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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2018

OR

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

Commission file number 001-37359

BLUEPRINT MEDICINES CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**26-3632015**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
45 Sidney Street Cambridge, Massachusetts	**02139**
(Address of Principal Executive Offices)	**(Zip Code)**

(617) 374-7580
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See 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 ☐
(Do not check if a 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Number of shares of the registrant's common stock, $0.001 par value, outstanding on July 27, 2018: 43,887,732

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Unless otherwise stated, all references to "us," "our," "Blueprint," "Blueprint Medicines," "we," the "Company" and similar designations in this Quarterly Report on Form 10-Q refer to Blueprint Medicines Corporation and its consolidated subsidiary, Blueprint Medicines Security Corporation.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Quarterly Report on Form 10-Q are forward-looking statements. In some cases, you can identify forward-looking statements by words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "target," "will," "would" or the negative of these words or other comparable terminology, although not all forward-looking statements contain these identifying words.

The forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the initiation, timing, progress and results of our pre-clinical studies and clinical trials, including our ongoing clinical trials and any planned clinical trials for avapritinib, BLU-554, BLU-667 and BLU-782, and our research and development programs;
- our ability to advance drug candidates into, and successfully complete, clinical trials;
- the timing or likelihood of regulatory filings and approvals;
- the commercialization of our drug candidates, if approved;
- the pricing and reimbursement of our drug candidates, if approved;
- the implementation of our business model, strategic plans for our business, drug candidates and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our drug candidates and technology;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- the potential benefits of our existing cancer immunotherapy collaboration with F. Hoffmann-La Roche Ltd and Hoffmann-La Roche Inc. and our collaboration with CStone Pharmaceuticals, as well as our ability to enter into other strategic arrangements;
- the development of companion diagnostic tests for our drug candidates;
- our ability to maintain and establish collaborations;
- our financial performance; and
- developments relating to our competitors and our industry.

Any forward-looking statements in this Quarterly Report on Form 10-Q reflect our current views with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and other important 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. We have included important factors in the cautionary statements included in this Quarterly Report on Form 10-Q, particularly in the "Risk Factors" section, that could cause actual results or events to differ materially from the forward-looking statements that we make. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make or enter into.

You should read this Quarterly Report on Form 10-Q and the documents that we have filed as exhibits to this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results, performance or achievements may be materially different from what we expect. 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.

This Quarterly Report on Form 10-Q also contains estimates, projections and other information concerning our industry, our business and the markets for certain diseases, including data regarding the estimated size of those markets, and the 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 or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market 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.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Blueprint Medicines Corporation
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(Unaudited)

	June 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 117,751	$ 400,304
Investments, available-for-sale	495,705	273,052
Prepaid expenses and other current assets	8,757	12,149
Total current assets	622,213	685,505
Investments, available-for-sale	3,195	—
Property and equipment, net	30,250	24,363
Restricted cash	4,557	4,555
Other assets	4,898	1,314
Total assets	$ 665,113	$ 715,737
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	2,980	3,744
Accrued expenses	39,808	30,541
Current portion of deferred revenue	5,139	5,373
Current portion of lease incentive obligation	1,714	1,714
Current portion of term loan payable	692	1,518
Total current liabilities	50,333	42,890
Deferred rent, net of current portion	4,648	4,129
Deferred revenue, net of current portion	43,156	30,000
Lease incentive obligation, net of current portion	13,760	14,617
Other long term liabilities	284	131
Commitments (Note 10)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.001 par value; 120,000,000 shares authorized; 43,883,774 and 43,577,526 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively;	44	43
Additional paid-in capital	997,770	979,785
Accumulated other comprehensive loss	(381)	(269)
Accumulated deficit	(444,501)	(355,589)
Total stockholders' equity	552,932	623,970
Total liabilities and stockholders' equity	$ 665,113	$ 715,737

Blueprint Medicines Corporation
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Collaboration revenue	$ 41,439	$ 5,890	$ 42,393	$ 11,730
Operating expenses:				
Research and development	58,573	33,271	108,527	61,758
General and administrative	12,333	6,833	22,244	12,516
Total operating expenses	70,906	40,104	130,771	74,274
Other income (expense):				
Other income, net	2,442	861	4,836	1,286
Interest expense	(23)	(59)	(55)	(131)
Total other income	2,419	802	4,781	1,155
Net loss	$ (27,048)	$ (33,412)	$ (83,597)	$ (61,389)
Other comprehensive loss:				
Unrealized gain (loss) on investments	210	(200)	(112)	(296)
Comprehensive loss	$ (26,838)	$ (33,612)	$ (83,709)	$ (61,685)
Net loss per share applicable to common stockholders — basic and diluted	$ (0.62)	$ (0.86)	$ (1.91)	$ (1.71)
Weighted-average number of common shares used in net loss per share applicable to common stockholders — basic and diluted	43,856	38,775	43,779	35,998

Blueprint Medicines Corporation
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2018	**2017 (as adjusted)**
Operating activities		
Net loss	$ (83,597)	$ (61,389)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,913	791
Noncash interest expense	8	19
Stock-based compensation	13,311	5,219
Accretion of premiums and discounts on investments	(1,675)	76
Changes in assets and liabilities:		
Unbilled accounts receivable	—	502
Prepaid expenses and other current assets	3,088	(2,608)
Other assets	(3,584)	4
Accounts payable	(785)	297
Accrued expenses	11,595	3,953
Deferred revenue	7,607	(5,830)
Deferred rent	(303)	369
Net cash used in operating activities	(52,422)	(58,597)
Investing activities		
Purchases of property and equipment	(9,634)	(457)
Purchases of investments	(489,285)	(209,892)
Maturities of investments	265,000	96,000
Net cash used in by investing activities	(233,919)	(114,349)
Financing activities		
Principal payments on loan payable	(833)	(1,417)
Principal payments on capital lease obligations	(39)	—
Payment of offering costs	(281)	(716)
Proceeds from public offering of common stock, net of commissions and underwriting discounts	—	216,200
Proceeds from issuance of common stock, net of repurchases	4,730	1,656
Net cash provided by financing activities	3,577	215,723
Net (decrease) increase in cash, cash equivalents, and restricted cash	(282,764)	42,777
Cash, cash equivalents, and restricted cash at beginning of period	405,072	53,336
Cash, cash equivalents, and restricted cash at end of period	$ 122,308	$ 96,113
Supplemental cash flow information		
Public offering costs incurred but unpaid at period end	$ —	$ 306
Property and equipment purchases unpaid at period end	$ 2,114	$ 1,920
Cash paid for interest	$ 31	$ 91

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows.

	June 30, 2018	**June 30, 2017**
Cash and cash equivalents	$ 117,751	$ 91,346
Restricted cash	4,557	4,767
Total cash, cash equivalents, and restricted cash shown in condensed consolidated statements of cash flows	122,308	96,113

Blueprint Medicines Corporation
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of Business

Blueprint Medicines Corporation (the Company), a Delaware corporation incorporated on October 14, 2008, is a biopharmaceutical company focused on developing potentially transformational medicines to improve the lives of patients with genomically defined cancers and rare diseases. The Company's approach is to leverage its novel target discovery engine to systematically and reproducibly identify kinases that are drivers of diseases in genomically defined patient populations and to craft highly selective and potent drug candidates that may provide significant and durable clinical responses for patients without adequate treatment options.

The Company is devoting substantially all of its efforts to research and development, conducting pre-clinical and clinical development, commencing pre-commercial activities and raising capital. The Company is subject to a number of risks similar to those of other early stage companies, including dependence on key individuals; establishing safety and efficacy in clinical trials for its drug candidates; the need to develop commercially viable drug candidates; competition from other companies, many of which are larger and better capitalized; and the need to obtain adequate additional financing to fund the development of its drug candidates. If the Company is unable to raise capital when needed or on attractive terms, it would be forced to delay, reduce, eliminate or out-license certain of its research and development programs or future commercialization efforts.

On May 5, 2015, the Company completed an initial public offering (IPO) of its common stock, which resulted in the sale of 9,367,708 shares of its common stock at a price to the public of $18.00 per share, including 1,221,874 shares of common stock sold by the Company pursuant to the exercise in full by the underwriters of their option to purchase additional shares in connection with the offering. The Company received net proceeds of $154.8 million, after deducting underwriting discounts and commissions and offering expenses paid by the Company.

On December 13, 2016, the Company closed a follow-on public offering of 5,750,000 shares of its common stock at a price to the public of $25.00 per share, including 750,000 shares of common stock sold by the Company pursuant to the exercise in full by the underwriters of their option to purchase additional shares in connection with the offering. The Company received net proceeds of $134.5 million, after deducting underwriting discounts and commissions and offering expenses paid by the Company.

On April 4, 2017, the Company closed a follow-on public offering of 5,750,000 shares of its common stock at a price to the public of $40.00 per share, including 750,000 shares of common stock sold by the Company pursuant to the exercise in full by the underwriters of their option to purchase additional shares in connection with the offering (the April 2017 follow-on public offering). The Company received net proceeds of $215.6 million, after deducting underwriting discounts and commissions and offering expenses paid by the Company.

On December 15, 2017, the Company closed its underwritten public offering of 4,259,259 shares of its common stock at a price to the public of $81.00 per share, including 555,555 shares of common stock sold by the Company pursuant to the exercise in full by the underwriters of their option to purchase additional shares in connection with the offering. The Company received net proceeds of approximately $325.7 million, after deducting underwriting discounts and commissions and offering expenses paid by the Company.

As of June 30, 2018, the Company had cash, cash equivalents and investments of $616.7 million. Based on the Company's current plans, the Company believes its existing cash, cash equivalents and investments, excluding any potential option fees and milestone payments under its existing collaborations with F. Hoffmann-La Roche Ltd and Hoffmann-La Roche Inc. (collectively, Roche) and CStone Pharmaceuticals (CStone), will be sufficient to enable it to fund its operating expenses and capital expenditure requirements into the second half of 2020.

