounts as Landlord may reasonably require, naming Landlord, Landlord's Agent, any Lessor and any Mortgagee as additional insureds, and (iv) furnish to Landlord reasonably satisfactory evidence of Tenant's ability to complete and to fully pay for such Alterations.

(b) Tenant shall obtain all building permits and other approvals required by applicable Laws for all Alterations. In addition, Tenant shall, as and when required, promptly obtain certificates of approval of such Alterations as and to the extent required by any governmental authority. Not later than thirty (30) days after issuance of such permits or approvals, Tenant shall deliver copies thereof to Landlord. In addition, not later than thirty (30) days after completion of the respective Alteration, Tenant shall deliver "as-built" Plans for such Alterations prepared on an AutoCAD Computer Assisted Drafting and Design System (or such other system or medium as Landlord may reasonably require), using such naming conventions as Landlord may reasonably require, and computer media of such record drawings and specifications in a format acceptable to Landlord.

(c) All Alterations shall be performed (a) in a good and workmanlike manner and free from defects, (b) excepting only with regard to Cosmetic Alterations, substantially in accordance with the Plans approved by Landlord, (c) by contractors, subcontractors, engineers and vendors approved by Landlord, and (d) in compliance with all Laws, the terms of this Lease and all construction rules, procedures and regulations adopted from time-to-time by Landlord. All materials and equipment shall be of first quality and at least equal to the then-applicable standards for the Building adopted from time-to-time by Landlord, and no such materials or equipment (other than Tenant's Property) shall be subject to any lien or other encumbrance. Upon request, Landlord will provide Tenant with a list of pre-approved contractors.

(d) Tenant (at its cost) shall (a) install and maintain occupancy sensors on all overhead light fixtures so that they automatically switch off when an area is unoccupied, and (b) install and maintain occupancy sensors on all built-in or fixed task lighting fixtures so that they automatically switch off when an area is unoccupied. Such sensors may be installed with manual overrides for areas that are customarily occupied, such as individual offices and conference rooms.

(e) Tenant, at its expense, shall discharge and release any lien, encumbrance, or charge recorded or filed against the Building and/or the Property in connection with any work performed or claimed to have been performed by or on behalf of Tenant, or materials or services furnished or claimed to have been furnished to, Tenant, within ten (10) days after Tenant's receipt of notice thereof. Such discharge shall be affected by discharge whether by payment or filing of a bond in accordance with applicable Laws. If Tenant fails to do so, Landlord may bond, insure over or otherwise discharge the lien. In such event, Tenant shall reimburse Landlord, as Additional Rent, on demand, for all costs and expenses incurred by Landlord, including, without limitation, bonding costs and reasonable attorneys' fees.

(f) Tenant shall not employ, or permit the employment of, any contractor, mechanic or laborer, or permit any materials to be delivered to or used in the Premises and/or the Building, if, in Landlord's sole judgment, such employment, delivery or use will interfere or cause any conflict with other contractors, mechanics or laborers engaged in the construction, maintenance or operation of the Building and/or the Building by Landlord, Tenant or others. If such interference or conflict occurs, upon Landlord's request, Tenant shall cause all contractors, mechanics or laborers causing such interference or conflict to leave the Building immediately.

(g) Tenant shall reimburse Landlord, within thirty (30) days after delivery of an invoice therefor, for all reasonable third party out-of-pocket costs actually incurred by Landlord in connection with Alterations performed by or on behalf of Tenant from time-to-time during the Term of this Lease, including costs incurred in connection with (a) Landlord's review of Plans (including review of requests for approval thereof) and/or supervision of performance of the Alteration, and (b) the provision of Building personnel during the performance of any Alteration other than during Normal Business Hours, to operate elevators or otherwise to facilitate Tenant's Alterations. In addition, if the cost of any Alterations proposed by Tenant exceed $25,000.00, then Tenant shall pay to Landlord or Landlord's managing agent, a construction supervision fee equal to three percent (3%) of the total project cost in connection therewith. At Landlord's request, Tenant shall deliver to Landlord reasonable supporting documentation evidencing the hard and soft costs incurred by Tenant in designing and constructing any Alterations.

(h) Tenant shall provide notice to Landlord prior to moving any heavy machinery, heavy equipment, freight, bulky matter or fixtures into or out of the Building and shall pay to Landlord any reasonable costs actually incurred by Landlord in connection therewith. If such equipment requires special handling, Tenant agrees (a) to employ only persons holding all necessary licenses to perform such work, (b) all work performed in connection therewith shall comply with all applicable Laws, and (c) such work shall be done only during hours designated by Landlord.

(i) The approval of Plans, or consent by Landlord to the making of any Alterations, shall not constitute Landlord's representation that such Plans or Alterations comply with any Laws. Landlord shall not be liable to Tenant or any other party in connection with Landlord's approval of any Plans, or Landlord's consent to Tenant's performing any Alterations. If and to the extent arising out of or resulting from any Alterations made by or on behalf of Tenant, Landlord is required by an order or directive of a governmental authority to make any alterations or improvements to any part of the Building and/or the Building in order to comply with an applicable Requirement, Tenant shall pay, as Additional Rent, all costs and expenses incurred by Landlord in connection with such alterations or improvements.

G) In connection with the performance of any Alterations, Tenant (or Tenant's contractor) shall develop and implement an indoor air quality management plan for the construction and preoccupancy phases of the Building and the Premises (the **"Construction Indoor Air Quality Management Plan").** All Alterations performed by or on behalf of Tenant shall meet or exceed the requirements set forth in the Construction Indoor Air Quality Management Plan. During any construction, Tenant shall cause all of its contractors and subcontractors to, at a minimum, satisfy the following requirements: (a) satisfy the then-applicable standards and requirements outlined by the Sheet Metal and Air Conditioning National Contractors' National Association (SMACNA) "Indoor Air Quality Guidelines for Occupied Buildings under Construction, 2nd Edition 2007, ANSI/SMACNA 008-2008" (Chapter 3); (b) in the event air handlers are used during construction, use MERV 8 filtration media at each return air grill as determined by ASHRAE 52.2-1999; (c) replace all filtration media prior to occupancy; and (d) protect stored on-site and installed absorptive materials from moisture damage.

(k) In connection with the performance of any Alterations, Tenant (or Tenant's contractor) shall develop and implement a construction waste management plan that identifies materials to be diverted from disposal and whether the materials will be sorted on-site or commingled. Such construction waste management plan must require, at a minimum, that Tenant or Tenant's contractor recycle and/or salvage at least 75% of construction, demolition and packing debris by volume.

(I) In connection with the performance of any Alterations, Tenant (or Tenant's contractor) shall use products meeting the following criteria: (a) adhesives, sealants and sealant primers that do not exceed VOC content limits of South Coast Air Quality Management District Rule #1168 and aerosol adhesives that do not exceed VOC content limits of Green Seal Standard GC-36; (b) interior paints and coatings that meet "Topcoat Paints: Green Seal Standard GS-11, Paints," "Anti-Corrosive and Anti-Rust Paints: Green Seal Standard GS-03, Anti-Corrosive Paints" and "All Other Architectural Coatings, Primers and Undercoats: South Coast Air Quality Management District Rule 1113, Architectural Coatings;" (c) non-carpet finished flooring that is FloorScore-certified; (d) carpet that meets the CRl Green Label Plus testing program, is 100% recyclable and contains at least 50% recycled content; (e) carpet padding that meets the CRI Green Label testing and product requirements, is 100% recyclable and contains at least 50% recycled content; and (f) carpet adhesive that has less than 50g/L VOC.

Section 7.4 **Floor Load.** Tenant shall not place a load upon any floor of the Premises that exceeds the maximum designated floor load. Landlord reserves the right to reasonably designate the position of all equipment which Tenant wishes to place within the Premises, and to place limitations on the weight thereof.

Section 7.5 **Specialty Alterations; Tenant's Property.** **"Specialty Alterations"** shall mean Alterations which are not standard office installations such as kitchens (excepting kitchenette and pantry areas), executive bathrooms, raised computer floors, computer room installations, supplemental HVAC equipment, safe deposit boxes, vaults, libraries or file rooms requiring reinforcement of floors, internal staircases, slab penetrations, conveyors, dumbwaiters, print rooms and model shops, and other Alterations of a similar character. Upon the expiration or earlier termination of the Term of this Lease, Tenant shall remove all Specialty Alterations installed by or on behalf of Tenant. In addition, Tenant shall repair all damage caused by the installation or removal of any Alterations. If Tenant fails to remove any Specialty Alterations or to perform such repairs in a timely manner, then Landlord, at Tenant's expense, may remove and dispose of the Specialty Alterations and/or perform the required repairs. In such event, within thirty (30) days after receipt of an invoice, Tenant shall reimburse Landlord, as Additional Rent, for the reasonable out-of-pocket costs incurred by Landlord in connection therewith. Without limitation, Tenant shall remove all trade fixtures, furniture, equipment and other personal property of Tenant **("Tenant's Property")** upon the expiration or earlier termination of the Term of this Lease.

ARTICLE S
Entry by Landlord

Section 8.1 **Entry.**

(a) Landlord may enter the Premises at any time and from time to time to inspect or show the Premises, to clean and make repairs to the Premises, and to conduct or facilitate repairs, alterations or additions to the Premises and/or the Building. Except in emergencies or to provide janitorial and other customary services, Landlord shall provide Tenant with reasonable prior notice of entry into the Premises, which may be given orally and which Landlord shall endeavor to deliver at least forty eight (48) hours prior to such entry. Landlord, Landlord's agents and contractors may erect, use and maintain concealed ducts, pipes, and conduits in and through the Premises provided such use does not cause the usable area of the Premises to be reduced beyond a de minimis amount. Landlord shall promptly repair any damage to the Premises caused by any work performed pursuant to this Article 8. Landlord, Landlord's agents and any other party designated by Landlord and their respective agents shall have the right to enter the Premises at all reasonable times, upon reasonable notice (which notice may be oral and which Landlord shall endeavor to deliver at least forty eight (48) hours prior to such entry) except in the case of emergency, to examine the Premises, to show the Premises to prospective purchasers, mortgagees, investors, and/or tenants, and their respective agents and representatives or others, and to perform repairs or Alterations in or to the Premises or the Building. Tenant shall have the right to have a Tenant representative present during any such entry by Landlord, provided, however, that the absence of, or Tenant's failure to produce, any such Tenant representative shall not limit Landlord's rights herein.

(b) Any such entry by Landlord shall not constitute constructive eviction or entitle Tenant to an abatement or reduction of Rent or any other remedy. All parts (except surfaces facing the interior of the Premises) of all walls, windows and exterior doors bounding the Premises, all balconies, terraces and roofs adjacent to the Premises, all space in or adjacent to the Premises used for shafts, stacks, stairways, conduits and other mechanical facilities are not part of the Premises, and Landlord shall have the use thereof and access thereto through the Premises for the purposes of operation, maintenance, alteration and repair of the Building.

(c) Landlord reserves the right at any time and from time to time to change the name(s), number(s) or designation(s) by which the Building and/or the Property is (or are) commonly known.

ARTICLE 9
Assignment and Subletting

Section 9.1 **No Assignment, Sublease.** Tenant shall not assign, mortgage, pledge, encumber, or otherwise transfer this Lease, whether by operation of law or otherwise, and shall not sublet, or permit, or suffer the Premises or any part thereof to be used or occupied by others (whether for desk space, mailing privileges or otherwise) (collectively or individually, a **"Transfer")** without the prior written consent of Landlord in each instance. If, without Landlord's consent, a Transfer of this Lease occurs, or any part of the Premises is sublet or occupied by anyone other than Tenant, or this Lease is encumbered (by operation of law or otherwise), then Landlord may collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the Rent herein reserved. No such collection shall be deemed a waiver of the provisions of this Article 9, an acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the performance of Tenant's covenants hereunder, and in all cases Tenant shall remain fully liable for its obligations under this Lease. Landlord's consent to any Transfer shall not relieve Tenant from the obligation to obtain Landlord's consent to any further Transfer. In no event shall any permitted subtenant assign or encumber its sublease or further sublet any portion of its sublet space, or otherwise suffer or permit any portion of the sublet space to be used or occupied by others, without the express prior written consent of Landlord in each instance. Any attempted Transfer in violation of this Section may be voidable by Landlord. In no event shall any Transfer, including a Permitted Transfer, release or relieve Tenant from any obligation under this Lease.

Section 9.2 **Recapture Notice.** If Tenant desires to assign this Lease or sublet all or any portion of the Premises, then prior to offering the Premises for rent, or listing the Premises (or any part thereof) with a broker, or showing the Premises to a prospective assignee or subtenant, Tenant shall give notice **("Tenant's Assignment/Sublease Notice")** thereof to Landlord, which shall be accompanied by (a) with respect to an assignment of this Lease, the date Tenant desires the assignment to be effective, and (b) with respect to a sublet of all or a part of the Premises, a description of the portion of the Premises to be sublet, the proposed commencement date and expiration date of such sublease and the rent per rentable square foot Tenant will ask for the Premises or such portion of the Premises **("Tenant's Asking Rate").** Such Tenant's Assignment/Sublease Notice shall be deemed an offer from Tenant to Landlord of the right, at Landlord's option, (1) to terminate this Lease with respect to such space as Tenant proposes to sublease (the **"Partial Space"),** upon the terms and conditions hereinafter set forth, or (2) if the proposed transaction is an assignment of this Lease or a subletting of 50% or more of the rentable square footage of the Premises, to terminate this Lease with respect to the entire Premises. Such option may be exercised by notice (a **"Recapture Notice")** from Landlord to Tenant within forty-five (45) days after delivery of Tenant's Assignment/Sublease Notice. If Landlord exercises its option to terminate all or a portion of this Lease pursuant to the provisions of this Section 9.2, (a) this Lease shall end and expire with respect to all or a portion of the Premises, as the case may be, on the date that such assignment or sublease was to commence, provided that such date is in no event earlier than ninety (90) days after the date of the Tenant's Assignment/Sublease Notice unless Landlord agrees to such earlier date, (b) Rent shall be apportioned, paid or refunded as of such date, (c) upon Landlord's request, Tenant shall enter into an amendment of this Lease ratifying and confirming such total or partial termination, and setting forth any appropriate modifications to the terms and conditions of this Lease as a result thereof, and (d) Landlord may elect, in its discretion, to lease the Premises (or any part thereof) to Tenant's prospective assignee or subtenant. Tenant shall pay all costs to make the Partial Space a self-contained rental unit and to install any required Building corridors. Without limiting the foregoing, if Landlord delivers a Recapture Notice, then Tenant may elect, within seven (7) days after delivery of the Recapture Notice, to withdraw and rescind the proposed sublease or assignment by delivering notice (a **"Rescission Notice")** thereof to Landlord, in which event (i) Tenant shall not proceed with the proposed sublease or assignment and this Lease shall remain in full force and effect, and (ii) the Recapture Notice and the termination or recapture effected thereby shall be null and void, and of no further force or effect. Time is of the essence of the delivery of the Rescission Notice, and if Tenant does not timely deliver the Rescission Notice, then the Recapture Notice and the termination or recapture effected thereby shall be and remain in full force and effect in accordance with its terms.

Section 9.3 Consent to Assignment/Subletting.

(a) If Landlord does not exercise Landlord's termination option provided under Section 9.2, then Landlord shall respond to a request for consent to a proposed sublease or assignment not more than thirty (30) days after delivery to Landlord of the following: (i) a copy of the proposed assignment agreement or sublease agreement (as applicable), (ii) a complete statement reasonably detailing the identity of the proposed assignee or subtenant (a **"Transferee"),** the nature of its business and its proposed use of the Premises, (iii) current financial information with respect to the Transferee, including its most recent financial statements, and (iv) such other information Landlord as may reasonably request. Provided that no Event of Default then exists, Landlord's consent to the proposed assignment or subletting shall not be unreasonably withheld if the following conditions are satisfied:

(i) in Landlord's reasonable judgment, the proposed Transferee is engaged in a business or activity, and the Premises will be used in a manner, which (1) is in keeping with the then standards of the Building, (2) is for the Permitted Uses, and (3) does not violate any restrictions set forth in this Lease, any mortgage or superior lease or any negative covenant as to use of the Premises required by any other lease in the Building;

(ii) the Transferee is reputable with sufficient financial means to perform all of its obligations under this Lease or the sublease, as the case may be;

(iii) if Landlord has, or reasonably expects to have within six (6) months thereafter, comparable space available in the Building or either of the Other Buildings, neither the Transferee nor any person or entity which, directly or indirectly, controls, is controlled by, or is under common control with, the Transferee is then an occupant of the Building or either of the Other Buildings;

(iv) the Transferee is not a person or entity (or affiliate of a person or entity) with whom Landlord is then or has been within the prior six (6) months negotiating in connection with the rental of space in the Building;

(v) there shall be not more than two (2) subtenants in the Premises;

(vi) the aggregate consideration to be paid by the Transferee under the terms of the proposed sublease shall not be less than ninety percent (90%) of the fixed rent at which Landlord is then offering to lease other space in the Building (the **"Market Sub-rent");**

(vii) Tenant shall not list the Premises to be sublet or assigned with a broker, agent or other entity or otherwise offer the Premises for subletting at a rental rate less than the Market Sub-rent;

(viii) the Transferee shall not be entitled, directly or indirectly, to diplomatic or sovereign immunity, regardless of whether the Transferee agrees to waive such diplomatic or sovereign immunity, and shall be subject to the service of process in, and the jurisdiction of the courts of, the Commonwealth of Massachusetts; and

(ix) the Transferee is not a Prohibited Person (as hereinafter defined).

(b) With respect to each sublease or assignment proposed by Tenant:

(i) the form of the proposed assignment or sublease shall be reasonably satisfactory to Landlord;

(ii) no sublease shall be for a term ending later than one day prior to the Expiration Date; and

(iii) no Transferee shall take possession of any part of the Premises, until an executed counterpart of such sublease or assignment has been delivered to Landlord and approved by Landlord as provided in Section 9.3(c).

If an Event of Default occurs prior to the effective date of such assignment or subletting, then Landlord's consent thereto, if previously granted, shall be immediately deemed revoked without further notice to Tenant, and if such assignment or subletting would have been permitted without Landlord's consent pursuant to Section 9.5, such permission shall be void and without force and effect;

(c) each sublease shall be subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate. Tenant and each Transferee shall be deemed to have agreed that upon the occurrence and during the continuation of an Event of Default hereunder, Tenant has hereby assigned to Landlord, and Landlord may, at its option, accept such assignment of, all right, title and interest of Tenant as sublandlord under such sublease. If this Lease terminates prior to the Expiration Date, then such sublease shall terminate and expire concurrent therewith; provided, however, if Landlord elects, in its sole and unfettered discretion, by express written notice to such Transferee, to recognize said sublease, then notwithstanding the termination of this Lease, the sublease shall remain in effect as a direct lease between Landlord and the Transferee, and such Transferee shall attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not be (A) liable for any previous act or omission of Tenant under such sublease, (B) subject to any counterclaim, offset or defense which theretofore accrued to such Transferee against Tenant, (C) bound by any previous modification of such sublease not consented to by Landlord or by any prepayment of more than one month's rent, (D) bound to return such Transferee's security deposit, if any, except to the extent Landlord shall receive actual possession of such deposit and such Transferee shall be entitled to the return of all or any portion of such deposit under the terms of its sublease, or (E) obligated to make any payment to or on behalf of such Transferee, or to perform any alterations or improvements in the sublet space or the Building, or in any way to prepare the subleased space for occupancy, beyond Landlord's obligations under this Lease. The provisions of this Section 9.3(c) shall be self-operative, and no further instrument shall be required to give effect to this provision, provided that the Transferee shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such subordination and attornment; and

(d) Tenant shall, upon demand, reimburse Landlord for all reasonable out-of- pocket expenses incurred by Landlord in connection with each proposed assignment or sublease, including any investigations as to the acceptability of the proposed assignee or subtenant, reviewing any plans and specifications for Alterations proposed to be made in connection therewith, the negotiation of any consent documents for such sublease or assignment, and all legal fees and costs incurred by Landlord in connection therewith.

Section 9.4 **Profits.** If Tenant enters into any assignment or sublease permitted hereunder or consented to by Landlord (excepting only assignments or subleases pursuant to Section 9.5), Tenant shall, within sixty (60) days of Landlord's consent to such assignment or sublease, deliver to Landlord a list of Tenant's reasonable third-party brokerage fees, legal fees and architectural fees paid or to be paid in connection with such transaction and, in the case of any sublease, any actual costs incurred by Tenant in separately demising the sublet space (collectively, **"Transaction Costs"),** together with a list of all of Tenant's Property to be transferred to such Transferee. The Transaction Costs shall be amortized, on a straight-line basis, over the term of any sublease. Tenant shall deliver to Landlord evidence of the payment of such Transaction Costs promptly after the same are paid. In consideration of such assignment or subletting, Tenant shall pay to Landlord: (a) In the case of an assignment, on the effective date of the assignment, all sums and other consideration paid to Tenant by the Transferee for or by reason of such assignment (including sums paid for the sale or rental of Tenant's Property, less the then fair market or rental value thereof, as reasonably determined by Landlord) after first deducting the Transaction Costs; or (b) In the case of a sublease, fifty percent (50%) of any consideration payable under the sublease to Tenant by the Transferee which exceeds on a per square foot basis the Base Rent and Additional Rent accruing during the term of the sublease in respect of the sublet space (together with any sums paid for the sale or rental of Tenant's Property, less the then fair market or rental value thereof, as reasonably determined by Landlord) after first deducting the monthly amortized amount of Transaction Costs. The sums payable under this clause shall be paid by Tenant to Landlord monthly as and when paid by the subtenant to Tenant.

Section 9.5 **Transfers of Ownership Interests.** (a) If Tenant is a legal entity, the transfer (by one or more transfers), directly or indirectly, by operation of law or otherwise, of a majority of the membership interests, or the stock or other beneficial ownership interests in Tenant, or of all or substantially all of the assets of Tenant (collectively **"Ownership Interests")** shall be deemed a voluntary assignment of this Lease; provided, however, the provisions of this Article 9 shall not apply to (i) the transfer of Ownership Interests in Tenant if and so long as Tenant is publicly traded on a nationally recognized stock exchange, or (ii) the transfer of Ownership Interests among the members of Tenant existing as of the Effective Date. For purposes of this Article 9, the term "Transfers" shall be deemed to include (x) the issuance of new Ownership Interests which results in a majority of the Ownership Interests in Tenant being held by a person or entity which does not hold a majority of the Ownership Interests in Tenant on the Effective Date; and (y) except as provided below, the sale or transfer of all or substantially all of the assets of Tenant in one or more transactions and the merger or consolidation of Tenant into or with another business entity.

(b) Notwithstanding the foregoing, the prior consent of Landlord shall not be required with respect to an assignment of this Lease or a sublease to a business entity (x) into or with which Tenant is merged or consolidated, (y) which succeeds to all or substantially all of Tenant's assets or interests (partnership, stock, or other), or (z) in connection with a Tenant acquisition, reorganization, stock-sale, divestiture, spin-off, or other separation of Tenant's business, so long as (i) such merger, consolidation, or transfer was made for a legitimate independent business purpose and not for the purpose of transferring this Lease, (ii) the successor to Tenant has either a credit rating or a Net Worth computed in accordance with generally accepted accounting principles at least equal to the Net Worth of Tenant as of the Effective Date of this Lease, and (iii) proof satisfactory to Landlord of such Net Worth is delivered to Landlord at least ten (10) days prior to the effective date of any such transaction. Notwithstanding the foregoing, Tenant shall have no right to assign this Lease or sublease all or any portion of the Premises without Landlord's consent pursuant to this Section 9.5 if Tenant is not the initial Tenant herein named or a person or entity who acquired Tenant's interest in this Lease in a transaction approved by Landlord. For purposes of this Lease, the term **"Net Worth"** shall mean the excess of all assets over all liabilities, as shown on the balance sheet of Tenant and determined in accordance with generally accepted accounting principles consistently applied.

Section 9.6 **Binding on Tenant; Indemnification of Landlord.** Notwithstanding any assignment or subletting or any acceptance of rent by Landlord from any Transferee, Tenant shall remain fully liable for the payment of all Rent due and for the performance of all the covenants, terms and conditions contained in this Lease on Tenant's part to be observed and performed, and any default under any term, covenant or condition of this Lease by any Transferee or anyone claiming under or through any Transferee shall be deemed to be a default under this Lease by Tenant. Tenant shall indemnify, defend, protect and hold harmless Landlord from and against any and all Losses resulting from any claims that may be made against Landlord by the Transferee or anyone claiming under or through any Transferee or by any brokers or other persons or entities claiming a commission or similar compensation in connection with the proposed assignment or sublease, irrespective of whether Landlord shall give or decline to give its consent to any proposed assignment or sublease, or if Landlord shall exercise any of its options under this Article 9.

Section 9.7 **Assumption of Obligations.** No assignment or transfer shall be effective unless and until the Transferee executes, acknowledges and delivers to Landlord an agreement in form and substance reasonably satisfactory to Landlord whereby the assignee (a) assumes Tenant's obligations under this Lease and (b) agrees that, notwithstanding such assignment or transfer, the provisions of Section 9.1 hereof shall be binding upon it in respect of all future assignments and transfers.

Section 9.8 **Tenant's Liability.** The joint and several liability of Tenant and any successors-in-interest of Tenant and the due performance of Tenant's obligations under this Lease shall not be discharged, released or impaired by any agreement or stipulation made by Landlord, or any grantee or assignee of Landlord, extending the time, or modifying any of the terms and provisions of this Lease, or by any waiver or failure of Landlord, or any grantee or assignee of Landlord, to enforce any of the terms and provisions of this Lease.

Section 9.9 **Listings in Building Directory.** The listing of any name other than that of Tenant on the doors of the Premises, the Building directory or elsewhere shall not vest any right or interest in this Lease or in the Premises, nor be deemed to constitute Landlord's consent to any assignment or transfer of this Lease or to any sublease of the Premises or to the use or occupancy thereof by others. Any such listing shall constitute a privilege revocable in Landlord's discretion by notice to Tenant.

Section 9.10 **Lease Disaffirmance or Rejection.** If at any time this Lease is assigned and thereafter this Lease is not affirmed or is rejected in any bankruptcy proceeding or any similar proceeding, or upon a termination of this Lease in connection with any such proceeding, Tenant named herein, upon request of Landlord shall (a) pay to Landlord all Rent and other charges due and owing by the assignee to Landlord under this Lease to and including the date of such disaffirmance, rejection or termination, and (b) as "tenant," enter into a new lease of the Premises with Landlord for a term commencing on the effective date of such disaffirmance, rejection or termination and ending on the Expiration Date, at the same Rent and upon the then executory terms, covenants and conditions contained in this Lease, except that (i) the rights of Tenant named herein under the new lease shall be subject to the possessory rights of the assignee under this Lease and the possessory rights of any persons or entities claiming through or under such assignee or by virtue of any statute or of any order of any court, (ii) such new lease shall require all defaults existing under this Lease to be cured by Tenant named herein with due diligence, and (iii) such new lease shall require Tenant named herein to pay all Rent which, had this Lease not been so disaffirmed, rejected or terminated, would have become due under the provisions of this Lease after the date of such disaffirmance, rejection or termination with respect to any period prior thereto. If Tenant named herein defaults in its obligations to enter into such new lease for a period often (10) days after Landlord's request, then, in addition to all other rights and remedies by reason of default, either at law or in equity, Landlord shall have the same rights and remedies against Tenant named herein as if it had entered into such new lease and such new lease had thereafter been terminated as of the commencement date thereof by reason of Tenant's default thereunder.

ARTICLE 10
Indemnity and Waiver of Claims

Section 10.1 **Waiver and Release.** Tenant hereby waives and releases any and all claims against Landlord and its managers, members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees (as hereinafter defined), representatives, and agents (collectively, the **"Landlord Related Parties")** from any and all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses (collectively, **"Claims"),** including, without limitation, all Claims for any injury to or death of persons, damage to property or business loss, in any manner related to or arising out of or resulting from (a) Force Majeure, (b) acts of third parties, (c) the bursting or leaking of any tank, water closet, drain or other pipe, (d) the inadequacy or failure of any security services, personnel or equipment, or (e) any matter not within the reasonable control of Landlord; provided, however, the foregoing waiver and release shall not include any Claims against Landlord to the extent otherwise provided in M.G.L. Chapter 186, Section 15.

Section 10.2 **Indemnification.** Except to the extent otherwise provided in M.G.L. Chapter 186, Section 15, Tenant shall indemnify, defend and hold Landlord and each of the Landlord Related Parties harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (collectively referred to as **"Losses"),** which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties by any third party and arising out of or in connection with (i) any damage or injury occurring in the Premises during the Term, or (ii) any negligent acts or willful misconduct (including violations of Law) of Tenant or any of Tenant's employees, agents, representatives, officers, contractors or licensees (collectively, the **"Tenant Parties").**

ARTICLE 11
Insurance.

Section 11.1 **Tenant's Insurance.** Tenant shall obtain and maintain, at its sole cost and expense throughout the Term of this Lease, the following insurance **("Tenant's Insurance"):** (1) Commercial General Liability Insurance applicable to the Premises and its appurtenances providing coverage, on an occurrence basis, a minimum of $5,000,000 per occurrence and in the aggregate; (2) All Risk Property Insurance (and business interruption insurance for Rent for a period of not less than twelve (12) months) including flood and earthquake coverage, written at 100% of replacement cost value and with a replacement cost endorsement covering all of Tenant's Property and Tenant's improvements to the Premises; (3) Workers' Compensation Insurance as required by the state in which the Premises is located and in amounts as may be required by applicable statute; (4) Employers Liability Coverage (including, without limitation, coverage for accidents and disease) of at least $1,000,000.00 per occurrence and in the aggregate; and (5) umbrella liability coverage for comprehensive general liability insurance and Employer's Liability Insurance of not less than $5,000,000.00 per occurrence and in the aggregate. Any company writing any of Tenant's Insurance shall have an A.M. Best rating of not less than A IX. All Commercial General Liability Insurance policies shall be primary and non-contributory and name Tenant as a named insured and Landlord (or any successor), Landlord's property manager, and their respective members, principals, beneficiaries, partners, officers, directors, employees, and agents, and other designees of Landlord as the interest of such designees shall appear, as additional insureds. All policies of Tenant's Insurance shall contain endorsements that the insurer(s) shall endeavor to give Landlord and its designees at least thirty (30) days' advance written notice of any change, cancellation, termination or lapse of insurance. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance prior to the earlier to occur of the Commencement Date or the date Tenant is provided with possession of the Premises for any reason, and upon renewals at least fifteen (15) days prior to the expiration of the insurance coverage. Except as may be specifically provided to the contrary, the limits of either party's insurance shall not limit such party's liability under this Lease.

ARTICLE 12
Subrogation

Section 12.1 **Waiver of Subrogation.** Notwithstanding anything in this Lease to the contrary, Landlord and Tenant shall waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claim, action or causes of action against the other and their respective trustees, principals, beneficiaries, partners, officers, directors, agents, and employees, for any loss or damage that may occur to Landlord or Tenant or any party claiming by, through or under Landlord or Tenant, as the case may be, with respect to Tenant's Property, the Building, the Premises, any additions or improvements to the Building or Premises, or any contents thereof, including all rights of recovery, claims, actions or causes of action arising out of the negligence of Landlord or any Landlord Related Parties or the negligence of Tenant or any Tenant Related Parties, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance.

ARTICLE 13
Casualty Damage

Section 13.1 **Fire or Casualty.** If all or any part of the Premises is damaged by fire or other casualty, Tenant shall promptly notify Landlord in writing. Notwithstanding the fact that all or a material portion of the Premises is rendered untenantable as a result of a fire or other casualty, the Rent shall not abate and Tenant shall rely on the proceeds of its business interruption insurance. In the event of a fire or other casualty, Landlord shall have the right to terminate this Lease if: (1) the Building shall be damaged so that, in Landlord's reasonable judgment, substantial alteration or reconstruction of the Building shall be required (whether or not the Premises has been damaged) and leases for 80% of the other tenants of the Building also are terminated; (2) Landlord is not permitted by Law to rebuild the Building in substantially the same form as existed before the fire or casualty; (3) the Premises have been materially damaged and there is less than two (2) years of the Term remaining as of the date of the fire or other casualty; (4) a Mortgagee requires that the insurance proceeds be applied to the payment of the mortgage debt; or (5) a material uninsured loss to the Building occurs. Landlord may exercise its right to terminate this Lease by notifying Tenant in writing within ninety (90) days after the date of the fire or other casualty. If Landlord does not terminate this Lease, then Landlord shall commence and proceed with reasonable diligence to repair and restore the Building and the Premises (excluding any Alterations performed by Tenant). However, in no event shall Landlord be required to spend more than the insurance proceeds actually received by Landlord. Landlord shall not be liable for any loss or damage to Tenant's Property or to the business of Tenant resulting in any way from any such fire or other casualty, or from the repair and restoration of the damage. Landlord and Tenant hereby waive the provisions of any Law relating to the matters addressed in this Article, and agree that their respective rights for damage to or destruction of the Premises shall be those specifically provided in this Lease.