2. Summary of Significant Accounting Policies and Recent Accounting Pronouncements

Basis of Presentation

The unaudited interim condensed consolidated financial statements of the Company included herein have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as found in the Accounting Standards Codification (ASC), Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB) and the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted from this report, as is permitted by such rules and regulations. Accordingly, these financial statements should be read in conjunction with the financial statements as of and for the year ended December 31, 2017 and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 21, 2018.

The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited financial statements, except as noted below with respect to the adoption of Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (ASC 606), and include the accounts of the Company and its wholly-owned subsidiary, Blueprint Medicines Security Corporation, which is a Massachusetts subsidiary created to buy, sell, and hold securities. All intercompany transactions and balances have been eliminated. In the opinion of the Company's management, the accompanying unaudited interim condensed consolidated financial statements contain all adjustments which are necessary to present fairly the Company's financial position as of June 30, 2018, the results of its operations for the three and six months ended June 30, 2018 and 2017 and cash flows for the six months ended June 30, 2018 and 2017. Such adjustments are of a normal and recurring nature. The results for the three and six months ended June 30, 2018 are not necessarily indicative of the results for the year ending December 31, 2018, or for any future period.

Due to the underwritten public offerings completed on April 4, 2017, and December 15, 2017, there was a significant increase in shares outstanding in the year ended December 31, 2017, which impacts the period-over-period comparability of the Company's net loss per share calculations.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Management considers many factors in selecting appropriate financial accounting policies and in developing the estimates and assumptions that are used in the preparation of the financial statements. Management must apply significant judgment in this process. Management's estimation process often may yield a range of potentially reasonable estimates and management must select an amount that falls within that range of reasonable estimates. Estimates are used in the following areas, among others: stock-based compensation expense; revenue recognition; accrued expenses; and income taxes.

Significant Accounting Policies

The Company's critical accounting policies are those policies that require the most significant judgments and estimates in the preparation of our financial statements. Management has determined that the Company's most critical accounting policies are those relating to revenue recognition, accrued research and development expenses, available-for-sale investments and stock-based compensation.

Revenue Recognition

Effective January 1, 2018, the Company adopted ASC 606, using the modified retrospective transition method. Under this method, results for reporting periods beginning after January 1, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with ASC Topic 605, *Revenue Recognition* (ASC 605). The Company only applied the modified retrospective transition method to contracts that were not completed as of January 1, 2018, the effective date of adoption for ASC 606. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration

arrangements and financial instruments. 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 revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

The Company enters into licensing agreements that are within the scope of ASC 606, under which it may exclusively license rights to research, develop, manufacture and commercialize its product candidates to third parties. The terms of these arrangements typically include payment to the Company of one or more of the following: non-refundable, upfront license fees; reimbursement of certain costs; customer option exercise fees; development, regulatory and commercial milestone payments; and royalties on net sales of licensed products.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following 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. As part of the accounting for these arrangements, the Company must use significant judgment to determine: (a) the number of performance obligations based on the determination under step (ii) above; (b) the transaction price under step (iii) above; and (c) the stand-alone selling price for each performance obligation identified in the contract for the allocation of transaction price in step (iv) above. The Company uses judgment to determine whether milestones or other variable consideration, except for royalties, should be included in the transaction price as described further below. The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis, for which the Company recognizes revenue as or when the performance obligations under the contract are satisfied.

Amounts received prior to revenue recognition are recorded as deferred revenue. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as current portion of deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, net of current portion.

Exclusive Licenses. If the license to the Company's intellectual property is determined to be distinct from the other promises or performance obligations identified in the arrangement, the Company recognizes revenue from non-refundable, upfront fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. In assessing whether a promise or performance obligation is distinct from the other promises, the Company considers factors such as the research, development, manufacturing and commercialization capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, the Company considers whether the collaboration partner can benefit from a promise for its intended purpose without the receipt of the remaining promise, whether the value of the promise is dependent on the unsatisfied promise, whether there are other vendors that could provide the remaining promise, and whether it is separately identifiable from the remaining promise. For licenses that are combined with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition. The measure of progress, and thereby periods over which revenue should be recognized, are subject to estimates by management and may change over the course of the research and development and licensing agreement. Such a change could have a material impact on the amount of revenue the Company records in future periods.

Research and Development Services. The promises under the Company's collaboration agreements may include research and development services to be performed by the Company on behalf of the partner. Payments or reimbursements resulting from the Company's research and development efforts are recognized as the services are performed and presented on a gross basis because the Company is the principal for such efforts. Reimbursements from and payments to the partner that are the result of a collaborative relationship with the partner, instead of a customer relationship, such as co-development activities, are recorded as a reduction to research and development expense.

Customer Options. If an arrangement is determined to contain customer options that allow the customer to acquire additional goods or services, the goods and services underlying the customer options that are not determined to be material rights are not considered to be performance obligations at the outset of the arrangement, as they are contingent upon option exercise. The Company evaluates the customer options for material rights, or options to acquire additional goods or services for free or at a discount. If the customer options are determined to represent a material right, the material right is recognized as a separate performance obligation at the outset of the arrangement. The Company allocates the transaction price to material rights based on the relative standalone selling price, which is determined based on the identified discount and the probability that the customer will exercise the option. Amounts allocated to a material right are not recognized as revenue until, at the earliest, the option is exercised.

Milestone Payments. At the inception of each arrangement that includes research or development milestone payments, the Company evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of the Company or the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The Company evaluates factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgment involved in determining whether it is probable that a significant revenue reversal would not occur. At the end of each subsequent reporting period, the Company reevaluates the probability of achievement of all milestones subject to 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 and earnings in the period of adjustment.

Royalties. For arrangements that include sales-based royalties, including milestone payments based on a level of sales, which are the result of a customer-vendor relationship and for which 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 royalty revenue resulting from any of its licensing arrangements.

For a complete discussion of accounting for collaboration revenues, see Note 6, "Collaborations."

Collaborative Arrangements

The Company analyzes its collaboration arrangements to assess whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities and therefore within the scope of ASC Topic 808, *Collaborative Arrangements* (ASC 808). This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and which elements of the collaboration are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently, generally by analogy to ASC 606. Amounts that are owed to collaboration partners are recognized as an offset to collaboration revenues has such amounts are incurred by the collaboration partner. Where amounts owed to a collaboration partner exceed the Company's collaboration revenues in each quarterly period, such amounts are classified as research and development expense. For those elements of the arrangement that are accounted for pursuant to ASC 606, the Company applies the five-step model described above under ASC 606.

For a complete discussion of accounting for collaboration revenues, see Note 6, “Collaborations.”

Other than as described above with respect to revenue recognition, there have been no significant changes to the Company’s critical accounting policies discussed in its Annual Report on Form 10-K for the year ended December 31, 2017.

Recent Accounting Pronouncements

Recently Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, which amends the guidance for accounting for revenue from contracts with customers. ASU No. 2014-09 superseded the revenue recognition requirements in ASC 605 and created ASC 606 described above. In 2015 and 2016, the FASB issued additional ASUs related to ASC 606 that delayed the effective date of the guidance and clarified various aspects of the new revenue guidance, including principal versus agent considerations, identifying performance obligations, and licensing, and they include other improvements and practical expedients. Effective January 1, 2018, the Company adopted ASC 606 using the modified retrospective transition method.

As a result of adopting ASC 606, the Company has recorded a cumulative-effect increase to opening accumulated deficit of $5.3 million as of January 1, 2018 and a corresponding increase to deferred revenue primarily as a result of the treatment of the up-front consideration received from Roche in March 2016 that was recorded under ASC 605 prior to the adoption of ASC 606. A summary of the amount by which each financial statement line item was affected by the impact of the cumulative adjustment is set forth in the table below.

	Impact of ASC 606 Adoption on Condensed Consolidated Balance Sheet as of January 1, 2018		
(in thousands)	As reported under ASC 606	Adjustments	Balances without adoption of ASC 606
Deferred revenue, current portion	$ 4,478	$ (895)	$ 5,373
Deferred revenue, net of current portion	$ 36,210	$ 6,210	$ 30,000
Accumulated deficit	$ (360,904)	$ (5,315)	$ (355,589)

A summary of the amount by which each financial statement line item was affected in the current reporting period by ASC 606 as compared with the guidance that was in effect prior to the adoption of ASC 606 is set forth in the tables below.

	Impact of ASC 606 Adoption on Condensed Consolidated Balance Sheet as of June 30, 2018		
(in thousands)	As reported under ASC 606	Adjustments	Balances without adoption of ASC 606
Deferred revenue, current portion	$ 5,139	$ (234)	$ 5,373
Deferred revenue, net of current portion	$ 43,156	$ 15,843	$ 27,313
Accumulated deficit	$ (444,501)	$ (15,608)	$ (428,893)

	Impact of ASC 606 Adoption on Condensed Consolidated Statement of Operations and Comprehensive Loss for the Six Months Ended June 30, 2018		
(in thousands)	As reported under ASC 606	Adjustments	Balances without adoption of ASC 606
Collaboration revenue	$ 42,393	$ (10,294)	$ 52,687
Net loss	$ (83,597)	$ (10,294)	$ (73,303)
Net loss per share - basic and diluted	$ (1.91)	$ (0.24)	$ (1.67)

(in thousands)	Impact of ASC 606 Adoption on Condensed Consolidated Statement of Cash Flows for the Six Months Ended June 30, 2018		
	As reported under ASC 606	Adjustments	Balances without adoption of ASC 606
Net Loss	$ (83,597)	$ (10,294)	$ (73,303)
Changes in deferred revenue	$ 7,607	$ 4,921	$ 2,686

The most significant change to the Company's accounting for revenue as a result of the adoption of ASC 606 relates to its revenue recognition pattern under step (v) above for the Company's collaboration and license agreement with Roche (as amended, the Roche agreement). Under ASC 605, the Company was recognizing the revenue allocated to each unit of accounting on straight-line basis over the period the Company expected to complete its obligations. Under ASC 606, the Company is recognizing the revenue allocated to each performance obligation measuring progress using an input method over the period the Company expects to complete each performance obligation. ASC 606 also requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. For further discussion of the adoption of this standard, see Note 6, "Collaborations."