Section 13.2 **Repair and Restoration.** If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall, with reasonable promptness, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again, using customary and reasonable working methods **("Completion Estimate").** If the Completion Estimate indicates that the Premises cannot be made tenantable within eighteen (18) months from the date of damage, then regardless of any other provision contained in this Lease to the contrary, either party shall have the right to terminate this Lease, with such termination to be effective as of the date on which such damage occurs, by giving written notice to the other of such election within ten (10) days after receipt of the Completion Estimate. If the Completion Estimate indicates that the Premises can be made tenantable within eighteen (18) months from the date of damage, but the Premises have not been made tenantable by the end of such eighteen (18) month period, then Tenant shall have the right to terminate this Lease, with such termination to be effective as of the date on which such damage occurs, by giving written notice to Landlord of such election within ten (10) days after the end of such eighteen (18) month period and the Lease shall terminate thirty (30) days following the end of such eighteen (18) month period, unless within such thirty (30) day period, Landlord makes the Premises tenantable--in which event Tenant's notice shall be null and void and of no force or effect. Time is of the essence of this Section 13.2.

ARTICLE 14
Condemnation

If any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or purchase in lieu thereof (a **"Taking"),** then either party may terminate this Lease. Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building and/or the Property which would render the remainder of the Building and/or the Property unsuitable for use as an office building in the reasonable determination of Landlord, provided that, concurrent therewith, the leases of the tenants (including Tenant) occupying in the aggregate not less than fifty percent (50%) of the rentable area of the office space in the Building are terminated. Upon any termination of this Lease pursuant to the provisions of this Article 14, Rent shall be apportioned as of, and shall be paid or refunded up to and including, the date of such termination. If a part of the Property shall be so Taken and this Lease is not terminated in accordance with this Article 14, then Landlord, without being required to spend more than the net amount it receives as a condemnation award and subject to the requirements of any Mortgage, shall restore that part of the Property not so Taken to a substantially equivalent condition (with respect to character, quality, appearance and services) to that which existed immediately prior to such Taking, Upon any Taking, Landlord shall receive the entire award for any such Taking, and Tenant shall have no claim against Landlord or the condemning authority for the value of any unexpired portion of the Term or Tenant's Alterations; and Tenant hereby assigns to Landlord all of its right in and to such award. Nothing contained in this Article 14 shall be deemed to prevent Tenant from making a separate claim against the condemning authority in a separate proceeding for the then value of any Tenant's included in such Taking and for any moving expenses, provided any such award is in addition to, and does not result in a reduction of, the award made to Landlord.

If a temporary Taking of all or any part of the Premises occurs during the Term, then Tenant shall give prompt notice to Landlord and the Term shall not be reduced or affected in any way and Tenant shall continue to pay all Rent payable by Tenant without reduction or abatement and to perform all of its other obligations under this Lease, except to the extent prevented from doing so by the condemning authority, and Tenant shall be entitled to receive any award or payment from the condemning authority for such use, which shall be received, held and applied by Tenant as a trust fund for payment of the Rent falling due.

ARTICLE 15
Events of Default

Section 15.1 **Events of Default.** Tenant shall be considered to be in default of this Lease upon the occurrence of any of the following (each, an **"Event of Default"):**

(a) If Tenant fails to pay when due any payment of Rent within five (5) days following delivery to Tenant of written notice that such payment was not received when due; provided however, that Landlord shall not be obligated to deliver such written notice more than twice in any twelve-month period and upon the third such occurrence in any twelve-month period Tenant shall be in default if it fails to pay when due any payment of Rent;

(b) If Tenant shall be in default in performing any of the terms or provisions of this Lease other than the provisions requiring the payment of Rent, and fails to cure such non-monetary default within thirty (30) days after written notice of such default is given to Tenant by Landlord, provided however that if such non-monetary default is of such a nature that it cannot through the exercise of diligent and reasonable efforts be cured within thirty (30) days, then Tenant shall not be in default in such instance if Tenant promptly commences and diligently pursues the cure of such non-monetary default to completion as soon as possible and in all events within ninety (90) days after such initial notice; or

(c) If Tenant files a voluntary petition in bankruptcy or insolvency, or is the subject of an involuntary petition in bankruptcy which is not dismissed within sixty (60) days after filing thereof, or is adjudicated a bankrupt; or if a permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after appointment thereof, or if, whether voluntarily or involuntarily, Tenant takes advantage of any debtor relief proceedings under any present or future laws, whereby the Rent or any part thereof, is, or is proposed to be, reduced or payment thereof deferred; or

(d) If Tenant's personal property or effects should be levied upon or attached and such levy or attachment is not satisfied or dissolved within thirty (30) days after such levy or attachment; or

(e) If the leasehold estate of Tenant is taken by process or operation of Law.

ARTICLE 16
Remedies

Section 16.1 **Remedies.** Upon the occurrence of any Event of Default, Landlord shall have the right to exercise any or all of its rights and remedies at Law or in equity, including, without limitation, the following remedies:

(a) Terminate this Lease by providing notice thereof to Tenant, in which case Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord, in compliance with applicable Laws, may enter upon and take possession of the Premises and remove Tenant, Tenant's Property and any party occupying the Premises. Notwithstanding any such termination, Tenant shall remain liable for all Rent accrued through the date of termination of this Lease or Tenant's right to possession not theretofore paid. In addition, notwithstanding any such termination, (i) Tenant shall remain liable for all obligations under this Lease notwithstanding any such termination, including without limitation, the monthly Rent payable hereunder from and after the date of such termination on the date the same would have been due but for such termination, less any amounts Landlord actually receives, if any, if the Premises are re-let, net of all Costs of Reletting (as hereinafter defined), and (ii) Tenant shall pay Landlord, on demand, all past due Rent and other losses and damages Landlord suffers as a result of Tenant's Default and amounts for which Tenant is liable as indemnitor hereunder, including, without limitation, all Costs of Reletting (defined below) and any deficiency that may arise from reletting or the failure to relet the Premises. **"Costs of Reletting"** shall include all reasonable costs and expenses incurred by Landlord in reletting or attempting to relet the Premises, including, without limitation, legal fees, brokerage commissions, the cost of alterations and the value of other concessions or allowances granted to a new tenant. All Rent and other amounts due to Landlord for the period of time after such termination shall survive any such termination of the Lease. In connection with the foregoing, Landlord may (but shall not be obligated to) re-let all or any part of the Premises, without notice to Tenant, for a term that may be greater or less than the balance of what would have been the remaining balance of the Term (but for such termination) and on such conditions (which may include concessions, free rent and alterations of the Premises) and for such uses as Landlord in its absolute discretion shall determine. Landlord may collect and receive all rents and other income from the reletting. Landlord shall not be responsible or liable for the failure to relet all or any part of the Premises or for the failure to collect any Rent from the party to whom the Premises are relet or any guarantor of the obligations of such party.

(b) At any time, in lieu of payment of the monthly Rent after the date of such termination pursuant to the foregoing clause (i), upon demand Tenant shall pay to Landlord as damages a lump-sum amount equal to the total Rent that Tenant would have been required to pay for what would have been the remaining balance of the Term (but for such termination), discounted to present value assuming an annual interest rate at the Federal Reserve Discount Rate for Secondary Credit in effect at the date of calculation, minus the then present fair rental value of the Premises for the remainder of the Term, similarly discounted, after deducting all anticipated Costs of Reletting.

(c) The repossession or re-entering of all or any part of the Premises shall not relieve Tenant of its liabilities and obligations under the Lease. No right or remedy of Landlord shall be exclusive of any other right or remedy. Each right and remedy shall be cumulative and in addition to any other right and remedy now or subsequently available to Landlord at Law or in equity. Landlord shall be entitled to receive interest on any unpaid item of Rent calculated at an annual rate equal to the Prime Rate plus 4%, based on a three hundred sixty-five (365) day year. For purposes hereof, the **"Prime Rate"** shall be the per annum interest rate published in the Wall Street Journal (or any other authoritative business journal selected by Landlord if the Wall Street Journal ceases to publish such index) publicly announced as its prime or base rate for federally insured banks in New York, NY. Forbearance by Landlord to enforce one or more remedies shall not constitute a waiver of any default.

Section 16.2 **Reletting.** After such termination of this Lease and the surrender and yield-up of the Premises by Tenant pursuant to the foregoing provisions, Landlord will exercise commercially reasonable efforts to relet the Premises after Tenant vacates the Premises; however, the marketing of the Premises in a manner similar to the manner in which Landlord markets other premises within Landlord's control in the Building shall be deemed to have satisfied Landlord's obligation to use "reasonable efforts." In no event shall Landlord be required to (i) solicit or entertain negotiations with any other prospective tenants for the Premises unless and until Landlord obtains full and complete possession of the Premises, including the final and unappealable legal right to relet the Premises free of any claim of Tenant, (ii) lease the Premises to a tenant whose proposed use, in Landlord's reasonable judgment, will be unacceptable, (iii) relet the Premises prior to leasing any other vacant space in the Building, suitable for the use of the prospective tenant, (iv) lease the Premises for a rental rate less than the current fair market rent then prevailing for similar space in the Building, or (v) enter into a lease with any proposed tenant that does not have, in Landlord's reasonable opinion, sufficient financial wherewithal and resources to satisfy its financial obligations under the prospective lease. Landlord shall be entitled to take into account in connection with any such reletting of the Premises all relevant factors which would be taken into account by a sophisticated landlord in securing a replacement tenant for the Premises including the first class quality of the Building, matters of tenant mix, and the financial responsibility of any such replacement tenant. Landlord, at Landlord's option, may make such alterations, decorations and other physical changes in and to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with such reletting or proposed reletting. No action or inaction by Landlord in connection with such reletting shall relieve Tenant of any liability under this Lease or otherwise affecting any such liability. Landlord shall have no other obligation to mitigate the damages for which Tenant is responsible under this Lease.

ARTICLE 17
Limitation of Liability

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF LANDLORD (AND OF ANY SUCCESSOR LANDLORD) TO TENANT SHALL BE LIMITED TO THE EQUITY INTEREST OF LANDLORD IN THE PROPERTY. TENANT SHALL LOOK SOLELY TO LANDLORD'S INTEREST IN THE PROPERTY FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LANDLORD. NEITHER LANDLORD NOR ANY LANDLORD RELATED PARTY SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT SHALL LANDLORD OR ANY LANDLORD RELATED PARTIES EVER BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES OR ANY LOST PROFITS OF TENANT.

ARTICLE 18
End of Lease Term; Holding Over

Upon the expiration or other termination of the Term of this Lease, Tenant shall quit and surrender the Premises to Landlord vacant, broom clean and in good order and condition, ordinary wear and tear and damage for which Tenant is not responsible under the terms of this Lease excepted, and Tenant shall remove from the Premises all of Tenant's Property, all Cabling Work, and all Specialty Alterations, and shall repair any damage to the Premises or the Building arising out of or resulting from such removal. If Tenant fails to surrender all or any part of the Premises at the expiration or earlier termination of this Lease, any occupancy of the Premises after such expiration or earlier termination shall be that of a tenancy at sufferance. Tenant's occupancy during any such holdover period shall be subject to all of the terms and provisions of this Lease; provided, however, Tenant shall pay to Landlord a holdover charge calculated as follows: (i) for each day during which Tenant holds over in the Premises after the Expiration Date or earlier termination of this Lease, through and including the day which is thirty (30) days thereafter, a per diem holdover charge calculated at a rate equal to 150% of the daily Base Rent, Expense Excess, and Tax Excess payable under this Lease for the last full calendar month of the Term, and (ii) if Tenant holds over in the Premises more than thirty (30) days after the Expiration Date or earlier termination of this Lease, a per diem holdover charge calculated at a rate equal to 200% of the daily Base Rent, Expense Excess, and Tax Excess payable under this Lease for the last full calendar month of the Term. No holdover by Tenant or payment by Tenant after the termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary process proceedings or otherwise. In addition, Tenant shall indemnify, defend and hold harmless Landlord from and against all losses, liabilities, obligations, damages, costs, and expenses incurred by Landlord arising out of or resulting from Tenant's holdover. No holding-over by Tenant, nor the payment to Landlord of the amounts specified above, shall operate to extend the Term hereof. Nothing herein contained shall be deemed to permit Tenant to retain possession of the Premises after the Expiration Date or sooner termination of this Lease, and no acceptance by Landlord of payments from Tenant after the Expiration Date or sooner termination of this Lease shall be deemed to be other than on account of the amount to be paid by Tenant in accordance with the provisions of this Article 18.

ARTICLE 19
Subordination to Mortgages; Estoppel Certificates

Section 19.1 **Non-Disturbance Agreement. A "Mortgage"** shall mean a mortgage, deed of trust, trust indenture or other financing document which may now or hereafter encumber or otherwise affect the Property, and/or the Building or any part thereof, and all renewals, extensions, supplements, amendments, modifications, consolidations and replacements thereof or thereto, substitutions therefor, and advances made thereunder. A **"Mortgagee"** shall mean any mortgagee, trustee or other holder of a Mortgage. Landlord hereby represents that there are no currently existing Mortgages encumbering the Building or the Property. This Lease shall be subject and subordinate to all Mortgages now or hereafter encumbering the Property and/or the Building and, at the request of any Mortgagee Tenant shall attorn to such Mortgagee, its successors in interest or any purchaser in a foreclosure sale.

Section 19.2 **Subordination.** If a Mortgagee, any of its successors in interest, or any purchaser at a foreclosure sale shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or the delivery of a new lease or deed, then at the request of the successor landlord and upon such successor landlord's written agreement to accept Tenant's attornment and to recognize Tenant's interest under this Lease, Tenant shall attorn to and recognize such successor landlord as Landlord under this Lease. The provisions of this Section 19.2 are and shall be self-operative and require no further instruments to give effect hereto; provided, however, Tenant shall promptly execute and deliver any instrument that such successor landlord may reasonably request (i) evidencing such subordination and attornment, (ii) setting forth the terms and conditions of Tenant's tenancy, and (iii) containing such other terms and conditions as may be required by such Mortgagee, provided such instrument does not increase the Rent, materially increase Tenant's other obligations or materially and adversely affect Tenant's rights under this Lease. Upon such attornment this Lease shall continue in full force and effect as a direct lease between such successor landlord and Tenant upon all of the terms, conditions and covenants set forth in this Lease except that such successor landlord shall not be:

1) liable for any act or omission of Landlord (except to the extent such act or omission continues beyond the date when such successor landlord succeeds to Landlord's interest and Tenant gives notice of such act or omission);

2) subject to any defense, claim, counterclaim, set-off or offset which Tenant may have against Landlord;

3) bound by any prepayment of more than one month's Rent to any prior landlord;

4) bound by any obligation to make any payment to Tenant which was required to be made prior to the time such successor landlord succeeded to Landlord's interest;

5) bound by any obligation to perform any work or to make improvements to the Premises except for (x) repairs and maintenance required to be made by Landlord under this Lease, and (y) repairs to the Premises as a result of damage by fire or other casualty or a partial condemnation pursuant to the provisions of this Lease, but only to the extent that such repairs can reasonably be made from the net proceeds of any insurance or condemnation awards, respectively, actually made available to such successor landlord;

6) bound by any modification, amendment or renewal of this Lease made without successor landlord's consent;

7) liable for the repayment of any security deposit or surrender of any letter of credit, unless and until such security deposit actually is paid or such letter of credit is actually delivered to such successor landlord; or

8) liable for the payment of any unfunded tenant improvement allowance, refurbishment allowance or similar obligation.

Tenant shall, from time to time and within ten (10) days of request from Landlord, execute and deliver any documents or instruments that may be reasonably required by any Mortgagee to confirm any subordination.

Section 19.3 Mortgage or Superior Lease Defaults. Any Mortgagee may elect that this Lease shall have priority over the Mortgage and to subordinate its Mortgage to this Lease. Upon notification to Tenant by such Mortgagee, this Lease shall be deemed to have priority over such Mortgage, regardless of the date of this Lease

Section 19.4 Tenant's Termination Right. As long as any Mortgage exists, Tenant shall not seek to terminate this Lease by reason of any act or omission of Landlord until (a) Tenant shall have given notice of such act or omission to all Mortgagees, and (b) a reasonable period of time shall have elapsed following the giving of notice of such default and the expiration of any applicable notice or grace periods (unless such act or omission is not capable of being remedied within a reasonable period of time), during which period such Mortgagees shall have the right, but not the obligation, to remedy such act or omission and thereafter diligently proceed to so remedy such act or omission. If any Mortgagee elects to remedy such act or omission of Landlord, Tenant shall not seek to terminate this Lease so long as such Mortgagee is proceeding with reasonable diligence to effect such remedy.

Section 19.5 Provisions. The provisions of this Article 19 shall (a) inure to the benefit of Landlord, any future owner of the Building or the Real Property, Mortgagee and any sublessor thereof, and (b) apply notwithstanding that, as a matter of law, this Lease may terminate upon the foreclosure of any such Mortgage.

Section 19.6 Estoppel Certificates. Within fifteen (15) days following request from Landlord or any Mortgagee Tenant shall deliver to Landlord a statement executed and acknowledged by Tenant, in form reasonably satisfactory to Landlord, (a) stating the Commencement Date and the Expiration Date, and that this Lease is then in full force and effect and has not been modified (or if modified, setting forth all modifications), (b) setting forth the date to which the Base Rent and any Additional Rent have been paid, together with the amount of monthly Base Rent and Additional, Rent then payable, (c) stating whether or not, to the best of Tenant's knowledge, either Tenant and/or Landlord is in default under this Lease, and setting forth the specific nature of all such defaults, if any, (d) stating the amount of the security deposit, if any, under this Lease, (e) stating whether there are any subleases or assignments affecting the Premises, (f) stating the address of Tenant to which all notices and communications under the Lease shall be sent, and (g) responding to any other matters reasonably requested by Landlord or such Mortgagee. Tenant acknowledges that any statement delivered pursuant to this Section 19.6 may be relied upon by any purchaser or owner of the Real Property or the Building, or all or any portion of Landlord's interest in the Real Property or the Building, or by any Mortgagee, or assignee thereof or by any Lessor, or assignee thereof.

ARTICLE 20
Notices

All demands, approvals, consents or notices (each, a **"notice")** shall be in writing and delivered by hand, or sent by registered or certified mail with return receipt requested, or sent by overnight or same day courier service, to the party's respective Notice Address(es) set forth in Article 1. Each notice shall be deemed to have been received on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Tenant has vacated the Premises or any other Notice Address of Tenant without providing a new Notice Address, three (3) days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party written notice of the new address.

ARTICLE 21
No Waiver

The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease, or any of the Rules and Regulations, shall not be construed as a waiver or relinquishment for the future performance of such obligations of this Lease or the Rules and Regulations, or of the right to exercise such election but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. The receipt by Landlord of any Rent payable pursuant to this Lease or any other sums with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent herein stipulated shall be deemed to be other than a payment on account of the earliest stipulated Rent, or as Landlord may elect to apply such payment, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease.

ARTICLE 22
Quiet Enjoyment

Tenant shall, and may peacefully have, hold and enjoy the Premises for and with respect to the Term, subject to the terms of this Lease, provided Tenant timely pays the Rent and timely and fully performs all of its covenants and agreements under this Lease. This covenant and all other covenants of Landlord shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building, and shall not be a personal covenant of Landlord or the Landlord Related Parties. This covenant of quiet enjoyment is in lieu of any other covenant of quiet enjoyment, express or implied.

ARTICLE 23
Excepted and Reserved Rights

This Lease does not grant any rights to light or air over or about the Building. Landlord excepts and reserves, and the Premises demised hereby do not include, the following: (1) roofs, (2) telephone, electrical and janitorial closets, (3) equipment rooms, Building risers or similar areas that are used by Landlord for the provision of Building services, (4) rights to the land and improvements below the floor of the Premises, (5) the improvements and air rights above the Premises, (6) the improvements and air rights outside the demising walls of the Premises, and (7) the areas within the walls or floors or above the dropped ceilings of the Premises used for the installation of utility lines and other installations. Landlord has the right to change the Building's name. Landlord also has the right to make such modifications, alterations, additions, expansions, and other changes to the Property and/or the Building as Landlord from time-to-time deems appropriate, including, including, without limitation, changing the arrangement or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets or other Common Areas (collectively, **"Restorative Work"),** as Landlord deems necessary or desirable, and to take all materials into the Premises (upon reasonable prior written notice to Tenant, which Landlord shall endeavor to deliver to Tenant at least forty eight (48) hours prior to such entry) required for the performance of such Restorative Work provided that (a) the level of any Building service shall not decrease in any material respect from the level required of Landlord in this Lease as a result thereof (other than temporary changes in the level of such services during the performance of any such Restorative Work), and (b) Tenant's access to the Premises is not materially impaired. Landlord shall use reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises during the performance of such Restorative Work. There shall be no Rent abatement or allowance to Tenant for a diminution of rental value, no actual or constructive eviction of Tenant, in whole or in part, no relief from any of Tenant's other obligations under this Lease, and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant or others performing, or failing to perform, any Restorative Work. In addition, without limitation, Landlord may, from time to time, elect to construct, maintain and/or operate the Property and/or the Building or any part thereof in accordance with third-party accreditations, ratings and/or certifications that relate to sustainability issues, energy efficiency or other comparable goals. Tenant shall cooperate with Landlord's efforts in that regard at no material cost or expense to Tenant. Without limitation, upon request Tenant shall provide such reasonable, non-proprietary, non-confidential information as may be reasonably required by Landlord in connection with obtaining or maintaining such accreditations, ratings and/or certifications. The foregoing provisions shall apply whether Landlord affirmatively seeks an accreditation, rating or certification and following the issuance of such rating, to the extent necessary to assist Landlord in maintaining such accreditation, or to operate voluntarily in accordance with such accreditation, rating or certification.

ARTICLE 24
Patriot Act

As an inducement to Landlord to enter into this lease, Tenant hereby represents and warrants that: (i) Tenant is not, nor is it owned or Controlled directly or indirectly by, any person, group, entity or nation named on any list issued by the Office of Foreign Assets Control of the United States Department of the Treasury pursuant to Executive Order 13224 or any similar list or any law, order, rule or regulation or any Executive Order of the President of the United States as a terrorist, "Specially Designated National and Blocked Person" or other banned or blocked person (any such person, group, entity or nation being hereinafter referred to as a **"Prohibited Person");** (ii) Tenant is not (nor is it owned, Controlled, directly or indirectly, by any person, group, entity or nation which is) acting directly or indirectly for or on behalf of any Prohibited Person; and (iii) neither Tenant (nor any person, group, entity or nation which owns or Controls Tenant, directly or indirectly) has conducted or will conduct business or has engaged or will engage in any transaction or dealing with any Prohibited Person, including without limitation any assignment of this lease or any subletting or all or any portion of the Premises or the making or receiving of any contribution or funds, goods or services to or for the benefit of a Prohibited Person. In connection with the foregoing, it is expressly understood and agreed that (x) any breach by Tenant of the foregoing representations and warranties shall be an Event of Default, and (y) the representations, warranties and covenants contained in this Article 24 shall be continuing in nature and shall survive the expiration or earlier termination of this Lease.

ARTICLE 25
Letter of Credit

Section 25.1 **Letter of Credit.** Concurrent with the execution of this Lease, Tenant has delivered to Landlord a Letter of Credit (as hereinafter defined) in the amount of the Letter of Credit Amount specified in the Basic Lease Information, as security for the faithful performance and observance by Tenant of the terms, covenants and conditions of this Lease. Tenant covenants and agrees to maintain the Letter of Credit in the Letter of Credit Amount throughout the Term of this Lease. The Letter of Credit shall be in the form of a clean, irrevocable, non-documentary and unconditional letter of credit (the **"Letter of Credit")** issued by and drawable upon a commercial bank (the **"Issuing Bank"),** which is satisfactory to Landlord and which satisfies both the Minimum Rating Agency Threshold (as hereinafter defined) and the Minimum Capital Threshold (as hereinafter defined). The **"Minimum Rating Agency Threshold"** shall mean that the Issuing Bank has outstanding unsecured, uninsured and unguaranteed senior long-term indebtedness that is then rated (without regard to qualification of such rating by symbols such as"+" or"-" or numerical notation) "Baa" or better by Moody's Investors Service, Inc. and/or "BBB" or better by Standard & Poor's Rating Services, or a comparable rating by a comparable national rating agency designated by Landlord in its discretion. The **"Minimum Capital Threshold"** shall mean that the Issuing Bank has combined capital, surplus and undivided profits of not less than $2,000,000,000. The Letter of Credit shall (a) name Landlord as beneficiary, (b) have a term of not less than one year, (c) permit multiple drawings, (d) be fully transferable by Landlord without the payment of any fees or charges by Landlord, and (e) otherwise be in form and content satisfactory to Landlord. If upon any transfer of the Letter of Credit, any fees or charges shall be so imposed, then such fees or charges shall be payable solely by Tenant and the Letter of Credit shall so specify. The Letter of Credit shall provide that it shall be deemed automatically renewed, without amendment, for consecutive periods of one (1) year each thereafter during the Term. The Letter of Credit (as extended) shall not expire prior to the date which is sixty (60) days after the last day of the calendar year in which the Expiration Date (as extended) occurs. If the Issuing Bank does not renew the Letter of Credit upon the expiration thereof, then the Issuing Bank shall send duplicate notices (the **"Non-Renewal Notices")** to Landlord by certified mail, return receipt requested (one of which shall be addressed "Attention, Chief Legal Officer" and the other of which shall be addressed "Attention, Chief Financial Officer") not less than sixty (60) days next preceding the then expiration date of the Letter of Credit stating that the Issuing Bank has elected not to renew the Letter of Credit. The Issuing Bank shall agree with all drawers, endorsers and bona fide holders that drafts drawn under and in compliance with the terms of the Letter of Credit will be duly honored upon presentation to the Issuing Bank at an office location in Boston, Massachusetts. The Letter of Credit shall be issued pursuant to, and shall be subject in all respects to, the Uniform Customs and Practice for Documentary Credits ISP 98, International Chamber of Commerce Practices Publication No. 590 (1998 Revision).

Section 25.2 **Application of Security.** If (a) an Event of Default by Tenant occurs under this Lease, or (b) Tenant fails to make any installment of Rent as and when due, or (c) Landlord receives a Non-Renewal Notice, or (d) Tenant files a voluntary petition under any Federal or state bankruptcy or insolvency code, law or proceeding, then Landlord shall have the right by sight draft to draw, at its election, all or a portion of the proceeds of the Letter of Credit and thereafter hold, use, apply, or retain the whole or any part of such proceeds, as the case may be, (x) to the extent required for the payment of any Rent or any other sum as to which Tenant is in default including (i) any sum which Landlord may expend or may be required to expend by reason of such Event of Default, and/or (ii) any damages to which Landlord is entitled pursuant to this Lease, whether such damages accrue before or after summary proceedings or other reentry by Landlord, and/or (y) as a cash security deposit, unless and until, in the case of clause (c) above, Tenant delivers to Landlord a substitute Letter of Credit which meets the requirements of this Article 25. If Landlord applies or retains any part of the proceeds of the Letter of Credit, or cash security, then Tenant, upon demand, shall amend the Letter of Credit or deliver an additional Letter of Credit which satisfies the requirements of this Article 25 in the amount so applied or retained such that Landlord shall have a Letter of Credit (or Letters of Credit) in the Letter of Credit Amount on hand at all times during the Term. If Tenant shall comply with all of the terms, covenants and conditions of this Lease, then the Letter of Credit or then remaining balance of the cash security, as the case may be, shall be returned to Tenant promptly after (x) the Expiration Date, (y) the surrender and yield-up of possession of the Premises to Landlord in the manner required by this Lease, and (z) the curing of any outstanding Events of Default under this Lease.

Section 25.3 **Transfer.** The Letter of Credit shall also provide that Landlord, its successors and assigns, may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the Letter of Credit to the holder of any mortgage upon the Building or the successor landlord in connection with a transfer of the Building, from or as a part of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in the Building, Landlord shall transfer the Letter of Credit, in whole or in part, to the transferee and thereupon Landlord shall without any further agreement between the parties, be released by Tenant from all liability therefor. The provisions of this Section 25.3 shall apply to every transfer or assignment of the whole or any portion of said Letter of Credit to a new landlord. In connection with any such transfer of the Letter of Credit by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Issuing Bank such applications, documents and instruments as may be necessary to effectuate such transfer, and Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith.

Section 25.4 **Maintenance of Letter of Credit by Tenant.** If, as a result of any drawing by Landlord on the Letter of Credit, the amount of the Letter of Credit shall be less than the Letter of Credit Amount, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Article 25. Tenant further covenants and warrants that it will neither assign nor encumber the Letter of Credit or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

Section 25.5 **Landlord's Right to Draw Upon Letter of Credit.** The use, application or retention of the Letter of Credit, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the Letter of Credit, and shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the Letter of Credit, either prior to or following a "draw" by Landlord of any portion of the Letter of Credit, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the Letter of Credit. No condition or term of this Lease shall be deemed to render the Letter of Credit conditional to justify the issuer of the Letter of Credit in failing to honor a drawing upon such Letter of Credit in a timely manner. Tenant agrees and acknowledges that (a) the Letter of Credit constitutes a separate and independent contract between Landlord and the Issuing Bank, (b) Tenant is not a third party beneficiary of such contract, (c) Tenant has no property interest whatsoever in the Letter of Credit or the proceeds thereof, and (d) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the Letter of Credit and/or the proceeds thereof by application of Section 502(b)(6) of the U.S. Bankruptcy Code or otherwise.

Section 25.6 **Issuing Bank.** If, at any time or from time to time, Landlord determines that an Issuing Bank (i) no longer satisfies the Minimum Rating Agency Threshold, (ii) no longer satisfies the Minimum Capital Threshold, (iii) has been seized or closed by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or another governmental or regulatory agency or authority, (iv) has become insolvent, or (v) is unwilling or unable to honor the Letter of Credit or to perform its obligations to honor a draw upon the Letter of Credit, then within five (5) days after demand, Tenant shall deliver to Landlord a replacement Letter of Credit, issued by a replacement Issuing Bank which satisfies the Minimum Rating Agency Threshold and the Minimum Capital Threshold and otherwise satisfies the requirement of this Article 25.

ARTICLE 26
Relocation

Landlord shall have the right, at any time and from time-to-time prior to the date which is twelve (12) months prior to the Expiration Date, upon not less than one hundred twenty (120) days' prior notice to Tenant (a **"Relocation Notice"),** to provide and furnish Tenant with replacement premises elsewhere in the Building or in either of 125 CambridgePark Drive or 150 CambridgePark Drive, with such replacement premises to be substantially the same size, buildout, and visibility, as determined by Landlord in its reasonable discretion (the **"Substitute Premises"),** and to relocate Tenant from the Premises to the Substitute Premises. If Landlord relocates Tenant to the Substitute Premises, then, notwithstanding the size of the Substitute Premises, the Base Rent payable with respect to the Substitute Premises shall not exceed the Base Rent payable with respect to the Premises. If Landlord relocates Tenant to the Substitute Premises, then Landlord shall, at its sole cost and expense, improve the Substitute Premises in a manner substantially comparable to the Premises immediately preceding such relocation, and on the date specified on the Relocation Notice Landlord shall, at its sole cost and expense, move the equipment, personal property and personnel of Tenant to the Substitute Premises and reinstall and reconstruct such improvements, equipment and personal property in the Substitute Premises in a manner and fashion reasonably comparable to the Premises. Upon the exercise by Landlord of the foregoing relocation right, this Lease and each of the terms, covenants and conditions hereof shall remain in full force and effect and be applicable to the Substitute Premises. In such event, effective as of the date specified in the Relocation Notice, Tenant shall vacate and surrender the original Premises in accordance with the terms and conditions of this Lease, and the Substitute Premises shall thereafter be deemed to be substituted for the original Premises and Tenant shall have no further rights or interests in or to the original Premises. After delivery of a Relocation Notice, the provisions of this Article 26 shall be self-operative; however, at either party's request, Landlord and Tenant shall enter into an amendment of this Lease confirming the relocation of the Premises.

ARTICLE 27
Intentionally Omitted

ARTICLE 28
Miscellaneous

Section 28.1 **Choice of Law.** This Lease and the rights and obligations of the parties shall be interpreted, construed and enforced in accordance with the Laws of the Commonwealth of Massachusetts, without regard to "conflicts of laws" principles. Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of the state courts of the Commonwealth of Massachusetts. If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by Law. The headings and titles to the Articles and Sections of this Lease are for convenience only and shall have no effect on the interpretation of any part of the Lease. All of the Schedules and Exhibits attached hereto are incorporated in and made a part of this Lease.

Section 28.2 **Notice of Lease.** This Lease shall not be recorded; provided, however, at request of either party, Landlord and Tenant shall execute, acknowledge and deliver a notice of lease in recordable form and complying with applicable Massachusetts laws, and reasonably satisfactory to both Landlord and Tenant. In no event shall such document set forth the rental or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease. Within thirty (30) days after the expiration or earlier termination of the Term, Tenant shall enter into such documentation as is reasonably required by Landlord to remove the notice of lease of record.

Section 28.3 **Waiver of Jury Trial.** Landlord and Tenant hereby waive any right to trial by jury in any proceeding, lawsuit, or other legal action in connection with this Lease.