In November 2016, the FASB issued ASU No. 2016-18, *Restricted Cash* (ASU No. 2016-18). The amendments in ASU No. 2016-18 require an entity to reconcile and explain the period-over-period change in total cash, cash equivalents and restricted cash within its statements of cash flows. ASU No. 2016-18 was effective for the Company on January 1, 2018. The Company adopted ASU No. 2016-18 using a full retrospective approach and it did not have a significant impact on its consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230)* (ASU No. 2016-15), which simplifies certain elements of cash flow classification. The new guidance is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. ASU No. 2016-15 was effective for the Company on January 1, 2018, and it did not have a material impact on the Company's consolidated financial statements.

In 2016, the FASB issued ASU No. 2016-01 *Financial Instruments* (ASU No. 2016-01) related to the recording of financial assets and financial liabilities. Under the amended guidance, equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are to be measured at fair value with changes in fair value recognized in net income (loss). However, an entity has the option to either measure equity investments without readily determinable fair values either (i) at fair value or (ii) at cost adjusted for changes in observable prices minus impairment. Changes in measurement under either alternative will be recognized in net income (loss). The amended guidance became effective January 1, 2018. As the Company does not currently hold equity securities, there was no impact on the financial statements at the adoption date. The Company may hold equity securities in the future, at which time the Company will apply the provisions of ASU No. 2016-01 and record changes in the fair value of the equity securities in net income (loss).

Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (ASU No. 2016-02), which will change the way the Company recognizes its leased assets. ASU No. 2016-02 will require organizations that lease assets—referred to as "lessees"—to recognize on the balance sheet the assets and liabilities representing the rights and obligations created by those leases. ASU No. 2016-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The standard is effective for annual reporting periods (including interim reporting periods within those years) beginning after December 15, 2018. Early adoption is permitted. The Company is currently evaluating the methods of adoption allowed by the new standard and the effect that adoption of the standard is expected to have on the Company's consolidated financial statements and related disclosures.

3. Cash Equivalents and Investments

Cash equivalents are highly liquid investments that are readily convertible into cash with original maturities of three months or less when purchased. Investments consist of securities with original maturities greater than 90 days when purchased. The Company classifies these investments as available-for-sale and records them at fair value in the

accompanying condensed consolidated balance sheets. Unrealized gains or losses are included in accumulated other comprehensive income (loss). Premiums or discounts from par value are amortized to investment income over the life of the underlying investment.

Cash equivalents and investments, available-for-sale, consisted of the following at June 30, 2018 and December 31, 2017 (in thousands):

June 30, 2018	Average Maturity	Amortized Cost	Unrealized Gain	Unrealized Losses	Fair Value
Cash equivalents:					
Money market funds		$ 117,751	$ —	$ —	$ 117,751
Investments, available-for-sale:					
U.S. treasury obligations	282 Days	499,281	7	(388)	498,900
Total		$ 617,032	$ 7	$ (388)	$ 616,651

December 31, 2017	Average Maturity	Amortized Cost	Unrealized Gain	Unrealized Losses	Fair Value
Cash equivalents:					
Money market funds		$ 400,304	$ —	$ —	$ 400,304
Investments, available-for-sale:					
U.S. treasury obligations	348 Days	273,321	—	(269)	273,052
Total		$ 673,625	$ —	$ (269)	$ 673,356

Although available to be sold to meet operating needs or otherwise, securities are generally held through maturity. The cost of securities sold is determined based on the specific identification method for purposes of recording realized gains and losses. During the three and six months ended June 30, 2018 and 2017, there were no realized gains or losses on sales of investments, and no investments were adjusted for other than temporary declines in fair value.

At June 30, 2018, the Company held 48 securities that were in an unrealized loss position. The aggregate fair value of securities held by the Company in an unrealized loss position for less than twelve months as of June 30, 2018 was $412.6 million. As of June 30, 2018, there were no securities held by the Company in an unrealized loss position for more than twelve months. The Company has the intent and ability to hold such securities until recovery. The Company determined that there was no material change in the credit risk of the above investments. As a result, the Company determined it did not hold any investments with an other-than-temporary impairment as of June 30, 2018.

4. Fair Value of Financial Instruments

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs that reflect the Company’s own assumptions about the assumptions market participants would use in pricing the asset or liability. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Financial instruments measured at fair value as of June 30, 2018 are classified below based on the fair value hierarchy described above:

Description	June 30, 2018	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Financial Assets				
Cash equivalents:				
Money market funds	$ 117,751	$ 117,751	$ —	$ —
Investments, available-for-sale:				
U.S Treasury obligations	498,900	498,900	—	—
Total	$ 616,651	$ 616,651	$ —	$ —

Financial instruments measured at fair value as of December 31, 2017 are classified below based on the fair value hierarchy described above:

Description	December 31, 2017	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Financial Assets				
Cash equivalents:				
Money market funds	$ 400,304	$ 400,304	$ —	$ —
Investments, available-for-sale:				
U.S Treasury obligations	273,052	273,052	—	—
Total	$ 673,356	$ 673,356	$ —	$ —

The fair value of the Company's term loan payable is determined using current applicable rates for similar instruments as of the balance sheet date. The carrying value of the Company's term loan payable approximates fair value because the Company's interest rate yield approximates current market rates. The Company's term loan payable is a Level 3 liability within the fair value hierarchy.

5. Restricted Cash

At June 30, 2018 and December 31, 2017, $4.6 million and $4.8 million, respectively, of the Company's cash is restricted by a bank. As of June 30, 2018 and December 31, 2017, $4.6 million of the restricted cash was included in long-term assets on the Company's balance sheet related to security deposits for the lease agreements for the Company's current and former corporate headquarters.

6. Collaborations

CStone Pharmaceuticals

On June 1, 2018, the Company entered into a Collaboration and License Agreement (the CStone agreement) with CStone pursuant to which the Company granted CStone exclusive rights to develop and commercialize the Company's drug candidates avapritinib, BLU-554 and BLU-667, including back-up forms and certain other forms thereof, in Mainland China, Hong Kong, Macau and Taiwan (each, a CStone region and collectively, the CStone territory), either as a monotherapy or as part of a combination therapy. The Company will retain exclusive rights to the licensed products outside the CStone territory.

Subject to the terms of the CStone agreement, the Company received an upfront cash payment of $40.0 million and will be eligible to receive up to approximately $346.0 million in milestone payments, including $118.5 million related to development and regulatory milestones and $227.5 million related to sales-based milestones. In addition, CStone will be obligated to pay the Company tiered percentage royalties on a licensed product-by-licensed product basis ranging from the mid-teens to low twenties on annual net sales of each licensed product in the CStone territory, subject to adjustment in specified circumstances. CStone will be responsible for costs related to the development of the licensed products in the CStone territory, other than specified costs related to the development of BLU-554 as a combination therapy in the CStone territory that will be shared by the Company and CStone.

Pursuant to the terms of the CStone agreement, CStone will be responsible for conducting all development and commercialization activities in the CStone territory related to the licensed products, and the Company and CStone plan to conduct a proof-of-concept clinical trial in China evaluating BLU-554 in combination with CS1001, a clinical stage anti-programmed death ligand-1 immunotherapy being developed by CStone, as a first-line therapy for the treatment of patients with hepatocellular carcinoma.

The CStone agreement will continue on a licensed product-by-licensed product and CStone region-by-CStone region basis until the later of (i) 12 years after the first commercial sale of a licensed product in a CStone region in the CStone territory and (ii) the date of expiration of the last valid patent claim related to the Company's patent rights or any joint collaboration patent rights for the licensed product that covers the composition of matter, method of use or method of manufacturing such licensed product in such region. Subject to the terms of the CStone agreement, CStone may terminate the CStone agreement in its entirety or with respect to one or more licensed products for convenience by providing written notice to the Company after June 1, 2019, and CStone may terminate the CStone agreement with respect to a licensed product for convenience at any time by providing written notice to the Company following the occurrence of specified events. In addition, the Company may terminate the CStone agreement under specified circumstances if CStone or certain other parties challenges the Company's patent rights or any joint collaboration patent rights or if CStone or its affiliates do not conduct any material development or commercialization activities with respect to one or more licensed products for a specified period of time, subject to specified exceptions. Either party may terminate the CStone agreement for the other party's uncured material breach or insolvency. In certain termination circumstances, the parties are entitled to retain specified licenses to be able to continue to exploit the licensed products, and in the event of termination by CStone for the Company's uncured material breach, the Company will be obligated to pay CStone a low single digit percentage royalty on a licensed product-by-licensed product basis on annual net sales of such licensed product in the CStone territory, subject to a cap and other specified exceptions.

The Company evaluated the CStone agreement to determine whether it is a collaborative arrangement for purposes of ASC 808. The Company determined that there were two material components of the CStone agreement: (i) the CStone territory-specific license and related activities in the CStone territory, and (ii) the parties' participation in global development of the licensed products. The Company concluded that the CStone territory-specific license and related activities in the CStone territory are not within the scope of ASC 808 because the Company is not exposed to significant risks and rewards. The Company concluded that CStone is a customer with regard to the component that includes the CStone territory-specific license and related activities in CStone territory, which include manufacturing. For the parties' participation in global development of the licensed products, the Company concluded that the research and development activities and cost-sharing payments related to such activities are within the scope of ASC 808 as both parties are active participants exposed to the risk of the activities under the CStone agreement. The Company concluded that CStone is not a customer with regard to the global development component in the context of the CStone agreement. Therefore, payments received by the Company for global development activities under the CStone agreement, including manufacturing, will be accounted for as a reduction of research and development expense.

The Company evaluated the CStone territory-specific license and related activities in the CStone territory under ASC 606 as these transactions are considered transactions with a customer. The Company identified the following material promises under the arrangement: (1) the three exclusive licenses granted in the CStone territory to develop, manufacture and commercialize the three licensed products; (2) the initial know-how transfer for each licensed product (3) manufacturing activities related to development and commercial supply of the licensed products; (4) participation in the joint steering committee (JSC) and joint project teams (JPT); (5) regulatory responsibilities; and (6) manufacturing technology and continuing know-how transfers. The Company determined that each licensed product is distinct from the other licensed products. In addition, the Company determined that the exclusive licenses and initial know-how transfers for each licensed product were not distinct from each other, as each exclusive license has limited value without the corresponding initial know-how transfer. For purposes of ASC 606, the Company determined that that participation on the JSC and JPTs, the regulatory responsibilities and the manufacturing technology and continuing know-how transfers are qualitatively and quantitatively immaterial in the context of the CStone agreement and therefore are excluded from performance obligations. As such, the Company determined that these six material promises, described above, should be combined into one performance obligation for each of the three candidates.

The Company evaluated the provision of manufacturing activities related to development and commercial supply of the licensed products as an option for purposes of ASC 606 to determine whether these manufacturing activities provide CStone with any material rights. The Company concluded that the manufacturing activities were not

issued at a significant and incremental discount, and therefore do not provide CStone with any material rights. As such, the manufacturing activities are excluded as performance obligations at the outset of the arrangement.

Based on these assessments, the Company identified three distinct performance obligations at the outset of the CStone agreement, which consists of the following for each licensed product: (1) the exclusive license and (2) the initial know-how transfer.

Under the CStone agreement, in order to evaluate the transaction price for purposes of ASC 606, the Company determined that the upfront amount of $40.0 million constituted the entirety of the consideration to be included in the transaction price as of the outset of the arrangement, which was allocated to the three performance obligations. The potential milestone payments that the Company is eligible to receive were excluded from the transaction price, as all milestone amounts were fully constrained based on the probability of achievement. The Company will reevaluate the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, and if necessary, the Company will adjust its estimate of the transaction price. Because the performance obligations have been satisfied, any addition to the transaction price would be immediately recognized as revenue.

The Company satisfied the performance obligations upon delivery of the licenses, initial know-how transfers and product trademark and recognized the upfront payment of $40.0 million as revenue in the three months ended June 30, 2018. There was no deferred revenue associated with the CStone agreement as of June 30, 2018.

F. Hoffmann-La Roche Ltd and Hoffmann-La Roche Inc.

In March 2016, the Company and Roche entered into the Roche agreement, which provides for the discovery, development and commercialization of up to five small molecule therapeutics targeting kinases believed to be important in cancer immunotherapy, as single products or possibly in combination with other therapeutics. The parties are currently conducting activities for up to five programs under the collaboration, including up to two collaboration programs leveraging the Company's novel target discovery engine and proprietary compound library to select potential targets.

Under the Roche agreement, Roche is granted up to five option rights to obtain an exclusive license to exploit products derived from the collaboration programs in the field of cancer immunotherapy. Such option rights are triggered upon the achievement of Phase 1 proof-of-concept. For up to three of the five collaboration programs, if Roche exercises its option, Roche will receive worldwide, exclusive commercialization rights for the licensed products. For up to two of the five collaboration programs, if Roche exercises its option, the Company will retain commercialization rights in the United States for the licensed products, and Roche will receive commercialization rights outside of the United States for the licensed products. The Company will also retain worldwide rights to any products for which Roche elects not to exercise its applicable option.

Prior to Roche's exercise of an option, the Company will have the lead responsibility for drug discovery and pre-clinical development of all collaboration programs. In addition, the Company will have the lead responsibility for the conduct of all Phase 1 clinical trials other than those Phase 1 clinical trials for any product in combination with Roche's portfolio of therapeutics, for which Roche will have the right to lead the conduct of such Phase 1 clinical trials. Pursuant to the Roche agreement, the parties will share the costs of Phase 1 development for each collaboration program. In addition, Roche will be responsible for post-Phase 1 development costs for each licensed product for which it retains global commercialization rights, and the Company and Roche will share post-Phase 1 development costs for each licensed product for which the Company retains commercialization rights in the United States.

Subject to the terms of the Roche agreement, the Company received an upfront cash payment of $45.0 million and will be eligible to receive up to approximately $965.0 million in contingent option fees and milestone payments related to specified research, pre-clinical, clinical, regulatory and sales-based milestones. Of the total contingent payments, up to approximately $215.0 million are for option fees and milestone payments for research, pre-clinical and clinical development events prior to licensing across all five potential collaboration programs, including contingent milestone payments for initiation of each of the collaboration programs for which the parties will work together to select targets (pre-option exercise milestones). In addition, for any licensed product for which Roche retains worldwide commercialization rights, the Company will be eligible to receive tiered royalties ranging from low double-digits to

high-teens on future net sales of the licensed product. For any licensed product for which the Company retains commercialization rights in the United States, the Company and Roche will be eligible to receive tiered royalties ranging from mid-single-digits to low double-digits on future net sales in the other party's respective territories in which it commercializes the licensed product. The upfront cash payment and any payments for milestones, option fees and royalties are non-refundable, non-creditable and not subject to set-off.

The Roche agreement will continue until the date when no royalty or other payment obligations are or will become due, unless earlier terminated in accordance with the terms of the Roche agreement. Prior to its exercise of its first option, Roche may terminate the Roche agreement at will, in whole or on a collaboration target-by-collaboration target basis, upon 120 days' prior written notice to the Company. Following its exercise of an option, Roche may terminate the Roche agreement at will, in whole, on a collaboration target-by-collaboration target basis, on a collaboration program-by-collaboration program basis or, if a licensed product has been commercially sold, on a country-by-country basis, (i) upon 120 days' prior written notice if a licensed product has not been commercially sold or (ii) upon 180 days' prior written notice if a licensed product has been commercially sold. Either party may terminate the Roche agreement for the other party's uncured material breach or insolvency and in certain other circumstances agreed to by the parties. In certain termination circumstances, the Company is entitled to retain specified licenses to be able to continue to exploit the licensed products.

The Company assessed this arrangement in accordance with ASC 606 and concluded that the contract counterparty, Roche, is a customer prior to the exercise, if any, of an option by Roche. The Company identified the following material promises under the arrangement: (1) a non-transferable, sub-licensable and non-exclusive license to use the Company's intellectual property and collaboration compounds to conduct research activities; (2) research and development activities through Phase 1 clinical trials under the research plan; (3) five option rights for licenses to develop, manufacture, and commercialize the collaboration targets; (4) participation on a joint research committee (JRC) and joint development committee (JDC); and (5) regulatory responsibilities under Phase 1 clinical trials. The Company determined that the license and research and development activities were not distinct from another, as the license has limited value without the performance of the research and development activities. Participation on the JRC and JDC to oversee the research and development activities was determined to be quantitatively and qualitatively immaterial and therefore is excluded from performance obligations. The regulatory responsibilities related to filings and obtaining approvals related to the products that may result from each program do not represent separate performance obligations based on their dependence on the research and development efforts. As such, the Company determined that these promises should be combined into a single performance obligation.

The Company evaluated the option rights for licenses to develop, manufacture, and commercialize the collaboration targets to determine whether it provides Roche with any material rights. The Company concluded that the options were not issued at a significant and incremental discount, and therefore do not provide material rights. As such, they are excluded as performance obligations at the outset of the arrangement.

Based on these assessments, the Company identified one performance obligation at the outset of the Roche agreement, which consists of: (1) the non-exclusive license; (2) the research and development activities through Phase 1; and (3) regulatory responsibilities under Phase 1 clinical trials.

Under the Roche agreement, in order to evaluate the appropriate transaction price, the Company determined that the upfront amount of $45.0 million constituted the entirety of the consideration to be included in the transaction price as of the outset of the arrangement, which was allocated to the single performance obligation. The option exercise payments that may be received are excluded from the transaction price until each customer option is exercised as it was determined that the options are not material rights. The potential milestone payments that the Company is eligible to receive prior to the exercise of the options were initially excluded from the transaction price, as all milestone amounts were fully constrained based on the probability of achievement. The Company will reevaluate the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, and, if necessary, adjust its estimate of the transaction price. The Company achieved and received a milestone payment of $10.0 million during the three months ended June 30, 2018 related to the Roche agreement and has included such amount in the transaction price during the three months ended June 30, 2018.

Revenue associated with the performance obligation is being recognized as revenue as the research and development services are provided using an input method, according to the costs incurred as related to the research and

development activities on each program and the costs expected to be incurred in the future to satisfy the performance obligation. The transfer of control occurs over this time period and, in management's judgment, is the best measure of progress towards satisfying the performance obligation. The research and development services related to this performance obligation are expected to be performed over a period of approximately eight years. The revenue recognized during the three months ended June 30, 2018 represents revenue that was previously deferred and $1.2 million related to the achievement of the milestone during the three months ended June 30, 2018. The amounts received that have not yet been recognized as revenue are recorded in deferred revenue on the Company's condensed consolidated balance sheet.

During the three months ended June 30, 2018, it became probable that a significant reversal of cumulative revenue would not occur for the $10.0 million research milestone achieved under the Roche agreement during the three months ended June 30, 2018. At such time, the associated consideration was added to the estimated transaction price and allocated to the existing performance obligation. The Company recognized a cumulative catch-up of $1.2 million to revenue for this developmental milestone, representing the amount that would have been recognized had the milestone payment been included in the transaction price from the outset of the arrangement. The remaining $8.8 million will be recognized in the same manner as the remaining, unrecognized transaction price over the remaining research and development period until the performance obligation is satisfied.

Through June 30, 2018, the Company had recognized revenue of $6.7 million as collaboration revenue in the Company's consolidated statements of operations and comprehensive loss under the Roche agreement. Deferred revenue related to the Roche agreement amounted to $48.3 million as of June 30, 2018, of which $5.2 million is included in current liabilities.

Alexion

In March 2015, the Company entered into a research, development and commercialization agreement (Alexion agreement) with Alexion to research, develop and commercialize one or more drug candidates targeting the ALK2 kinase for the treatment of fibrodysplasia ossificans progressiva. On July 26, 2017, the Company received written notice from Alexion of its election to terminate the Alexion agreement for convenience, and the termination became effective on October 24, 2017. Since the Alexion agreement terminated prior to January 1, 2018, the Company recognized revenue from the Alexion collaboration in accordance with ASC 605.