Section 28.4 **Force Majeure.** Whenever this Lease requires the taking of an action by Landlord or Tenant, the period of time for the performance of such action shall be extended by (or, if no time period is specified, the performance of such action shall be forgiven for) the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials or fuel, insurrections, war, civil disturbances and other causes beyond the reasonable control of the performing party **("Force Majeure").** However, events of Force Majeure shall not extend any period of time for the payment of Rent or other sums payable by either party, or any period of time for the written exercise of any option or right by either party. For purposes hereof, financial inability shall not be a cause beyond the reasonable control of any party.

Section 28.5 **Transfer by Landlord.** Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Building and/or Property referred to herein, and upon such transfer Landlord shall be released from any obligations and liabilities arising or accruing from and after such transfer or assignment, and Tenant agrees to look solely to the successor in interest to Landlord for the performance of such obligations and liabilities.

Section 28.6 **Brokerage.** Tenant represents to Landlord, and Landlord represents to Tenant, that it has dealt only with the Brokers in connection with this Lease. Tenant shall indemnify and hold Landlord and the Landlord Related Parties harmless from all claims of any other brokers or other persons claiming to have represented Tenant in connection with this Lease. Landlord shall indemnify and hold Tenant and the Tenant Related Parties harmless from all claims of any brokers or other persons claiming to have represented Landlord in connection with this Lease. Landlord shall pay the commissions of the Brokers earned in connection with this Lease in accordance with the terms of a separate agreement between the respective brokers and the Landlord.

Section 28.7 **Tenant Authority.** Tenant covenants, warrants and represents that: (1) each individual executing, attesting and/or delivering this Lease on behalf of Tenant is authorized to do so on behalf of Tenant; (2) this Lease is binding upon Tenant; and (3) Tenant is duly organized and legally existing in the state of its organization and is qualified to do business in the state in which the Premises are located. Landlord covenants, warrants and represents that: (1) each individual executing, attesting and/or delivering this Lease on behalf of Landlord is authorized to do so on behalf of Landlord; and (2) this Lease is binding upon Landlord. Tenant agrees that during the Term and for a period of one (1) year thereafter, neither Tenant nor its agents or any other parties acting on behalf of Tenant shall disclose any matters set forth in this Lease or disseminate or distribute any information concerning the terms, details or conditions hereof to any person, firm or entity without obtaining the express written consent of Landlord unless such disclosure shall be required by law, regulation or administrative authority. If there is more than one Tenant, or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities. Notices, payments and agreements given or made by, with or to any one person or entity shall be deemed to have been given or made by, with and to all of them. Each term and each provision of this Lease to be performed by the Tenant shall be construed to be both a covenant and a condition.

Section 28.8 Time of the Essence. Time is of the essence with respect to Tenant's exercise of any expansion, renewal or extension rights granted to Tenant. This Lease shall create only the relationship of landlord and tenant between the parties, and not a partnership, joint venture or any other relationship. This Lease and the covenants and conditions in this Lease shall inure only to the benefit of and be binding only upon Landlord and Tenant and their permitted successors and assigns.

Section 28.9 Survival. The expiration of the Term, whether by lapse of time or otherwise, shall not relieve either party of any obligations which accrued prior to or which may by their terms continue to accrue after the expiration or early termination of this Lease.

Section 28.10 Drafts of Lease. Landlord has delivered drafts of this Lease to Tenant for Tenant's review only, and the delivery of drafts of this Lease shall not constitute an offer to Tenant, an option or the acceptance of an offer. This Lease shall not be binding upon either party or effective against any party hereto unless and until an original version of this Lease has been executed and delivered by Landlord.

Section 28.11 No Other Agreements. All understandings and agreements previously made between the parties are superseded by this Lease, and neither party is relying upon any warranty, statement or representation not contained in this Lease. This Lease may be amended or modified only by a written agreement signed by both Landlord and Tenant.

Section 28.12 Financial Statements. Tenant shall provide Landlord with its most recent current audited financial statements (including balance sheets and income/expense statements), prepared and certified by an independent certified public accountant, within ninety (90) days after the end of its fiscal year and at such other times as may be requested by Landlord from time-to-time; provided, however, Landlord shall not request such financial statements more than twice in any twelve (12) month period.

Section 28.13 Landlord Defaults. Landlord shall in no event be in breach or default in the performance of any of Landlord's obligations under this Lease or any warranties or promises hereunder unless Landlord shall have failed to perform such obligations within thirty (30) days, or such additional time as is reasonably required to correct any such default, after notice by Tenant to Landlord properly specifying wherein Landlord has failed to perform any such obligation. Without limitation, in no event shall Tenant have the right to terminate or cancel this Lease or to withhold rent or to set-off any claim or damages against rent as a result of any default by Landlord or breach by Landlord of its obligations or any warranties or promises hereunder, except in the case of a wrongful eviction of Tenant from the Premises (constructive or actual) by Landlord continuing after notice to Landlord thereof and a reasonable opportunity for Landlord to cure the same as set forth above. In addition, the Tenant shall not assert any right to deduct the cost of repairs or any monetary claim against the Landlord from Rent thereafter due and payable under this Lease, but shall look solely to the interests of the Landlord in the Property for satisfaction of any such claim.

Section 28.14 Signage. The lobby of the Building contains a directory listing the tenants of the Building. Tenant shall be entitled to listings on said directory. From time to time, upon request, Landlord will modify the directory to reflect such changes in the listings as Tenant shall request. In addition, Landlord will install Building-standard directional signage identifying Tenant in the elevator lobby of the floor of the Building on which the Premises are located. In addition, Tenant shall have the right to have a sign identifying Tenant installed on the door of the Premises. All aspects of said sign (including the size, location, design, materials, colors and appearance thereof) shall be subject to the prior review and approval of Landlord in all respects. Tenant shall, at its sole cost and expense, prepare all plans and specifications relating to said sign, and shall construct said sign for installation by Landlord. Tenant shall reimburse Landlord, as Additional Rent, for all costs and expenses of installing, maintaining, repairing, and removing such sign within thirty (30) days after receipt of invoices therefor.

Section 28.15 Parking. During the Term, Landlord will provide or will cause the garage operator to provide six (6) parking passes for use of unreserved parking spaces located in one or more of the following parking areas (collectively, the **"Parking Facilities"):** (i) the structured parking garage located on the Property, (ii) the two structured parking garages serving the Building and the Other Buildings located on surrounding properties, and/or (iii) the so-called "Red Lot" located behind the Other Buildings. In addition, upon request of Tenant and subject to availability, Landlord will provide one (1) additional parking pass for use in the Parking Facilities. In the event that Tenant surrenders any of the parking passes during the Term, Tenant's right to receive the surrendered parking passes at a future date shall be subject to availability. Tenant shall pay, as Additional Rent, a monthly parking charge for such parking passes, which charge shall be at the prevailing rate established by the Garage operator from time to time with respect to the Garage. As of the date hereof, the current monthly parking charge is $125.00 per month per parking pass. The parking passes shall be used only for parking duly registered and operating private passenger motor vehicles owned and operated by Tenant or its employees. The parking passes shall not be transferable. Landlord shall have the right from time to time to designate the location of parking spaces and to promulgate reasonable rules and regulations regarding the Parking Facilities and the use thereof. Tenant shall comply with and cause its employees to comply with all such rules and regulations as well as all reasonable additions and amendments thereto. Except to the extent otherwise provided in M.G.L. Chapter 186, Section 15, neither the garage operator nor Landlord shall be liable for any loss, injury or damage to persons using the garage or motor vehicles or other property therein, and, to the fullest extent permitted by law, the use of the garage shall be at the sole risk of Tenant and its employees.

Section 28.16 No Partnership. No provision contained in this Lease shall be considered or construed to create a partnership or joint venture between Landlord and Tenant, or to create any other relationship between the parties, other than that of landlord and tenant.

[Signatures on next page]

Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

PPF OFF 1OO CAMBRIDGE PARK DRIVE, LLC,
a Delaware limited liability company

By: PPF OFF Cambridge Park Holdings, LLC,
a Delaware limited liability company,
its member

By: PPF OFF, LLC,
a Delaware limited liability company,
its member

By: PPF OP, LP,
a Delaware limited partnership,
its sole member

By: PPF OPGP, LLC,
a Delaware limited liability company,
its general partner

By: Prime Property Fund, LLC,
a Delaware limited liability company,
its sole member

By: Morgan Stanley Real Estate Advisor, Inc.,
a Delaware corporation,
its Investment Adviser

By: /s/ Jennie Pries Friend
Name: Jennie Pries Friend
Title: Managing Director

TENANT:

TRILLIUM THERAPEUTICS USA INC.,
a Delaware corporation

By: /s/ James Parsons
Name: James Parsons
Title: Treasurer

EXHIBIT A

FLOOR PLAN OF PREMISES

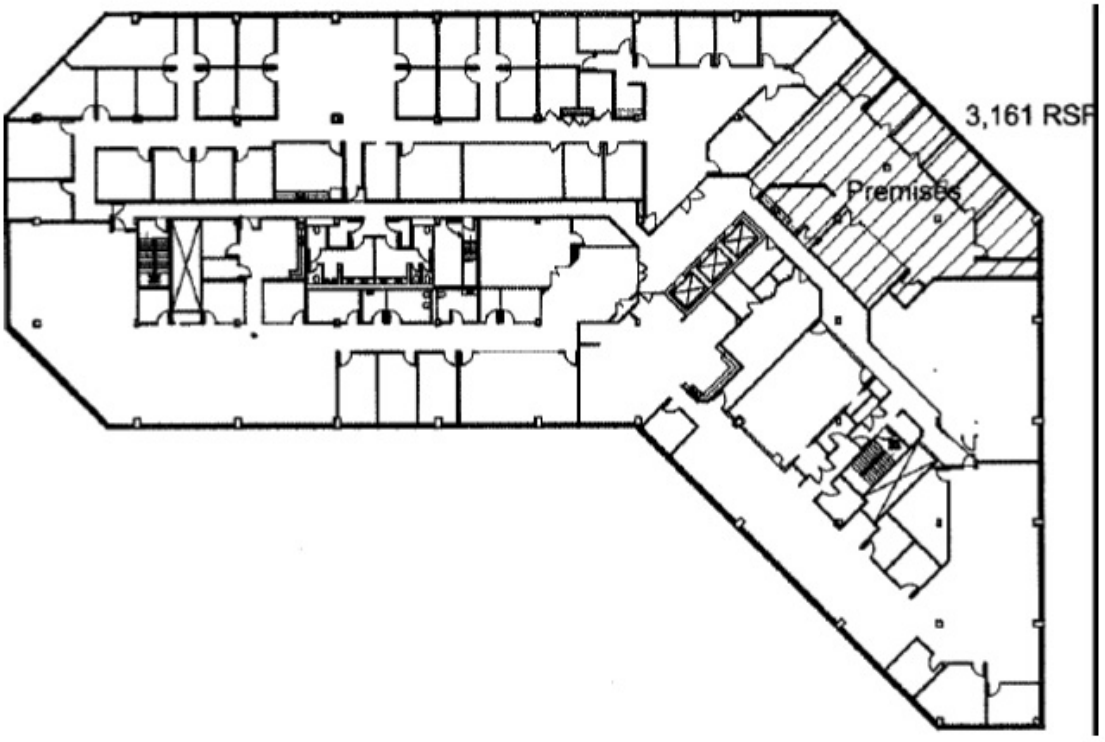

EXHIBIT B

FORM OF COMMENCEMENT DATE LETTER

Date:

Tenant:

Address:

Re: Commencement Letter with respect to that certain Lease dated as of _____ by and between _____, as Landlord, and _____, as Tenant, for _____ square feet of Rentable Area on the _____ floor of the Building located at _____

Dear: _____

In accordance with the terms and conditions of the above referenced Lease, Tenant accepts possession of the Premises and agrees:

A. The Commencement Date of the Lease is _ _ _ _ _ _ _ _ _ _ _ _

B. The Expiration Date of the Lease is_____

Please acknowledge your acceptance of possession and agreement to the terms set forth above by signing all 3 counterparts of this Commencement Letter in the space provided and returning 2 fully executed counterparts to my attention.

Sincerely,

_____
Property Manager

Agreed and Accepted:

Tenant: _____

By: _____
Name:
Title:
Date:

EXHIBIT C

WORK LETTER

This Work Letter sets forth the terms and conditions relating to the construction of the initial tenant improvements in the Premises. This Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Work Letter to Articles or Sections of "this Lease" shall mean the relevant portion of the Lease to which this Work Letter is attached as Exhibit C and of which this Work Letter forms a part, and all references in this Work Letter to Sections of "this Work Letter" shall mean the relevant portion of this Work Letter.

1. LANDLORD WORK AND MAXIMUM ALLOWANCE AMOUNT

Landlord shall provide Tenant with a turnkey construction of the Premises, which shall include the construction of all alterations expressly and specifically set forth on the Construction Documents (collectively, the "Landlord Work") at Landlord's cost and expense; provided, however, in no event shall Landlord be obligated to incur more than $126,440.00 (the "Maximum Allowance Amount") arising out of or in connection with the performance of the Landlord Work, subject to the payment by Tenant of any applicable Over-Allowance Amount (as hereinafter defined). The Landlord Work shall be performed in a first-class, workmanlike manner, in accordance with all applicable Laws. Notwithstanding the foregoing, the costs for and performance of the installation of telecommunication, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant and located in the Premises or in the walls or above the finished ceiling of the Premises shall be paid for and performed by Tenant as part of the Initial Installations and shall not constitute part of the Landlord Work.

2. CONSTRUCTION DOCUMENTS

2.1 Selection of Architect. Landlord shall cause Landlord's general contractor (the "Contractor") to retain LLM Design (collectively, the "Architect") as a subcontractor to prepare the Construction Documents, as that term is defined in Section 2.3, for the Landlord Work, together with the consulting engineers selected by the Architect and reasonably approved by Landlord. Landlord may cause the Contractor to retain another Architect or Architects from time to time, provided, however, that any such other Architects shall be subject to Tenant's reasonable approval. All Construction Documents shall comply with the drawing format and specifications as determined by Landlord, and shall be subject to Landlord's and Tenant's approval. Tenant may hire an architectural firm reasonably approved by Landlord to conduct a peer review, and the fees associated with this peer review shall be paid solely by Tenant.

2.2 Final Space Plan. Tenant has approved the preliminary space plan prepared by the Architect, on behalf of the Contractor, attached as Attachment 1 hereto (the "Fit Plan"). Landlord will cause the Contractor to have the Architect prepare a more detailed space plan (the "Space Plan") for Tenant for the Premises, which Space Plan shall be reasonably consistent with the Fit Plan, the Architect will deliver the Space Plan to Landlord and Tenant for their approval. Landlord and Tenant shall review and provide any comments and requested changes to the Space Plan within five (5) Business Days of receipt thereof (and if Tenant shall fail to object thereto within such five (5) Business Day period, then the Space Plan shall be deemed approved by Tenant). In the event that Tenant or Landlord have any comments or requested changes to the Space Plan, Landlord shall use reasonable efforts to cause the Architect to prepare and circulate a modified Space Plan within five (5) Business Days of Architect's receipt of any requested changes from Tenant or Landlord. Such process of submittal and response within the time frames specified in the preceding sentence shall continue until each of Landlord and Tenant gives written approval to the Space Plan, with the understanding that the Final Space Plan (as defined below) shall be approved no later than the date set forth for such approval on Attachment 2. Once Landlord and Tenant approve the Space Plan, the Space Plan shall be considered final (the "Final Space Plan"). Landlord will be responsible for the architectural fees for preparing the Initial Space Plan, and two (2) modifications of the Initial Space Plan.

2.3 Construction Documents. On or before the date set forth in Attachment 2, Landlord shall use commercially reasonable efforts to cause the Contractor to cause the Architect to prepare draft construction documents consistent with the Final Space Plan which shall be submitted to Landlord and Tenant for their approval. Landlord and Tenant shall review and provide any comments or requested changes to the draft construction documents within five (5) Business Days of receipt thereof(and if Tenant shall fail to object thereto within such five (5) Business Day period, then the draft construction documents shall be deemed approved by Tenant), and the Landlord shall use reasonable efforts to cause the Architect to prepare and circulate modified draft construction documents within five (5) Business Days of its receipt of any requested changes from Tenant or Landlord. In no event may either Tenant or Landlord require any changes to the draft construction documents that are inconsistent with the Final Space Plan. Such process of submittal and response within the time frames specified in the preceding sentence shall continue until each of Landlord and Tenant gives written approval to such draft construction documents, and the draft construction documents shall be considered final once approved by the Landlord and the Tenant, with the understanding that the Construction Documents shall be approved no later than the date set forth for such approval on Attachment 2. Once Landlord and Tenant approve the draft construction documents, the draft construction documents shall be considered final construction documents (the "Construction Documents"). The Construction Documents shall comply with all Applicable Laws existing on the date of this Work Letter and which may be enacted prior to approval of Construction Documents.