Pursuant to the Alexion agreement, the Company was responsible for research and pre-clinical development activities related to any drug candidates, and Alexion was responsible for all clinical development, manufacturing and commercialization activities related to any drug candidates. In addition, Alexion was responsible for funding 100% of the Company's research and development costs incurred under the research plan, including pass through costs and a negotiated yearly rate per full time equivalent for its employees' time and their associated overhead expenses. As a result of the termination of the Alexion agreement, the Company will not be entitled to receive payment from Alexion for any research and development expenses incurred after the effective date of termination.

Prior to termination, the Company had received an aggregate amount of $18.8 million in upfront and milestone payments. The Company received a $15.0 million non-refundable upfront payment in March 2015 upon execution of the Alexion agreement and an aggregate amount of $3.8 million in pre-clinical milestone payments prior to the termination of the Alexion agreement. As a result of the termination, the Company was not entitled to receive payment from Alexion for any additional milestones.

The Company determined that there were three deliverables under the former Alexion collaboration: (i) an exclusive license to research, develop, manufacture and commercialize the licensed products and the compounds in the field in the territory, (ii) conducting research and development activities under the research plan and (iii) participation on a joint steering committee (JSC) and joint project team (JPT).

The Company determined that the license did not have value to Alexion on a stand-alone basis due to the specialized nature of the research services to be provided by the Company that are not available in the marketplace. Therefore, the deliverables were not separable and, accordingly, the license, undelivered research and development activities and JSC and JPT participation were a single unit of accounting. When multiple deliverables are accounted for as a single unit of accounting, the Company bases its revenue recognition model on the final deliverable. Under the

Alexion agreement, the last deliverable to be completed is its research and development activities and participation on the JSC and JPT, which were expected to be delivered over the same performance period. The Company recognized the remaining deferred revenue balance related to the upfront payment and non-substantive milestone payment previously received under the former collaboration with Alexion, utilizing the proportional performance model over the remaining period of performance, which ended October 24, 2017.

The Company evaluated whether the milestones that it was eligible to receive in connection with the Alexion agreement were substantive or non-substantive milestones. The Company concluded that the first pre-clinical milestone payment under the former Alexion collaboration was non-substantive due to the certainty at the date the arrangement was entered into that the event will be achieved. During the three months ended June 30, 2015, the Company achieved the first pre-clinical milestone under the former Alexion collaboration and received a $1.8 million payment from Alexion. The Company recognized revenues from the related milestone payment over the remaining period of performance.

The remaining non-refundable pre-clinical milestones that the Company was eligible to achieve as a result of the Company's efforts prior to the termination were considered substantive. The Company has recognized and received an aggregate of $2.0 million in substantive milestones through December 31, 2017.

As a result of the termination, the Company did not recognize revenue under the Alexion agreement during the three and six months ended June 30, 2018. During the three and six months ended June 30, 2017 the Company recognized revenue under the Alexion agreement of $4.5 million and $8.9 million, respectively, which represents $3.1 million and $5.9 million, respectively, of reimbursable research and development costs, as well as a portion of the $15.0 million upfront payment and the $1.8 million non-substantive milestone payment previously received under the collaboration.

7. Term Loan

In May 2013, the Company entered into a loan and security agreement with Silicon Valley Bank, which provided for up to $5.0 million in funding, to be made available in three tranches. Loan advances accrue interest at a fixed rate of 2% above the prime rate. In November 2014, the Company amended the loan to allow the Company to borrow an additional $5.0 million. The Company accounted for the amendment as a modification to the existing 2013 loan. The Company immediately drew the additional $5.0 million and was required to make interest-only payments until December 1, 2015, and consecutive monthly payments of principal, plus accrued interest, over the remaining term through November 1, 2018. The Company is required to pay a fee of 4% of the total loan advances at the end of the term of the loan. The fee is being accreted to interest expense over the term of the loan. In the event of prepayment, the Company is obligated to pay 1% to 2% of the amount of the outstanding principal depending upon the timing of the prepayment.

The term loan is collateralized by a blanket lien on all corporate assets, excluding intellectual property, and by a negative pledge of the Company's intellectual property. The term loan contains customary default provisions that include material adverse events, as defined therein. The Company has determined that the risk of subjective acceleration under the material adverse events clause is remote and therefore has classified the outstanding principal in current and long-term liabilities based on scheduled principal payments.

The Company assessed all terms and features of the term loan in order to identify any potential embedded features that would require bifurcation. As part of this analysis, the Company assessed the economic characteristics and risks of the term loan, including put and call features. The Company determined that all features of each of the term loan are clearly and closely associated with a debt host and do not require bifurcation as a derivative liability, or the fair value of the feature is immaterial to the Company's financial statements. The Company will continue to reassess the features on a quarterly basis to determine if they require separate accounting.

Future minimum payments, which include principal and interest due under the term loan, are $0.7 million, in the aggregate, for the remainder of 2018.

8. Stock Awards

2015 Stock Option and Incentive Plan

In 2015, the Company's board of directors and stockholders approved the 2015 Stock Option and Incentive Plan (the 2015 Plan), which replaced the Company's 2011 Stock Option and Grant Plan, as amended (the 2011 Plan). The 2015 Plan includes incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, performance share awards and cash-based awards. The Company initially reserved a total of 1,460,084 shares of common stock for the issuance of awards under the 2015 Plan. The 2015 Plan provides that the number of shares reserved and available for issuance under the 2015 Plan will be cumulatively increased on January 1 of each calendar year by 4% of the number of shares of common stock issued and outstanding on the immediately preceding December 31 or such lesser amount as specified by the compensation committee of the board of directors. For the calendar year beginning January 1, 2018, the number of shares reserved for issuance under the 2015 Plan was increased by 1,743,101 shares. In addition, the total number of shares reserved for issuance is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization. At June 30, 2018, there were 2,180,264 shares available for future grant under the 2015 Plan.

Awards

Options and restricted stock awards granted by the Company generally vest ratably over four years, with a one-year cliff for new employee awards, and are exercisable from the date of grant for a period of ten years.

The Company did not have any unvested restricted stock as of June 30, 2018 and December 31, 2017. There were no restricted stock awards that vested during the six months ended June 30, 2018**.** The total fair value of restricted stock that vested during the six months ended June 30, 2017 was $0.1 million.

A summary of the Company's stock option activity and related information follows:

	Shares	Weighted-Average Exercise Price	Remaining Contractual Life (in Years)	Aggregate Intrinsic Value(1) (in thousands)
Outstanding at December 31, 2017	3,304,166	$ 22.45	8.04	$ 174,985
Granted	1,385,450	81.00		
Exercised	(300,676)	14.28		
Canceled	(53,585)	50.65		
Outstanding at June 30, 2018	4,335,355	$ 41.38	8.24	$ 120,869
Exercisable at June 30, 2018	1,754,466	$ 18.10	7.19	$ 81,080

(1) Intrinsic value represents the amount by which the fair market value as of June 30, 2018 of the underlying common stock exceeds the exercise price of the option.

The fair value of stock options is estimated on the grant date using the Black-Scholes option-pricing model based on the following weighted average assumptions:

	Three Months Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Risk-free interest rate	2.82 %	1.93 %	2.72 %	2.07 %
Expected dividend yield	— %	— %	— %	— %
Expected term (years)	6.0	5.9	6.0	6.0
Expected stock price volatility	69.82 %	74.64 %	70.11 %	75.23 %

The weighted-average grant date fair value of options granted in the three months ended June 30, 2018 and 2017 was $50.88 and $27.78, respectively. The total intrinsic value of options exercised in the three months ended June 30, 2018 and 2017 was $3.9 million and $2.7 million, respectively. The weighted-average grant date fair value of options granted in the six months ended June 30, 2018 and 2017 was $51.91 and $24.91, respectively. The total intrinsic value of options exercised in the six months ended June 30, 2018 and 2017 was $21.4 million and $6.1 million, respectively.

Total stock-based compensation expense recognized for all stock-based compensation awards in the condensed consolidated statements of operations and comprehensive loss is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Research and development	$ 4,272	$ 1,498	$ 7,284	$ 2,622
General and administrative	3,489	1,481	6,027	2,597
Total stock-based compensation expense	$ 7,761	$ 2,979	$ 13,311	$ 5,219

At June 30, 2018, the Company had $92.1 million of total unrecognized compensation cost related to non-vested stock awards, which is expected to be recognized over a weighted-average period of 2.88 years. Due to an operating loss, the Company does not record tax benefits associated with stock-based compensation or option exercises. Tax benefit will be recorded when realized.

2015 Employee Stock Purchase Plan

In 2015, the Company's board of directors and stockholders approved the 2015 Employee Stock Purchase Plan (the 2015 ESPP), which became effective upon the closing of the IPO in May 2015. The Company initially reserved a total of 243,347 shares of common stock for issuance under the 2015 ESPP. The 2015 ESPP provides that the number of shares reserved and available for issuance under the 2015 ESPP will be cumulatively increased on January 1 of each calendar year by 1% of the number of shares of common stock issued and outstanding on the immediately preceding December 31 or such lesser amount as specified by the compensation committee of the board of directors. For the calendar year beginning January 1, 2018, the number of shares reserved for issuance under the 2015 ESPP was increased by 435,775 shares. The Company issued 5,572 shares and 7,703 shares under the ESPP during the six months ended June 30, 2018 and 2017, respectively.

9. Net Loss per Share

Basic net loss per share applicable to common stockholders is calculated by dividing net loss applicable to common stockholders by the weighted average shares outstanding during the period, without consideration for common stock equivalents. Diluted net loss per share applicable to common stockholders is calculated by adjusting weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period. For purposes of the dilutive net loss per share applicable to common stockholders calculation, stock options, and unvested restricted stock are considered to be common stock equivalents but are excluded from the calculation of diluted net loss per share applicable to common stockholders, as their effect would be anti-dilutive; therefore, basic and diluted net loss per share applicable to common stockholders were the same for all periods presented as a result of the Company's net loss. The following common stock equivalent was excluded from the calculation of diluted net loss per share applicable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect.

	Six Months Ended June 30,	
	2018	2017
Stock options	4,335,355	3,396,480

The weighted average number of common shares used in net loss per share applicable to common stockholders on a basic and diluted basis were 43,856,352 and 38,774,591 for the three months ended June 30, 2018 and 2017, respectively. The weighted average number of common shares used in net loss per share applicable to common stockholders on a basic and diluted basis were 43,778,720 and 35,997,572 for the six months ended June 30, 2018 and 2017, respectively.

10. Commitments

On February 12, 2015, the Company entered into a lease for approximately 38,500 rentable square feet of office and laboratory space in Cambridge, Massachusetts, which the Company gained control over on June 15, 2015, and occupancy commenced in October 2015. The lease ends on October 31, 2022. The Company has an option to extend the

lease for five additional years. The lease has a total commitment of $17.8 million over the seven-year term. The Company has agreed to pay an initial annual base rent of approximately $2.3 million, which rises periodically until it reaches approximately $2.8 million. The Company is recording rent expense on a straight-line basis through the end of the lease term. The Company has recorded deferred rent on the consolidated balance sheet at December 31, 2017, accordingly. The lease provided the Company with an allowance for leasehold improvements of $4.3 million. The Company accounts for leasehold improvement incentives as a reduction to rent expense ratably over the lease term. The balance from the leasehold improvement incentives is included in lease incentive obligations on the balance sheet. The lease agreement required the Company to pay a security deposit of $1.3 million, which is recorded in restricted cash on the Company's balance sheet.

In the first quarter of 2018, the Company subleased its former corporate headquarters at 38 Sidney Street, Cambridge, Massachusetts through October 31, 2020. Subject to the terms of the sublease agreement and the master lease agreement, including a right of recapture by the Company, the sublessee has the option to extend the sublease through October 31, 2022. The sublease includes a total commitment by the sublessee of $8.2 million over the 32 month term of the sublease agreement. During the 32 month term, the Company will be responsible for total rental payments of $6.9 million and an additional $0.7 million in total payments related to the Company's profit on the sublease income which are payable by the Company to the landlord.

On April 28, 2017, the Company entered into a lease agreement for approximately 99,833 rentable square feet of office and laboratory space located at 45 Sidney Street in Cambridge, Massachusetts. The initial term of the lease agreement commenced on October 1, 2017 and will expire on November 30, 2029. The lease agreement also provides the Company with an option to extend the lease agreement for two consecutive five-year periods at the then fair market annual rent, as defined in the lease agreement, as well as a right of first offer with respect to leasing additional space adjacent to the existing leased premises. During the initial term of the lease agreement, the Company has agreed to pay an initial annual base rent of approximately $7.7 million, which rises periodically until it reaches approximately $10.6 million in the last year of the initial term. The Company is recording rent expense on a straight-line basis through the end of the lease term. The Company has recorded deferred rent on the consolidated balance sheet at December 31, 2017 accordingly. The landlord has also agreed to provide the Company with a tenant improvement allowance of approximately $14.2 million for improvements to be made to the premises. The Company accounts for leasehold improvement incentives as a reduction to rent expense ratably over the lease term. The lease agreements required the Company to pay a security deposit of $3.5 million, which is recorded in restricted cash on the Company's balance sheet.

For the three months ended June 30, 2018 and 2017, rent expense was $1.7 million and $1.1 million, respectively. For the six months ended June 30, 2018 and 2017, rent expense was $3.9 million and $1.6 million, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes thereto and management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission, or the SEC, on February 21, 2018. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this Quarterly Report on Form 10-Q, our actual results or timing of certain events could differ materially from the results or timing described in, or implied by, these forward-looking statements.

Overview

We are a biopharmaceutical company focused on developing potentially transformational medicines to improve the lives of patients with genomically defined cancers and rare diseases. Our approach is to leverage our novel target discovery engine to systematically and reproducibly identify kinases that are drivers of diseases in genomically defined patient populations and to craft highly selective and potent drug candidates that may provide significant and durable clinical responses for patients without adequate treatment options. This integrated biology and chemistry approach enables us to identify, characterize and design drug candidates to inhibit novel kinase targets that have been difficult to selectively inhibit. By focusing on diseases in genomically defined patient populations, we believe that we will have a more efficient development path with a greater likelihood of success.

Our most advanced drug candidates are avapritinib, BLU-554 and BLU-667. Our lead drug candidate, avapritinib, is an orally available, potent and highly selective inhibitor that targets KIT and PDGFRα mutations. These mutations abnormally activate receptor tyrosine kinases that are drivers of cancer and proliferative disorders, including gastrointestinal stromal tumors, or GIST, and systemic mastocytosis, or SM. GIST is a rare disease that is a sarcoma, or tumor of bone or connective tissue, of the gastrointestinal tract, or GI tract, and SM is a rare disorder that causes an overproduction of mast cells and the accumulation of mast cells in the bone marrow and other organs, which can lead to a wide range of debilitating symptoms and organ dysfunction and failure. We are currently evaluating avapritinib for the treatment of GIST in an ongoing Phase 1 clinical trial in advanced GIST, which we refer to as our NAVIGATOR trial, and an ongoing global, randomized Phase 3 clinical trial for avapritinib compared to regorafenib in third-line GIST, which we refer to as our VOYAGER trial. We plan to submit a new drug application for avapritinib for the treatment of PDGFRα D842V-driven GIST and fourth-line KIT-driven GIST in the first half of 2019. In addition, we are currently evaluating avapritinib for the treatment of SM in an ongoing Phase 1 clinical trial in advanced SM, which we refer to as our EXPLORER trial, and in the third quarter of 2018, we expect to initiate screening for our registration-enabling Phase 2 clinical trial of avapritinib in advanced SM, which we refer to as our PATHFINDER trial. We anticipate initiating a registration-enabling Phase 2 clinical trial of avapritinib in patients with indolent SM and smoldering SM by the end of 2018, which we refer to as our PIONEER trial.

BLU-554 is an orally available, potent and highly selective inhibitor that targets FGFR4, a kinase that is aberrantly activated in a defined subset of patients with hepatocellular carcinoma, or HCC, the most common type of liver cancer. We are currently evaluating BLU-554 in an ongoing Phase 1 clinical trial in patients with advanced HCC, and we plan to conduct a proof-of-concept clinical trial in China with CStone Pharmaceuticals, or CStone, evaluating BLU-554 in combination with CS1001, a clinical stage anti-programmed death ligand-1 immunotherapy being developed by CStone, as a first-line therapy for the treatment of patients with HCC.

BLU-667 targets RET, a receptor tyrosine kinase that is abnormally activated by mutations or fusions, and RET resistance mutations that we predict will arise from treatment with first generation therapies. RET drives disease in subsets of patients with non-small cell lung cancer, or NSCLC, and cancers of the thyroid, including medullary thyroid carcinoma, or MTC, and papillary thyroid cancer, and our research suggests that RET may drive disease in subsets of patients with colon cancer, breast cancer and other cancers. We are currently evaluating BLU-667 in an ongoing Phase 1 clinical trial in patients with RET-altered NSCLC, MTC and other advanced solid tumors, which we refer to as our ARROW trial.

In addition, in the fourth quarter of 2017, we nominated a development candidate, BLU-782, for our discovery program targeting the kinase ALK2 for the treatment of fibrodysplasia ossificans progressiva, or FOP, a rare genetic disease caused by mutations in the ALK2 gene, ACVR1. We are currently conducting Investigational New Drug, or IND, application enabling studies for BLU-782, and we plan to file an IND for BLU-782 by the end of 2018.

We also plan to continue to leverage our discovery platform to systematically and reproducibly identify kinases that are drivers of diseases in genomically defined patient populations and craft drug candidates that potently and selectively target these kinases. We currently have three wholly-owned discovery programs for undisclosed kinase targets, and we anticipate nominating at least one additional discovery program in 2018.

In addition, we entered into collaborations with F. Hoffmann La Roche Ltd and Hoffmann La Roche Inc., which we collectively refer to as Roche, and CStone in March 2016 and June 2018, respectively. Under our collaboration agreement with Roche, we are seeking to discover, develop and commercialize up to five small molecule therapeutics targeting kinases believed to be important in cancer immunotherapy, as single products or possibly in combination with other therapeutics. Under our collaboration agreement with CStone, we are seeking to develop and commercialize avapritinib, BLU-554 and BLU-667, including back-up forms and certain other forms, in Mainland China, Hong Kong, Macau and Taiwan, or the CStone territory, either as a monotherapy or as part of a combination therapy. We will continue to evaluate additional collaborations that could maximize the value for our programs and allow us to leverage the expertise of strategic collaborators. We are also focused on engaging in collaborations to capitalize on our discovery platform outside of our primary strategic focus area of cancer.

We currently have worldwide development and commercialization rights to avapritinib, BLU-554 and BLU-667 other than the rights licensed to CStone in the CStone territory. We currently have worldwide development and commercialization rights to BLU-782 and all of our discovery programs other than the pre-clinical programs under the Roche collaboration.

In September 2015, the U.S. Food and Drug Administration, or FDA, granted orphan drug designation to BLU-554 for the treatment of HCC, and in January 2016, the FDA granted orphan drug designation to avapritinib for the treatment of GIST and mastocytosis. In October 2016, the FDA granted fast track designation to avapritinib for the treatment of patients with unresectable or metastatic GIST that progressed following treatment with imatinib and a second tyrosine kinase, or TKI, inhibitor and for the treatment of patients with unresectable or metastatic GIST with the PDGFRα D842V mutation regardless of prior therapy. In addition, in June 2017, the FDA granted breakthrough therapy designation to avapritinib for the treatment of patients with unresectable or metastatic GIST harboring the PDGFRα D842V mutation, and in July 2017, the European Commission granted orphan drug designation to avapritinib for the treatment of GIST. In April 2018, the FDA granted orphan drug designation to BLU-667 for the treatment of RET-rearranged NSCLC, JAK1/2-positive NSCLC or TRKC-positive NSCLC.