2.4 Tenant Changes. Subject to the provisions of Section 3.4 of this Work Letter, Tenant may, from time to time, by written order to Landlord, on a form reasonably specified by Landlord, request a change in the Landlord Work shown on the Construction Documents ("Tenant Change"), which approval shall not be unreasonably withheld or conditioned, and shall be granted or denied within five (5) Business Days after delivery of such Tenant Change to Landlord. The Over-Allowance Amount (as defined below) shall be adjusted for any Tenant Change as further contemplated by Section 3.4, below. Landlord has no obligation to approve or perform any Tenant Change not shown on the Construction Documents if, in Landlord's reasonable judgment, such Tenant Change (i) would delay completion of the Landlord Work beyond the Substantial Completion Date set forth on Attachment 2; (ii) would materially increase the cost of performing the Landlord Work or any other work in the Building, unless in each case Tenant agrees to pay such costs based on Landlord's Change Estimate Notice (as defined below), (iii) are incompatible with the design, quality, equipment or systems of the Building or otherwise require a change to the existing Building systems or structure, each in a manner that would not otherwise be required in connection with the improvements contemplated by the Fit Plan, (iv) is not consistent the first class nature of the Building, or (v) otherwise do not comply with the provisions of the Lease.

2.5 Permits. The Construction Documents as approved (or deemed approved) pursuant to Section 2.3 shall be the "Approved Working Drawings". Following the approval or deemed approval of the Cost Proposal (as defined below) Landlord shall promptly submit, or cause to be submitted, the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary to allow the Contractor to commence and fully complete the construction of the Landlord Work (the "Permits").

2.6 Time Deadlines. The applicable dates for approval of items, plans and drawings as described in this Section 2, Section 3, below, and in this Work Letter are set forth and further elaborated upon in Attachment 2 (the "Time Deadlines"), attached hereto.

3. CONTRACTOR AND COSTS

3.1 Contractor. Landlord shall independently retain Contractor to construct the Landlord Work, in accordance with the applicable Approved Working Drawings and the applicable Cost Proposal. The Landlord shall manage and oversee the Contractor in its performance of the Landlord Work. Tenant acknowledges that Chapman Construction is approved as the initial Contractor.

3.2 Cost Proposal. After the Approved Working Drawings are approved by Landlord and Tenant, Landlord shall provide Tenant with a cost proposal (or cost proposals) in accordance with the Approved Working Drawings, which cost proposal(s) shall include, as nearly as possible, the cost of all Landlord Work to be incurred by Tenant in connection with the design and construction of the Landlord Work and shall include a so-called guaranteed maximum price proposal from Landlord's Contractor (collectively, the "Cost Proposal"), which Cost Proposal shall include, among other things, a construction oversight and administration fee payable to the Landlord's property manager of three percent (3%) of the project costs, the Contractor's fee, general conditions, and a reasonable contingency. The Cost Proposal may include early trade release packages for long lead time matters such as mechanical equipment. In connection with the Cost Proposal, Landlord shall cause the Contractor to solicit at least three bids from each subcontractor trade for which the total cost is expected to exceed $10,000.00. Tenant shall have the right to propose one subcontractor to be included in the bidding for each trade, subject to Landlord's reasonable approval. Landlord will consult with Tenant prior to approving the subcontractors to whom it will be bid and Tenant may review bid packages at Tenant's request. In the case of each bid request, Landlord will accept the lowest responsible bid, unless Landlord and Tenant reasonably determine otherwise. Tenant shall approve and deliver the Cost Proposal to Landlord within five (5) Business Days of the receipt of the same (and if Tenant fails to comment on the Cost Proposal within such five (5) Business Day period then Tenant shall be deemed to have approved the Cost Proposal), provided, however, Tenant shall have the right to request Tenant Changes to the Approved Working Drawings within such five (5) Business Days,\ following its receipt of the Cost Proposal for the purpose of value engineering (in which event the Landlord will cause the Contractor to provide a new Cost Proposal to Landlord and Tenant following its receipt and approval of a modified drawing showing such Tenant Change (such approval not to be unreasonably withheld, conditioned or delayed)). Upon Tenant's approval, or deemed approval, of a Cost Proposal by Landlord, Landlord shall be released by Tenant to cause the Contractor to purchase the items set forth in the Cost Proposal and to commence the performance of the Landlord Work. The date on which Tenant approves or is deemed to approve the Cost Proposal shall be known hereafter as the "Cost Proposal Delivery **Date".**

3.3 Over-Allowance Amount. On the Cost Proposal Delivery Date, Tenant shall deliver to Landlord cash in an amount, if any, equal to 50% of the difference between (i) the amount of the Cost Proposal and (ii) the amount of the Maximum Allowance Amount (the "Over-Allowance Amount"). The Over-Allowance Amount shall be disbursed by Landlord after Landlord has made disbursements in the aggregate amount of the Maximum Allowance Amount. The remaining 50% of the Over-Allowance Amount shall be paid by Tenant to the Landlord once the Maximum Allowance Amount is expended (i.e. prior to the Landlord's use of the first installment of the Over-Allowance Amount). In the event that, after the applicable Cost Proposal Delivery Date, any revisions, changes, or substitutions shall be made to the Construction Documents or the Landlord Work, then, subject to Section 3.4 below, to the extent that the amount of the Cost Proposal plus any additional costs which arise in connection with such revisions, changes or substitutions or any other additional costs exceeds the Maximum Allowance Amount and any Over-Allowance Amounts previously funded by Tenant, such excess costs shall be paid by Tenant to Landlord immediately upon Landlord's request as an addition to the Over-Allowance Amount (whether or not the Maximum Allowance Amount has then been fully utilized). Unless otherwise agreed by the parties, all Landlord Work paid for by the Over-Allowance Amount shall be deemed Landlord's property under the terms of the Lease. Tenant hereby acknowledges and agrees that Tenant shall be responsible for all costs associated with the Landlord Work to the extent the same exceed the Maximum Allowance Amount (notwithstanding the content of the Cost Proposal).

3.4 Cost of Tenant Changes. Landlord may, but shall not be obligated to, approve any Tenant Change on the condition that Tenant shall pay in full, in advance, any and all additional costs or expenses associated with the approval of said Tenant Change. If Tenant shall request any Tenant Change, Landlord shall provide Tenant in writing (a "Landlord's Change Estimate Notice") the estimated costs of design and/or construction of the Landlord Work that Landlord determines will be incurred as a consequence of such Tenant Change on an order of magnitude basis and shall provide Tenant with the estimated Tenant Delay, if any, on account of such proposed Tenant Change. Tenant shall, within three (3) Business Days following receipt of Landlord's Change Estimate Notice, notify Landlord in writing whether it desires to proceed with the applicable Tenant Change or withdraw such Tenant Change. Tenant's failure to respond in such three (3) Business Day period shall be deemed to be a withdrawal of the applicable Tenant Change. The cost of any Tenant Change shall be determined on a net basis; i.e. taking into account the savings, if any, resulting from such Tenant Change. Without limiting the generality of any provisions of this Work Letter, Tenant acknowledges that any extension of time due to a Tenant Change will not cause an extension of the Commencement Date. Landlord shall be authorized to proceed with work described in a Tenant Change upon receipt of Tenant's notice to proceed following the giving of Landlord's Change Estimate Notice.

4. COMPLETION OF THE LANDLORD WORK; COMMENCEMENT DATE

4.1 Substantial Completion. Landlord shall give Tenant prior written notice of the date that Landlord reasonably anticipates that the Landlord Work will be Substantially Complete (as defined below); provided, however, Landlord's failure to accurately estimate such date shall in no event affect the actual date of Substantial Completion or any other obligations of Landlord or Tenant hereunder. For purposes of this Lease, "Substantial Completion" shall occur upon the completion of construction of the Landlord Work substantially pursuant to the Approved Working Drawings for such Landlord Work (as reasonably determined by Landlord), with the exception of any punch list items which do not materially impair Tenant's ability to use the Premises.

4.2 Tenant Delay of the Substantial Completion of the Premises. Each of the following shall constitute a "Tenant Delay" to the extent such matter actually causes a delay in Substantial Completion:

4.2.1 Tenant's failure to comply with the Time Deadlines;

4.2.2 Tenant's failure to timely approve any matter requiring Tenant's approval within the time periods set forth herein (which, for avoidance of doubt, shall mean any period longer than five (5) Business Days or such shorter time period as may be required hereunder) except to the extent that Tenant is deemed to consent to any such request for approval in accordance with the terms of this Work Letter;

4.2.3 A breach by Tenant of the material terms of this Work Letter or the Lease (provided that Landlord shall provide Tenant prior written notice specifying the nature of the breach and resulting delay);

4.2.4 Any Tenant Change;

4.2.5 Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the anticipated date of Substantial Completion, as set forth in Attachment 2, after having been informed, in writing, by Landlord that such materials, components, finishes or improvements will cause a delay in completion of the Landlord Work; and/or

4.2.6 Any other act or omission of Tenant or anyone acting by, through or under Tenant that causes a delay in the Landlord Work or any process described in this Work Letter (provided that Landlord shall provide Tenant prior written notice specifying the nature of the acts or omissions giving rise to the delay and the resulting delay).

Upon any Tenant Delay, notwithstanding anything to the contrary set forth in the Lease or this Work Letter and regardless of the actual date of the Substantial Completion, the date of Substantial Completion shall be deemed to be the date the Substantial Completion of the Premises would have occurred if no Tenant Delay, as set forth above, had occurred and the Commencement Date shall be deemed to have occurred accordingly. Any increased costs of the Landlord Work resulting from Tenant Delay shall be shall be paid by Tenant to Landlord immediately upon Landlord's request as an addition to the Over-Allowance Amount.

Landlord and Tenant have agreed to determine the length of any Tenant Delay as follows:

(i) any delays pursuant Sections 4.2.1 and 4.2.2 in the definition of Tenant Delay shall be equal to one day for each day that the applicable Tenant Delay continues beyond the applicable time period required under this Lease, and (ii) with respect to any other Tenant Delay, Landlord shall notify Tenant in writing of the claimed estimated length of such Tenant Delay within ten (10) Business Days after its occurrence and Tenant may elect by written notice delivered to Landlord within ten (10) Business Days thereafter to dispute the claimed estimated Tenant Delay. Unless such estimate is disputed by written notice delivered within such ten (10) Business Day period, the length of such Tenant Delay shall be no less the claimed estimated Tenant Delay.

4.3 Walk-through and Punchlist. After the Landlord Work is Substantially Completed and prior to Tenant's move-in into the Premises, following two (2) days' advance written notice from Tenant to Landlord, Landlord shall cause the Contractor to inspect the Premises with a representative of Tenant and complete a punch list of unfinished items of the Landlord Work. After Landlord and Tenant have mutually agreed upon the punch list, authorized representatives for Landlord and Tenant shall execute said punch list. The items listed on such punch list shall be completed by the Contractor within thirty (30) days after the approval of such punch list or as soon thereafter as reasonably practicable, provided that in the event a punch list item reasonably requires longer than thirty (30) days to complete, then Landlord shall cause Contractor to commence the completion of such particular item within thirty (30) days and diligently pursue the same to completion. The terms of this Section 4.3 will not affect the occurrence of the Substantial Completion of the Premises or the occurrence of the Commencement Date.

4.5 Delay Not Caused by Parties. Neither the Landlord nor Tenant shall be considered to be in default of the provisions of this Work Letter for delays in performance due to Force Majeure.

4.6 Delivery. Landlord's failure to Substantially Complete the Landlord Work on or before the anticipated date of Substantial Completion, as set forth in Attachment 2, or to substantially complete any element of the Landlord Work, shall not give rise to any liability of Landlord hereunder, shall not constitute a default by Landlord, and shall not affect the validity of this Lease.

5. MISCELLANEOUS

5.1 Tenant's Entry Into the Premises Prior to Substantial Completion. Provided that Tenant and its agents do not interfere with Contractor's work in the Building and the Premises, Contractor shall allow Tenant access to the Premises prior to Substantial Completion for the purpose of Tenant installing Tenant's furniture, fixtures and equipment in the Premises. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 5.1, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. Tenant's entry pursuant to this Section 5.1 shall be subject to all applicable provisions of the Lease other than the obligation to pay Base Rent and Additional Rent.

As a condition to Tenant's entry into the Premises prior to the date of Substantial Completion of the Landlord Work, Tenant shall comply with and perform, and shall cause its employees, agents, contractors, subcontractors, material suppliers and laborers to comply with and perform, all of Tenant's insurance and indemnity obligations and other obligations governing the conduct of Tenant at the Property under this Lease.

Any independent contractor of Tenant (or any employee or agent of Tenant) performing any work or inspections in the Premises prior to the date of Substantial Completion of the Landlord Work shall be subject to all of the terms, conditions and requirements contained in the Lease (including without limitation the provisions of Article 7) and, prior to such entry, Tenant shall provide Landlord with evidence of the insurance coverages required pursuant to Article 7. Tenant and any Tenant contractor performing any work or inspections in the Premises prior to the date of Substantial Completion of the Landlord Work shall use reasonable efforts not to interfere in any way with construction of, and shall not damage the Landlord Work or the common areas or other parts of the Building. Neither Tenant, nor any Tenant contractor performing any work or inspections in the Premises prior to the date of Substantial Completion of the Landlord Work shall cause any labor disharmony, and Tenant shall be responsible for all costs required to produce labor harmony in connection with an entry under this Section 5.1. Without limiting the generality of the foregoing, to the extent that the commencement or performance of Landlord Work is delayed on account in whole or in part of any negligent act or omission, neglect, or default by Tenant or any Tenant contractor, then such delay shall constitute a Tenant Delay as provided in Section 4.2 above.

Any requirements of any Tenant contractor performing any work or inspections in the Premises prior to the date of Substantial Completion of the Landlord Work for services from Landlord or Landlord's contractor, such as hoisting, electrical or mechanical needs, shall be paid for by Tenant and arranged between such Tenant contractor and Landlord or Landlord's contractor based on the actual, reasonable cost thereof determined on a time and materials basis. Should the work of any Tenant contractor performing any work or inspections in the Premises prior to the date of Substantial Completion of the Landlord Work depend on the installed field conditions of any item of Landlord Work, such Tenant contractor shall ascertain such field conditions after installation of such item of Landlord Work, provided, however, both parties shall cooperate with each other in order to maximize cost and scheduling efficiencies wherever reasonably practicable so long as Landlord is not delayed in the performance of the Landlord Work or required to incur any additional expense not borne by Tenant hereunder. Neither Landlord nor Landlord's contractor shall ever be required or obliged to alter the method, time or manner for performing Landlord Work or work elsewhere in the Building, on account of the work of any such Tenant contractor. Tenant shall cause each Tenant contractor performing work on the Premises prior to the date of Substantial Completion of the Landlord Work to clean up regularly and remove its debris from the Premises and Building. Any work performed by Tenant pursuant to this Section 5.1 shall be performed in accordance with the applicable provisions of Article 7 of the Lease.

6.2 Tenant's Representative. Tenant has designated James Parsons as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

6.3 Landlord's Representative. Landlord has designated J. Randal Long as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Work Letter.

6.4 Time of the Essence in This Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days.

6.5 General. This Work Letter shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the Premises or any additions to the Premises in the event of a renewal or extension of the original Lease Term, whether by any options under the Lease or otherwise, unless and to the extent expressly provided in the Lease or any amendment or supplement to the Lease that such additional space is to be delivered to Tenant in the same condition the initial Premises is to be delivered.

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ATTACHMENT 1

FIT PLAN

ATTACHMENT 2

TIME DEADLINES

Construction Documents Outside Approval Date - 1/18/19
Anticipated Construction Commencement Date - 2/18/19
Anticipated Substantial Completion Date -4/1/19

EXHIBIT D

BUILDING RULES AND REGULATIONS

Capitalized terms have the same meaning as defined in the Lease.

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises. No rubbish, litter, trash, or material shall be placed, emptied, or thrown in those areas. At no time shall Tenant permit Tenant's employees to loiter in Common Areas or elsewhere about the Building or Property.

2. Plumbing fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed in the fixtures or appliances. Damage resulting to fixtures or appliances by Tenant, its agents, employees or invitees, shall be paid for by Tenant, and Landlord shall not be responsible for the damage.

3. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord. All tenant identification and suite numbers at the entrance to the Premises shall be installed by Landlord, at Landlord's cost and expense, using the standard graphics for the Building. Except in connection with the hanging of lightweight pictures and wall decorations, no nails, hooks, tape or screws shall be inserted into any part of the Premises or Building except by the Building maintenance personnel.

4. Landlord may provide and maintain in the first floor (main lobby) of the Building an alphabetical directory board or other directory device listing tenants, and no other directory shall be permitted unless previously consented to by Landlord in writing.