Since inception, our operations have focused on organizing and staffing our company, business planning, raising capital, establishing our intellectual property, building our discovery platform, including our proprietary compound library and new target discovery engine, identifying kinase drug targets and potential drug candidates, producing drug substance and drug product material for use in pre-clinical studies and clinical trials, conducting pre-clinical studies and commencing clinical development and pre-commercial activities. We do not have any drugs approved for sale and have not generated any revenue from drug sales.

To date, we have financed our operations primarily through public offerings of our common stock, private placements of our convertible preferred stock, collaborations and a debt financing. Through June 30, 2018, we have received an aggregate of $1.1 billion from such transactions, including $887.4 million in aggregate gross proceeds from the sale of common stock in our May 2015 initial public offering, or IPO, and December 2016, April 2017 and December 2017 follow-on public offerings, $115.1 million in gross proceeds from the issuance of convertible preferred stock, $18.8 million in upfront and milestone payments under our former collaboration with Alexion Pharma Holding, or Alexion, $55.0 million in upfront and milestone payments under our existing collaboration with Roche, a $40.0 million upfront payment under our existing collaboration with CStone and $10.0 million in gross proceeds from the debt financing.

Since inception, we have incurred significant operating losses. Our net losses were $83.6 million for the six months ended June 30, 2018 and $148.1 million, $72.5 million and $52.8 million for the years ended December 31,

2017, 2016 and 2015. As of June 30, 2018, we had an accumulated deficit of $444.5 million. We expect to continue to incur significant expenses and operating losses over the next several years. We anticipate that our expenses will increase significantly in connection with our ongoing activities, particularly as we:

- continue to advance and initiate clinical development activities for our lead drug candidate, avapritinib, as well as our other most advanced drug candidates, BLU-554, BLU-667 and BLU-782;
- seek marketing approvals for our drug candidates that successfully complete clinical trials;
- establish a sales, marketing and distribution infrastructure to commercialize any medicines for which we may obtain marketing approval;
- continue to manufacture increasing quantities of drug substance and drug product material for use in pre-clinical studies, clinical trials and for any potential commercialization;
- continue to discover, validate and develop additional drug candidates;
- conduct research and development activities under our collaborations with Roche and CStone;
- conduct development and commercialization activities for companion diagnostic tests, including our companion diagnostic tests for avapritinib in order to identify GIST patients with the PDGFRα D842V mutation, BLU-554 in order to identify HCC patients with FGFR4 pathway activation and BLU-667 in order to identify NSCLC patients with RET fusions;
- maintain, expand and protect our intellectual property portfolio;
- acquire or in-license other drug candidates or technologies;
- hire additional research, clinical, quality, manufacturing, commercial and general and administrative personnel; and
- incur additional costs associated with operating as a public company.

Financial Operations Overview

Revenues

To date, we have not generated any revenue from drug sales and do not expect to generate any revenue from the sale of drugs in the near future. Our revenue consists of collaboration revenue under our former collaboration with Alexion, which was terminated in October 2017, and our existing collaborations with Roche and CStone, including amounts that are recognized related to upfront payments, milestone payments and amounts due to us for research and development services. In the future, revenue may include additional milestone payments and royalties on any net product sales under our collaborations with Roche and CStone. As a result of the termination of our Alexion collaboration, we will not be entitled to receive any future payments from Alexion for any research and development expenses or milestones. We expect that any revenue we generate will fluctuate from quarter to quarter as a result of the timing and amount of license fees, research and development services and related reimbursements, payments for manufacturing services, and milestone and other payments.

In the future, we will seek to generate revenue from a combination of drug sales and additional strategic relationships we may enter into.

Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research and development activities, including our drug discovery efforts, and the development of our drug candidates, which include:

- employee-related expenses including salaries, benefits, and stock-based compensation expense;
- expenses incurred under agreements with third parties that conduct research and development, pre-clinical activities, clinical activities and manufacturing on our behalf;
- expenses incurred under agreements with third parties for the development and commercialization of companion diagnostic tests;
- the cost of consultants;
- the cost of lab supplies and acquiring, developing and manufacturing pre-clinical study materials, clinical trial materials and commercial supply materials; and
- facilities, depreciation, and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance, and other operating costs.

Research and development costs are expensed as incurred. Costs for certain activities are recognized based on an evaluation of the progress to completion of specific tasks. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are capitalized. The capitalized amounts are expensed as the related goods are delivered or the services are performed.

The successful development of our drug candidates is highly uncertain. As such, at this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the remainder of the development of these drug candidates. We are also unable to predict when, if ever, material net cash inflows will commence from our drug candidates. This is due to the numerous risks and uncertainties associated with developing drugs, including the uncertainty of:

- establishing an appropriate safety profile with IND-enabling toxicology studies;
- successful enrollment in, and completion of clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our drug candidates;
- commercializing the drug candidates, if and when approved, whether alone or in collaboration with others; and
- continued acceptable safety profile of the drugs following approval.

A change in the outcome of any of these variables with respect to the development of any of our drug candidates would significantly change the costs and timing associated with the development of that drug candidate.

Research and development activities are central to our business model. Drug candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect research and development costs to increase significantly for the foreseeable future as our drug candidate development programs progress. However, we do not believe that it is possible at this time to accurately project total program-specific expenses through commercialization. There are numerous factors associated with the successful commercialization of any of our drug candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. In addition, future commercial and regulatory factors beyond our control will impact our clinical development programs and plans.

A significant portion of our research and development expenses have been external expenses, which we track on a program-by-program basis following nomination as a development candidate. Our internal research and development expenses are primarily personnel-related expenses, including stock-based compensation expense. Except for internal research and development expenses related to a collaboration agreement, we do not track our internal research and development expenses on a program-by-program basis as they are deployed across multiple projects under development.

The following table summarizes our external research and development expenses by program for the three and six months ended June 30, 2018 and 2017. Other development and pre-development candidate expenses, unallocated expenses and internal research and development expenses have been classified separately.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in thousands)		(in thousands)	
Avapritinib external expenses	$ 21,431	$ 10,342	$ 39,214	$ 16,884
BLU-554 external expenses	2,213	2,862	7,007	7,762
BLU-667 external expenses	8,870	2,541	14,455	4,559
BLU-782 external expenses	2,982	—	4,881	—
Other development and pre-development candidate expenses and unallocated expenses	11,336	10,729	21,068	19,783
Internal research and development expenses	11,741	6,797	21,902	12,770
Total research and development expenses	$ 58,573	$ 33,271	$ 108,527	$ 61,758

We expect that our research and development expenses will increase in future periods as we expand our operations and incur additional costs in connection with our clinical trials. These increases will likely include the costs related to the implementation and expansion of clinical trial sites and related patient enrollment, monitoring, program management and drug product and drug substance manufacturing expenses for current and future clinical trials. In addition, we expect that our research and development expenses will increase in future periods as we incur additional costs in connection with research and development activities under our collaboration with Roche, development activities under our collaboration with CStone and development activities for companion diagnostic tests, including our companion diagnostic tests for avapritinib in order to identify GIST patients with the PDGFRα D842V mutation, BLU-554 in order to identify HCC patients with FGFR4 pathway activation and BLU-667 in order to identify NSCLC patients with RET fusions.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in executive, finance, accounting, commercial, business development, information technology, legal and human resources functions. Other significant costs include facility costs not otherwise included in research and development expenses, pre-commercial development activities, legal fees relating to intellectual property and corporate matters and fees for accounting and consulting services.

We expect that our general and administrative expenses will increase in the future to support continued research and development activities, including as we continue our existing clinical trials and initiate additional clinical trials, as well as pre-commercial development activities and establishing a sales, marketing and distribution infrastructure to commercialize any medicines for which we may obtain marketing approval. These increases will likely include

increased costs related to the hiring of additional personnel, legal, auditing and filing fees and general compliance and consulting expenses, among other expenses. We have incurred and will continue to incur additional costs associated with operating as a public company.

Other Income (Expense), net

Other income (expense), net consists primarily of income earned on cash equivalents and investments.

Interest Expense

Interest expense consists primarily of interest expense on amounts outstanding under a loan and security agreement that we entered into with Silicon Valley Bank in May 2013 and amortization of debt discount.

Critical Accounting Policies and Estimates

Our critical accounting policies are those policies that require the most significant judgments and estimates in the preparation of our financial statements. Management has determined that our most critical accounting policies are those relating to revenue recognition, accrued research and development expenses, available-for-sale investments and stock-based compensation.

For a description of our critical accounting policies, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Operations Overview—Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2017. Other than as described below, there have been no significant changes to our critical accounting policies since December 31, 2017.

Revenue Recognition

Effective January 1, 2018, we adopted Accounting Standards Codification, or ASC, Topic 606, *Revenue from Contracts with Customers*, which we refer to as ASC 606, using the modified retrospective transition method. Under this method, results for reporting periods beginning after January 1, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with ASC Topic 605, *Revenue Recognition*. We only applied the modified retrospective transition method to contracts that were not completed as January 1, 2018, the effective date of adoption for ASC 606. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements and financial instruments. 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 revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. We only apply the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and determine those that are performance obligations, and assess whether each promised good or service is distinct. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

We enter into licensing agreements that are within the scope of ASC 606, under which we may exclusively license rights to research, develop, manufacture and commercialize our product candidates to third parties. The terms of these arrangements typically include payment of one or more of the following: non-refundable, upfront license fees; reimbursement of certain costs; customer option exercise fees; development, regulatory and commercial milestone payments; and royalties on net sales of licensed products.

In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under our agreements, we perform the following 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) we satisfy each performance obligation. As part of the accounting for these arrangements, we must use significant judgment to determine: (a) the number of performance obligations based on the determination under step (ii) above; (b) the transaction price under step (iii) above; and (c) the stand-alone selling price for each performance obligation identified in the contract for the allocation of transaction price in step (iv) above. We use judgment to determine whether milestones or other variable consideration, except for royalties, should be included in the transaction price as described further below. The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis, for which we recognize revenue as or when the performance obligations under the contract are satisfied.