5. Tenant shall not place any lock(s) on any door in the Premises or Building without Landlord's prior written consent and Landlord shall have the right to retain at all times and to use keys to all locks within and into the Premises. A reasonable number of access cards or keys to the locks on the entry doors in the Premises shall be furnished by Landlord to Tenant at Tenant's cost, and Tenant shall not make any duplicate keys. All keys shall be returned to Landlord at the expiration or early termination of this Lease.

6. All contractors, contractor's representatives and installation technicians performing work in the Building shall be subject to Landlord's prior approval and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time.

7. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by Tenant of merchandise or materials requiring the use of elevators, stairways, lobby areas or loading dock areas, shall be restricted to hours designated by Landlord. Tenant shall obtain Landlord's prior approval by providing a detailed listing of the activity. If approved by Landlord, the activity shall be under the supervision of Landlord. Landlord may require, in Landlord's sole discretion, that Tenant provide a security detail for such activity, at the sole cost and expense of Tenant. Said security detail shall comply with the standards, procedures and protocols established by Landlord. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from the activity. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with the activity, Tenant shall be solely liable for any resulting damage or loss.

8. Landlord shall have the right to approve the weight, size, or location of heavy equipment or articles in and about the Premises. Landlord reserves the right to, at Tenant's sole cost and expense, have Landlord's structural engineer review Tenant's floor loads within the Premises prior to approval of any such heavy equipment or articles. Damage to the Building by the installation, maintenance, operation, existence or removal of property of Tenant shall be repaired at Tenant's sole expense.

9. Corridor doors and main entry doors, when not in use, shall be kept closed.

I0. Tenant shall not: (1) make or permit any improper, objectionable or unpleasant noises or odors in the Building, or otherwise interfere in any way with other tenants or persons having business with them; (2) solicit business or distribute, or cause to be distributed, in any portion of the Building, handbills, promotional materials or other advertising; or (3) conduct or permit other activities in the Building that might, in Landlord's sole opinion, constitute a nuisance.

11. No animals, except those assisting handicapped persons, shall be brought into the Building or kept in or about the Premises.

12. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Building or about the Property. Tenant shall not, without Landlord's prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Property, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Law which may now or later be in effect. Tenant shall comply with all Laws pertaining to and governing the use of these materials by Tenant, and shall remain solely liable for the costs of abatement and removal.

13. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises or the Building. Tenant shall not use, or permit any part of the Premises to be used, for lodging, sleeping or for any illegal purpose.

14. Tenant shall not take any action which would violate Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute, or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Building ("Labor Disruption"). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall have pickets removed and, at the request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume. Tenant shall have no claim for damages against Landlord or any of the Landlord Related Parties, nor shall the date of the commencement of the Term be extended as a result of the above actions.

15. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord. Landlord reserves the right to review from time to time the capacity of the Premises with an electrical engineer, at Landlord's sole cost and expense. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electronic or gas heating devices, without Landlord's prior written consent. Tenant shall not use more than its proportionate share of electricity, telephone lines and other telecommunication facilities available to service the Building. In the event that Tenant requests additional electric capacity, Landlord reserves the right to install submeters to measure and bill Tenant for Tenant's total electricity usage.

16. Tenant shall not operate or permit to be operated a coin or token operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages, foods, candy, cigarettes and other goods), except for machines for the exclusive use of Tenant's employees, and then only if the operation does not violate the lease of any other tenant in the Building.

17. Bicycles and other vehicles are not permitted inside the Building or on the walkways outside the Building, except in areas designated by Landlord.

18. Landlord may from time to time adopt systems and procedures for the security and safety of the Building, its occupants, entry, use and contents. Tenant, its agents, employees, contractors, guests and invitees shall comply with Landlord's systems and procedures.

19. Landlord shall have the right to prohibit the use of the name of the Building or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Building or its desirability. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.

20. Tenant shall not canvass, solicit or peddle in or about the Building or the Property.

21. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Building presents a uniform interior and exterior appearance. Tenant shall ensure, to the extent reasonably practicable, that window coverings are closed on windows in the Premises while they are exposed to the direct rays of the sun.

22. Deliveries to and from the Premises shall be made only at the times, in the areas and through the entrances and exits designated by Landlord. Tenant shall not make deliveries to or from the Premises in a manner that might interfere with the use by any other tenant of its premises or of the Common Areas, any pedestrian use, or any use which is inconsistent with good business practice.

23. The work of cleaning personnel shall not be hindered by Tenant after 5:30 P.M., and cleaning work may be done at any time when the offices are vacant after 5:30 P.M. Windows, doors and fixtures may be cleaned at any time. Tenant shall provide adequate recycling, waste and rubbish receptacles to prevent unreasonable hardship to the cleaning service at Tenant's sole cost and expense.

24. Smoking is prohibited in the Building and within twenty-five (25) feet of any entries, outdoor air intakes and operable windows.

25. The use of Chlorofluorocarbon (CFCs)-based refrigerants is prohibited in the Building and in the Premises. The use of any products or insulation containing urea formaldehyde or urea formaldehyde resin is prohibited in the Building and in the Premises.

26. Tenant shall, at its sole cost and expense, comply with Landlord's recycling and LEED policies, as the same may be adopted for the Building and as the same may be modified from time to time, with regard to aluminum, paper and plastics or any other recyclable material as may be reasonably designated as an office use recyclable product.

27. Before closing and leaving its premises at any time, each tenant shall use reasonable efforts to turn off all lights that are not otherwise required to remain on; provided, however, tenants shall not be responsible for any lights which remain on following and resulting from janitorial service in the Building. The use of space heaters is prohibited. Notwithstanding anything to the contrary herein, any space conditioning equipment that is placed in the Premises for the purpose of increasing comfort to tenants shall be operated on sensors or timers that limit operation of equipment to hours of occupancy in the areas immediately adjacent to the occupying personnel.

28. Tenants shall comply with all mandatory (and voluntary, if adopted generally by first-class office buildings in the city in which the Building is located) energy, water or other conservation controls or requirements of general applicability to comparable office buildings in the city in which the Building is located issued or imposed from time-to-time by applicable governmental agencies or authorities, or applicable utilities or insurance carriers, which may include, without limitation, requirements, controls or limitations concerning the permitted range of temperature settings or the volume of energy consumption.

29. The parking garage, parking lot, underground loading docks, motor court and driveways are to be used only for the purposes authorized by Landlord and shall not be obstructed or misused in any way. Parking or standing in any unauthorized area is prohibited.

EXHIBIT E

FORM OF LETTER OF CREDIT

[Name of Financial Institution]

Irrevocable Standby
Letter of Credit
No._____
Issuance Date:_____
Expiration Date:_____
Applicant:_____

Beneficiary

PPF OFF I 00 Cambridge Park Drive, LLC
c/o Morgan Stanley Real Estate Advisor, Inc.
1585 Broadway, 37th Floor
New York, New York 10036
Attention: Jennie Pries Friend

Ladies/Gentlemen:

We, Royal Bank of Canada (the "Issuer"), hereby establish our Irrevocable Standby Letter of Credit Number **#XXX** ("Letter of Credit") in your favor ("Beneficiary") at the request and for the account of **XXXXXXX** ("Applicant") , available by your drafts drawn at sight on ROYAL BANK OF CANADA, 30 HUDSON ST, 28TII FLOOR, JERSEY CITY, NJ 07302-4699, ATTN: CREDIT ADMINISTRATION up to an aggregate amount of **'Text Amount of L/C and 00/100 US DOLLARS' (US$XXXX)** (the "Stated Amount"), effective **immediately** and expiring at at 5:00 p.m., New York City time, on **XX/XX/XX** unless extended as below.

Payment of any draft drawn on us will be honored upon presentation of (a) this original Letter of Credit and subsequent amendments, if any, and (b) a statement from the Beneficiary, dated and signed by a duly authorized individual of the Beneficiary, which states that "THIS DRAWING IN THE AMOUNT OF_____U.S. DOLLARS($_____,, UNDER YOUR IRREVOCABLE STANDBY LETTER OF CREDIT NO._____ REPRESENTS FUNDS DUE AND OWING TO US UNDER THAT CERTAIN LEASE DATED _____BY AND BETWEEN PPF OFF 100 Cambridge Park Drive, LLC, AS LESSOR, AND_____AS LESSEE.". The draft must state thereon: *"Drawn under Royal Bank of Canada Letter of Credit **#XXX,** dated **XIXXiXX.*** "

This Letter of Credit shall be automatically extended without amendment for successive periods of one (1) year on the above-stated expiration date and on each anniversary, unless at least **sixty (60)** days prior to the then-current expiration date, we notify Beneficiary, in writing by certified mail or courier service, return receipt requested, that we elect not to extend this Letter of Credit. In any event, the expiration date of this Letter of Credit will not be extended beyond the final expiration date of XX/XX/XX.

Upon receipt of the notice specified in the preceding paragraph, you may draw upon this Letter of Credit by presentation of the documents set forth in (a) and (b) above, and (c) a dated statement signed by an authorized representative of the Beneficiary stating that the Applicant has failed to provide an acceptable substitute letter of credit.

We hereby undertake that drafts drawn under and in compliance with the terms and conditions of this Letter of Credit will be duly honored upon presentation, and payment will be effected in accordance with the accompanying instructions on the same business day if presentation is made before 10:00 A.M., New York City Time, on that day. If such presentation is made after 10:00 A.M., New York City Time, then payment will be effected in accordance with the accompanying instructions before the close of business on the following business day. Presentation of drawings may also be made by fax at (212_) 428-3015, provided that you confirm our receipt of the fax transmission of the documents by calling the Issuer at 212-428- 6298. If a drawing is made by fax, the original drawing documents need not be submitted. This Letter of Credit is transferable in whole, but not in part, to any transferee and may be successively transferred: provided, however, that under no circumstances shall this Letter of Credit be transferred to any person or entity with which U.S. persons or entities are prohibited from conducting business under U.S. Office of Foreign Assets Control regulations or any other applicable U.S. laws and regulations. Transfer of this Letter of Credit to a permitted transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a transfer request (which will be provided upon request). Upon such presentation we shall forthwith transfer the same to your transferee. Transfer fees are for the account of the Applicant.

Partial and multiple drawing are permitted. The Stated Amount will be automatically reduced by the amount of any drawings honored by us hereunder. Except as otherwise expressly stated, this Letter of Credit is subject to the International Standby Practices 1998 ICC Publication 590 ("ISP98").

All communications to us with respect to this Letter of Credit must be addressed to our office located at 30 HUDSON ST, 28TH FLOOR, JERSEY CITY, NJ 07302-4699 to the attention of CREDIT ADMINISTRATION.

Very truly yours,

_____

[name)

_____

[title)

Exhibit 10.19

INDEMNITY AGREEMENT

THIS AGREEMENT is made as of this ● day of ●, ●

BETWEEN:

Trillium Therapeutics Inc., a corporation governed by the laws of the Province of British Columbia (the "**Corporation**")

- and -

●, an individual principally resident in ●, in the Province of ● (the "**Indemnified Party**")

RECITALS:

A. The Indemnified Party is or has been a duly elected or appointed director and/or officer of the Corporation;

B. The Corporation considers it desirable and in the best interests of the Corporation to enter into this Agreement to set out the circumstances and manner in which the Indemnified Party may be indemnified in respect of certain liabilities or expenses which the Indemnified Party may incur as a result of acting as a director or officer of the Corporation or, at the Corporation's request, as a director or officer or in a similar capacity with another entity;

C. The Indemnified Party has agreed to serve or to continue to serve as a director and/or officer of the Corporation subject to the Corporation providing the Indemnified Party with directors' and officers' liability insurance and an indemnity against certain liabilities; and

D. The articles of the Corporation contemplate that the Indemnified Party may be indemnified in certain circumstances.

THEREFORE, the Parties agree as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms shall have the meanings set out below:

(a) "**Act**" means the *Business Corporations Act* (British Columbia), as the same exists on the date hereof or may hereafter be amended;

(b) "**Agreement**" means this agreement, including all schedules, and all amendments or restatements as permitted, and references to "**Article**" or "**Section**" mean the specified Article or Section of this Agreement;

(c) "**Claim**" includes any claim, demand, suit, proceeding (whether civil, criminal or administrative), inquiry, hearing, arbitration, discovery, inspection, audit or investigation, of whatsoever nature or kind, whether anticipated, threatened, pending, commenced, continuing or completed, and any appeal or appeals there from, to which the Indemnified Party is made a party or in which the Indemnified Party is involved in whole or in part by reason of the Indemnified Party being (or having been) a director or officer of the Corporation or serving (or having served), at the Corporation's request, as a director or officer or in a similar capacity with another entity (which includes without limitation any subsidiary or affiliate of the Corporation or any other corporation, partnership, trust, employee benefit plan, joint venture or unincorporated association or organization) (an "**Other Entity**") or by reason of anything done or not done by the Indemnified Party in any such capacity;

(d) "**Losses**" includes all costs, charges, expenses, losses, damages, fees (including any legal, professional or advisory fees or disbursements), liabilities, amounts paid to settle or dispose of any Claim or satisfy any judgment, fines, penalties or liabilities, without limitation, and whether incurred alone or jointly with others, including any amounts which the Indemnified Party may reasonably suffer, sustain, incur or be required to pay in respect of the investigation, defence, settlement or appeal of or preparation for any Claim or with any action to establish a right to indemnification under this Agreement, and for greater certainty, includes all taxes, interest, penalties and related outlays of the Indemnified Party arising from any indemnification of the Indemnified Party by the Corporation pursuant to this Agreement;

(e) "**Parties**" means the Corporation and the Indemnified Party collectively and "**Party**" means any one of them;

(f) "**Policy**" means the directors' and officers' insurance policy of the Corporation; and

(g) "**Taxes**" includes any assessment, reassessment, claim or other amount for taxes, charges, duties, levies, imposts or similar amounts, including any interest and penalties in respect thereof.

1.2 Certain Rules of Interpretation

In this Agreement:

(a) **Governing Law** – This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. The Parties hereby irrevocably submit and attorn to the jurisdiction of the courts of the Province of Ontario with respect to all matters arising out of or relating to this Agreement and all matters, agreements or documents contemplated by this Agreement. The Parties hereby waive any objections they may have to the venue being in such courts including, without limitation, any claim that any such venue is in an inconvenient forum.

(b) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(c) **Number** – Unless the context otherwise requires, words importing the singular include the plural and vice versa.

(d) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Parties or circumstances.

(e) **Entire Agreement** – This Agreement constitutes the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.

ARTICLE 2
OBLIGATIONS

2.1 Obligations of the Corporation

(a) **General Indemnity** – Except in respect of an action by or on behalf of the Corporation to procure a judgment in its favour against the Indemnified Party, or except as otherwise provided herein, the Corporation agrees to indemnify and hold the Indemnified Party harmless to the fullest extent permitted by law, including but not limited to the indemnity under the Act, from and against any and all Losses which the Indemnified Party may reasonably suffer, sustain, incur or be required to pay in respect of any Claim, provided that the indemnity provided for in this Section 2.1(a) will only be available if:

(i) the Indemnified Party was acting honestly and in good faith with a view to the best interests of the Corporation; and

(ii) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the Indemnified Party had reasonable grounds for believing that the Indemnified Party's conduct was lawful.

(b) **Taxes** – For greater certainty, a Claim subject to indemnification pursuant to Article 2 of this Agreement shall include any Taxes which the Indemnified Party may be subject to or suffer or incur as a result of, in respect of, arising out of or referable to any indemnification of the Indemnified Party by the Corporation pursuant to this Agreement, provided however that any amount required to be paid with respect to such Taxes shall be payable by the Corporation only upon the Indemnified Party remitting or being required to remit any amount payable on account of such Taxes.

(c) **Indemnity as of Right** – Notwithstanding anything in this Agreement, provided the Indemnified Party fulfills the conditions in Sections 2.1(a)(i) and 2.1(a)(ii), the Corporation shall be required to indemnify the Indemnified Party in respect of all costs, charges and expenses reasonably incurred by the Indemnified Party in respect of any Claim to which the individual is subject because of the individual's association with the Corporation or an Other Entity, if after the final disposition of such Claim, the Indemnified Party:

(i) has not been reimbursed for those expenses; and

(ii) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done.

(d) **Derivative Claims** – In respect of any Claim by or on behalf of the Corporation or an Other Entity to procure a judgment in its favour against the Indemnified Party, in respect of which the Indemnified Party is made a party because of the Indemnified Party's association with the Corporation or such Other Entity, the Corporation shall promptly (or the Indemnified Party may) make application, at the Corporation's expense, for the approval of a court of competent jurisdiction to pay for and/or advance monies to the Indemnified Party in respect of, costs, charges and expenses incurred by the Indemnified Party in connection with such Claim and to indemnify and save harmless the Indemnified Party for such costs, charges and expenses of such Claim provided that such indemnification is not prohibited under any applicable statute and provided the Indemnified Party shall repay such funds advanced if, after final disposition of the Claim, it is determined by a court of competent jurisdiction that the Indemnified Party did not fulfil the conditions set out in Sections 2.1(a)(i) and (ii), or that the Indemnified Party was not entitled to be fully so indemnified, such advance, or the appropriate portion thereof shall, upon written notice of such determination being given by the Corporation to the Indemnified Party detailing the basis for such determination, be repayable on demand.

(e) **Incidental Expenses** – The Corporation shall pay or reimburse the Indemnified Party for the Indemnified Party's reasonable and necessary travel, lodging or accommodation costs, charges or expenses paid or incurred by or on behalf of the Indemnified Party in carrying out the Indemnified Party's duties as a director or officer of the Corporation.

(f) **Specific Indemnity for Statutory Obligations** – Without limiting the generality of the preceding Sections 2.1(a) through (e) of this Agreement, the Corporation agrees, to the extent permitted by law, to indemnify and save the Indemnified Party harmless from and against any and all Losses arising by operation of statute and incurred by or imposed upon the Indemnified Party in relation to the affairs of the Corporation in the Indemnified Party's capacity as a director or officer thereof, including but not limited to all statutory obligations to creditors, employees, suppliers, contractors, subcontractors, and any government or any agency or division of any government, whether federal, provincial, state, regional or municipal, provided that the indemnity provided for in this Section 2.1(f) will only be available if the Indemnified Party fulfils the conditions in Sections 2.1(a)(i) and 2.1(a)(ii).

(g) **Partial Indemnification** – If the Indemnified Party is determined to be entitled under any provisions of this Agreement to indemnification by the Corporation for some or a portion of the Losses incurred in respect of any Claim but not for the total amount thereof, the Corporation shall nevertheless indemnify the Indemnified Party for the portion thereof to which the Indemnified Party is determined by a court of competent jurisdiction to be so entitled.

2.2 Notice of Proceedings

The Indemnified Party shall give notice in writing to the Corporation as soon as practicable upon being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing, threatening or continuing any Claim involving the Corporation, an Other Entity or the Indemnified Party which may result in a claim for indemnification under this Agreement, and the Corporation agrees to give the Indemnified Party notice in writing as soon as practicable upon it being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing or continuing any Claim involving the Indemnified Party. Such notice shall include a description of the Claim or threatened Claim, a summary of the facts giving rise to the Claim or threatened Claim and, if possible, an estimate of any potential liability arising under the Claim or threatened Claim. Failure by either party to so notify the other of any Claim shall not relieve the Corporation from liability under this Agreement except to the extent that the failure materially prejudices the Indemnified Party or the Corporation, as the case may be.

2.3 Subrogation

Promptly after receiving written notice from the Indemnified Party of any Claim or threatened Claim (other than a Claim by or on behalf of the Corporation to procure a judgment in its favour against the Indemnified Party), the Corporation shall be entitled (but not obligated) to assume the defence or representation of the Indemnified Party in any such Claim through legal counsel selected by the Corporation reasonably acceptable to the Indemnified Party. If any other similarly indemnified persons are also a party to, or involved in any such Claim, the Corporation may employ counsel to represent jointly the Indemnified Party and such other persons. After retention of counsel by the Corporation, the Corporation shall not be liable to the Indemnified Party under this Agreement for any fees and expenses of counsel subsequently incurred by the Indemnified Party with respect to the same Proceeding, provided that:

(a) the Indemnified Party shall have the right to employ his or her own counsel at the Indemnified Party's own expense; and

(b) the Indemnified Party shall have the right to retain his or her own counsel at the Corporation's expense if:

(i) the employment of counsel by the Indemnified Party has been previously authorized by the Corporation;

(ii) the Indemnified Party shall have been advised by counsel that there is a potential conflict in the assumption by the Corporation of the defence or representation or in the joint representation referred to above and such assumption or joint representation would be precluded under applicable standards of professional conduct then prevailing in the jurisdiction in which such Claim is being conducted, or

(iii) the Corporation shall not continue to retain counsel to assume the defence or representation in respect of such Claim.

If the Indemnified Party elects to retain counsel in any Claim in respect of which indemnification may be sought from the Corporation pursuant to this Agreement, and any similarly indemnified persons are also a party to such Proceeding, the Indemnified Party, together with such other persons, will employ counsel to represent jointly the Indemnified Party and such other persons, unless the Indemnified Party is advised by counsel that there is a potential conflict in such joint representation and such joint representation would be precluded under applicable standards of professional conduct then prevailing in the jurisdiction in which such Proceedings are being conducted, in which case the Indemnified Party will notify the Corporation and will be entitled to be represented by separate counsel.

2.4 Cooperation in Defence of Claim

In the event the Corporation assumes conduct of the defence of a Claim on behalf of the Indemnified Party, the Indemnified Party shall fully cooperate in such defence including, without limitation, the provision of documents, attending examinations for discovery, making affidavits, meeting with counsel, testifying and divulging to the Corporation all information reasonably required to defend or prosecute the Claim.

2.5 Settlement of a Claim

No admission of liability and no settlement of any Claim in a manner adverse to the Indemnified Party shall be made by the Corporation without the consent of the Indemnified Party, acting reasonably. No admission of liability shall be made by the Indemnified Party without the consent of the Corporation, acting reasonably, and the Corporation shall not be liable for any settlement of any Claim made without its consent, acting reasonably. The Corporation shall not enter into any settlement of any Claim unless such settlement provides for a full and final release of all claims asserted against the Indemnified Party.

2.6 Determination of Right to Indemnification

If the payment of an indemnity or the advancement of funds under this Agreement requires the approval of a court, under the provisions of the Act or otherwise, either the Corporation or the Indemnified Party may apply to a court of competent jurisdiction for an order approving such indemnity or the advancement of such funds by the Corporation pursuant to this Agreement.

2.7 Other Rights and Remedies Unaffected

The indemnification and payment provided in this Agreement shall not derogate from or exclude any other rights to which the Indemnified Party may be entitled under any provision of the Act or otherwise at law, the notice of articles or articles of the Corporation, any applicable policy of insurance, guarantee or third-party indemnity, any vote of shareholders of the Corporation, or otherwise, both as to matters arising out of the Indemnified Party's capacity as a director or officer of the Corporation or as to matters arising out of any other capacity in which the Indemnified Party may act for or on behalf of the Corporation.

2.8 Exceptions

Any other provision herein to the contrary notwithstanding, the Corporation shall not be obligated pursuant to the terms of this Agreement:

(a) **Claims Initiated by the Indemnified Party** -- To indemnify or advance expenses to the Indemnified Party with respect to any proceeding or Claim initiated or brought voluntarily by the Indemnified Party and not by way of defence, except with respect to proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or otherwise but such indemnification or advancement of expenses may be provided by the Corporation in specific cases if the Corporation's board of directors has approved the initiation or bringing of such suit;

(b) **Frivolous Proceedings** -- To indemnify the Indemnified Party for any expenses incurred by the Indemnified Party with respect to any proceeding instituted by the Indemnified Party to enforce or interpret this Agreement, if a court of competent jurisdiction determines that each of the material assertions made by the Indemnified Party in such proceedings were frivolous;

(c) **Insured Claims** -- To make any payment in connection with any claim made against the Indemnified Party to the extent the Indemnified Party has otherwise received payment (under any insurance policy, the notice of articles or articles of the Corporation, contract or otherwise) of the amounts otherwise indemnifiable hereunder. If the Corporation makes any indemnification payment to the Indemnified Party in connection with any particular expense indemnified hereunder and the Indemnified Party has already received or thereafter receives, and is entitled to retain, duplicate payments in reimbursement of the same particular expense, then the Indemnified Party shall reimburse the Corporation in an amount equal to the lesser of (i) the amount of such duplicate payment and (ii) the full amount of such indemnification payment made by the Corporation;

(d) **Claims in Respect of Insider Trading** -- To indemnify the Indemnified Party with respect to any Claim based upon or attributable to the Indemnified Party having been found by a court or other competent authority to have purchased or sold securities of the Corporation contrary to applicable securities laws;

(e) **Claims in Respect of Personal Gain** -- To indemnify the Indemnified Party with respect to any Claim based upon or attributable to the Indemnified Party having been found by a court or other competent authority to have gained in fact any personal profit or advantage to which the Indemnified Party is not entitled;

(f) **Unlawful Claims** -- To indemnify the Indemnified Party with respect to any Claim resulting from acts of the Indemnified Party which are found by a court or other competent authority to have resulted from the Indemnified Party's unlawful acts or fraudulent, dishonest or wilful misconduct; or

(g) **Breach of Employment Agreement** -- To indemnify the Indemnified Party for any breach by the Indemnified Party of any employment agreement between the Indemnified Party and the Corporation or any of its subsidiaries.

ARTICLE 3
INSURANCE

3.1 The Policy

The Corporation shall pay all premiums payable under the Policy and take all steps necessary to maintain the coverage provided under the Policy.

3.2 Variation of Policy

So long as the Indemnified Party is a director or officer of the Corporation or is acting at the Corporation's request as a director or officer or in a similar capacity with an Other Entity, the Corporation shall not seek to amend or discontinue the Policy or allow the Policy to lapse without the approval of the Corporation's board of directors acting reasonably.

3.3 Run-Off Coverage

In the event the Policy is discontinued for any reason, the Corporation shall purchase, maintain and administer, or cause to be purchased, maintained and administered for a period of 6 years after such discontinuance, insurance for the benefit of the Indemnified Party (the "**Run-Off Coverage**"), on such terms as the Corporation then maintains in existence for its directors and officers, to the extent permitted by law and provided such Run-Off Coverage is available on commercially acceptable terms and premiums (as determined by the Corporation's board of directors acting reasonably). The Run-Off Coverage shall provide coverage only in respect of events occurring prior to the discontinuance of the Policy.

3.4 Exclusion of Indemnity

Notwithstanding any other provision in this Agreement to the contrary, the Corporation shall not be obligated to indemnify the Indemnified Party under this Agreement for any Losses which have been paid to, by or on behalf of, the Indemnified Party under the Policy or any other applicable policy of insurance maintained by the Corporation.

3.5 Directors and Officers Insurance

Following the Indemnified Party ceasing to be a director or officer of the Corporation, for any reason whatsoever, the Corporation shall continue to purchase and maintain directors' and officers' liability insurance, for the benefit of the Indemnified Party and the Indemnified Party's heirs and legal representatives, such that the Indemnified Party's insurance coverage is, at all times, the same as any insurance coverage the Corporation purchases and maintains for the benefit of its then current directors and officers, from time to time. Notwithstanding the foregoing, if (i) liability insurance coverage for former directors and officers is no longer available or (ii) it is no longer industry practice among responsible companies to procure liability insurance for former directors and officers and the cost to the Corporation to do so would be commercially unreasonable (as determined by the board of directors acting reasonably), the Corporation shall be relieved of its obligation to procure liability insurance coverage for former directors and officers; provided that the Corporation procures such level of insurance coverage, if any, as is available for former directors and officers at a commercially reasonable rate and adopts comparable measures to protect its former directors and officers in the circumstances as are adopted by other responsible companies. The onus is on the Corporation to establish that the circumstances described in the previous sentence exist.

3.6 Deductible under Directors and Officers Insurance

If for any reason whatsoever, any directors' and officers' liability insurer asserts that the Indemnified Party is subject to a deductible under any existing or future directors' and officers' liability insurance purchased and maintained by the Corporation for the benefit of the Indemnified Party and the Indemnified Party's heirs and legal representatives, the Corporation shall pay the deductible for and on behalf of the Indemnified Party.

ARTICLE 4
MISCELLANEOUS

4.1 Continuance

The Corporation shall give to the Indemnified Party thirty (30) days notice of any application by the Corporation for a certificate of continuance in any jurisdiction, indicating the jurisdiction in which it is proposed that the Corporation will be continued and the proposed date of continuance. Upon receipt of such notice, the Indemnified Party may require the Corporation to agree to such amendments to this Agreement as the Indemnified Party, acting reasonably, considers necessary or desirable in order to provide the Indemnified Party with a comprehensive indemnity under the laws of the proposed jurisdiction of continuance.

4.2 Corporation and Indemnified Party to Cooperate

The Corporation and the Indemnified Party shall, from time to time, provide such information and cooperate with the other, as the other may reasonably request, in respect of all matters under this Agreement.

4.3 Effective Time

This Agreement shall be deemed to have effect as and from the first date that the Indemnified Party became a director or officer of the Corporation.

4.4 Insolvency

The liability of the Corporation under this Agreement shall not be affected, discharged, impaired, mitigated or released by reason of the discharge or release of the Indemnified Party in any bankruptcy, insolvency, receivership or other similar proceeding of creditors.

4.5 Multiple Proceedings

No action or proceeding brought or instituted under this Agreement and no recovery pursuant thereto shall be a bar or defence to any further action or proceeding which may be brought under this Agreement.

ARTICLE 5
GENERAL

5.1 Term

This Agreement shall survive until six (6) years after the Indemnified Party has ceased to act as a director or officer of the Corporation.

5.2 Deeming Provision

The Indemnified Party shall be deemed to have acted or be acting at the specific request of the Corporation upon the Indemnified Party's being appointed or elected as a director or officer of the Corporation.

5.3 Assignment

Neither Party may assign this Agreement or any rights or obligations under this Agreement without the prior written consent of the other Party. This Agreement shall enure to the benefit of and be binding upon the Parties and the heirs, executors and administrators and other legal representatives of the Indemnified Party and the successors and permitted assigns (including any successor by reason of amalgamation) of the Corporation.

5.4 Amendments and Waivers

No supplement, modification, amendment or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby. For greater certainty, the rights of the Indemnified Party under this Agreement shall not be prejudiced or impaired by permitting or consenting to any assignment in bankruptcy, receivership, insolvency or any other creditor's proceedings of or against the Corporation or by the winding-up or dissolution of the Corporation.

5.5 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a "**Notice**") shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

(a) in the case of a Notice to the Indemnified Party at:

[address]

Email:

(b) in the case of a Notice to the Corporation at:

Trillium Therapeutics Inc.
2488 Dunwin Drive
Mississauga, ON, L5L 1J9

e-mail: info@trilliumtherapeutics.com

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address for Notice set out in this Section 5.5 by giving Notice to the other Party in accordance with the provisions of this Section.

5.6 Further Assurances

The Corporation and the Indemnified Party shall, with reasonable diligence, do all such further acts, deeds or things and execute and deliver all such further documents as may be necessary or advisable for the purpose of assuring and conferring on the Indemnified Party the rights hereby created or intended, and of giving effect to and carrying out the intention or facilitating the performance of the terms of this Agreement or to evidence any loan or advance made pursuant to Section 2.1(h) hereof.

5.7 Independent Legal Advice

The Indemnified Party acknowledges that the Indemnified Party has been advised to obtain independent legal advice with respect to entering into this Agreement, that it has obtained such independent legal advice or has expressly determined not to seek such advice, and that the Indemnified Party is entering into this Agreement with full knowledge of the contents hereof, of the Indemnified Party's own free will and with full capacity and authority to do so.

5.8 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

Trillium Therapeutics Inc.

By: _____
Name:
Title:

_____
Witness to signature of Indemnified Party

_____
Indemnified Party

Exhibit 21.1

SUBSIDIARIES

Subsidiary	**Jurisdiction of Incorporation**
Trillium Therapeutics USA Inc.	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-251262), pertaining to the 2018 Amended and Restated Stock Option Plan and the 2020 Omnibus Equity Incentive Plan of Trillium Therapeutics Inc., of our report dated March 18, 2021, with respect to the consolidated financial statements of Trillium Therapeutics Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2020.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada,
March 18, 2021

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) / RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Jan Skvarka, certify that:

1. I have reviewed this Annual Report on Form 10-K of Trillium Therapeutics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2021

/s/ Jan Skvarka

Jan Skvarka
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) / RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, James Parsons, certify that:

1. I have reviewed this Annual Report on Form 10-K of Trillium Therapeutics Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2021

/s/James Parsons

James Parsons
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATIONS OF CEO AND CFO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Annual Report on Form 10-K of Trillium Therapeutics Inc. (the "Company") for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, Jan Skvarka, President and Chief Executive Officer (Principal Executive Officer) of the Company, and James Parsons, Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, hereby certifies, pursuant to 18 U.S.C. (section) 1350, as adopted pursuant to (section) 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 18, 2021

/s/ Jan Skvarka
Jan Skvarka
President and Chief Executive Officer
(Principal Executive Officer)

/s/ James Parsons
James Parsons
Chief Financial Officer
(Principal Financial and Accounting Officer)