Amounts received prior to revenue recognition are recorded as deferred revenue. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as current portion of deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, net of current portion.

Exclusive Licenses. If the license to our intellectual property is determined to be distinct from the other promises or performance obligations identified in the arrangement, we recognize revenue from non-refundable, upfront fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. In assessing whether a promise or performance obligation is distinct from the other promises, we consider factors such as the research, development, manufacturing and commercialization capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, we consider whether the collaboration partner can benefit from a promise for its intended purpose without the receipt of the remaining promise, whether the value of the promise is dependent on the unsatisfied promise, whether there are other vendors that could provide the remaining promise, and whether it is separately identifiable from the remaining promise. For licenses that are combined with other promises, we utilize judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. We evaluate the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition. The measure of progress, and thereby periods over which revenue should be recognized, are subject to estimates by management and may change over the course of the research and development and licensing agreement. Such a change could have a material impact on the amount of revenue we record in future periods.

Research and Development Services. The promises under our collaboration agreements may include research and development services to be performed by our employees on behalf of the partner. Payments or reimbursements resulting from our research and development efforts are recognized as the services are performed and presented on a gross basis because we are the principal for such efforts. Reimbursements from and payments to the partner that are the result of a collaborative relationship with the partner, instead of a customer relationship, such as co-development activities, are recorded as a reduction to research and development expense.

Customer Options. If an arrangement is determined to contain customer options that allow the customer to acquire additional goods or services, the goods and services underlying the customer options that are not determined to be material rights are not considered to be performance obligations at the outset of the arrangement, as they are contingent upon option exercise. We evaluate the customer options for material rights, or options to acquire additional goods or services for free or at a discount. If the customer options are determined to represent a material right, the material right is recognized as a separate performance obligation at the outset of the arrangement. We allocate the transaction price to material rights based on the relative standalone selling price, which is determined based on the identified discount and the probability that the customer will exercise the option. Amounts allocated to a material right are not recognized as revenue until, at the earliest, the option is exercised.

Milestone Payments. At the inception of each arrangement that includes research or development milestone payments, we evaluate whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within our control or the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. We evaluate factors such as the scientific, clinical, regulatory, commercial, and other risks

that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgment involved in determining whether it is probable that a significant revenue reversal would not occur. At the end of each subsequent reporting period, we reevaluate the probability of achievement of all milestones subject to 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 and earnings in the period of adjustment.

Royalties. For arrangements that include sales-based royalties, including milestone payments based on a level of sales, which are the result of a customer-vendor relationship and for which the license is deemed to be the predominant item to which the royalties relate, we recognize 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, we have not recognized any royalty revenue resulting from any of our licensing arrangements.

Collaborative Arrangements. We analyze our collaboration arrangements to assess whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities and therefore within the scope of ASC 808, *Collaborative Arrangements*, which we refer to as ASC 808. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, we first determine which elements of the collaboration are deemed to be within the scope of ASC 808 and which elements of the collaboration are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently, generally by analogy to ASC 606. Amounts that are owed to collaboration partners are recognized as an offset to collaboration revenues as such amounts are incurred by the collaboration partner. Where amounts owed to a collaboration partner exceed our collaboration revenues in each quarterly period, such amounts are classified as research and development expense. For those elements of the arrangement that are accounted for pursuant to ASC 606, we apply the five-step model described above under ASC 606.

Results of Operations

Comparison of Three Months Ended June 30, 2018 and 2017

The following table summarizes our results of operations for the three months ended June 30, 2018 and 2017, together with the changes in those items in dollars and as a percentage:

	Three Months Ended June 30,			
	2018	2017	Dollar Change	% Change
	(in thousands)			
Collaboration revenue	$ 41,439	$ 5,890	$ 35,549	604 %
Operating expenses:				
Research and development	58,573	33,271	25,302	76
General and administrative	12,333	6,833	5,500	80
Total operating expenses	70,906	40,104	30,802	77
Other income (expense):				
Other income (expense), net	2,442	861	1,581	184
Interest expense	(23)	(59)	36	61
Total other income	2,419	802	1,617	202
Net loss	$ (27,048)	$ (33,412)	$ 6,364	19 %

Collaboration Revenue

Collaboration revenue increased by $35.5 million from $5.9 million for the three months ended June 30, 2017 to $41.4 million for the three months ended June 30, 2018. Collaboration revenue for the three months ended June 30, 2018 was related to the Roche and CStone agreements. Collaboration revenue for the three months ended June 30, 2017 was related to the Alexion and Roche agreements. We recorded collaboration revenue of $1.4 million and $1.4 million under the Roche agreement for the three months ended June 30, 2018 and June 30, 2017, respectively. We entered into the CStone agreement on June 1, 2018 and recorded collaboration revenue of $40.0 million under the CStone agreement

during the three months ended June 30, 2018. Accordingly, we did not record any collaboration revenue during the three months ended June 30, 2017 under the CStone agreement. We recorded collaboration revenue of $4.5 million under the Alexion agreement for the three months ended June 30, 2017. As a result of the termination of the Alexion agreement during 2017, we did not recognize any revenue under the Alexion agreement during the three months ended June 30, 2018. We adopted ASC 606 effective January 1, 2018 under the modified retrospective transition method, which impacts the year-over-year comparability of our collaboration revenue.

Research and Development Expense

Research and development expense increased by $25.3 million from $33.3 million for the three months ended June 30, 2017 to $58.6 million for the three months ended June 30, 2018. The increase in research and development expense was primarily related to the following:

- approximately $11.2 million in increased expenses for external clinical activities as we advanced our lead drug candidates, avapritinib, BLU-554 and BLU-667, further through clinical trials;
- approximately $6.9 million in increased personnel expense, including an increase of $2.8 million in stock-based compensation expense, primarily due to a 33% increase in headcount driven by growth in the clinical and manufacturing organizations; and
- approximately $5.8 million in increased expenses associated with clinical and commercial manufacturing activities.

General and Administrative Expense

General and administrative expense increased by $5.5 million from $6.8 million for the three months ended June 30, 2017 to $12.3 million for the three months ended June 30, 2018. The increase in general and administrative expense was primarily related to the following:

- approximately $3.0 million in increased personnel expenses, including an increase in stock-based compensation expense of $2.0 million, due to an increase of 50% in general and administrative headcount to support our overall growth as a publicly traded company; and
- approximately $1.9 million in increased professional fees, including pre-commercial planning activities.

Other Income, Net

Other income, net, increased by $1.5 million from $0.9 million of income for the three months ended June 30, 2017 to $2.4 million of income for the three months ended June 30, 2018. The increase in other income, net, was primarily related to an increase in investment income due to higher average investment balances and a higher rate of return on investments during the three months ended June 30, 2018.

Interest Expense

Interest expense decreased by less than $0.1 million from $0.1 million for the three months ended June 30, 2017 to less than $0.1 million for the three months ended June 30, 2018. The decrease was primarily related to a decrease in the average outstanding principle balance under the loan and security agreement with Silicon Valley Bank for the three months ended June 30, 2018. We expect that interest expense will continue to decrease in subsequent periods as the principal amount under the loan decreases.

Comparison of Six Months Ended June 30, 2018 and 2017

The following table summarizes our results of operations for the six months ended June 30, 2018 and 2017, together with the changes in those items in dollars and as a percentage:

	Six Months Ended June 30,			
	2018	2017	Dollar Change	% Change
	(in thousands)			
Collaboration revenue	$ 42,393	$ 11,730	$ 30,663	261 %
Operating expenses:				
Research and development	108,527	61,758	46,769	76
General and administrative	22,244	12,516	9,728	78
Total operating expenses	130,771	74,274	56,497	76
Other income (expense):				
Other income (expense), net	4,836	1,286	3,550	276
Interest expense	(55)	(131)	76	58
Total other income	4,781	1,155	3,626	(314)
Net loss	$ (83,597)	$ (61,389)	$ (22,208)	(36)%

Collaboration Revenue

Collaboration revenue increased by $30.7 million from $11.7 million for the six months ended June 30, 2017 to $42.4 million for the six months ended June 30, 2018. Collaboration revenue for the six months ended June 30, 2018 was related to the Roche and CStone agreements. Collaboration revenue for the six months ended June 30, 2017 was related to the Alexion and Roche agreements. We recorded collaboration revenue of $2.4 million and $2.8 million under the Roche agreement for the six months ended June 30, 2018 and June 30, 2017, respectively. We entered into the CStone agreement on June 1, 2018 and recorded collaboration revenue of $40.0 million under the CStone agreement during the six months ended June 30, 2018. Accordingly, we did not record any collaboration revenue during the six months ended June 30, 2017 under the CStone agreement. We recorded collaboration revenue of $8.9 million under the Alexion agreement for the six months ended June 30, 2017. As a result of the termination of the Alexion agreement during 2017, we did not recognize any revenue under the Alexion agreement during the six months ended June 30, 2018. We adopted ASC 606 effective January 1, 2018 under the modified retrospective transition method, which impacts the year-over-year comparability of our collaboration revenue.

Research and Development Expense

Research and development expense increased by $46.7 million from $61.8 million for the six months ended June 30, 2017 to $108.5 million for the six months ended June 30, 2018. The increase in research and development expense was primarily related to the following:

- approximately $21.9 million in increased expenses for external clinical activities as we advanced our lead drug candidates, avapritinib, BLU-554 and BLU-667, further through clinical trials;
- approximately $13.8 million in increased personnel expense, including an increase of $4.7 million in stock-based compensation expense, primarily due to a 35% increase in headcount driven by growth in the clinical and manufacturing organizations; and
- approximately $9.1 million in increased expenses associated with clinical and commercial manufacturing activities.

General and Administrative Expense

General and administrative expense increased by $9.7 million from $12.5 million for the six months ended June 30, 2017 to $22.2 million for the six months ended June 30, 2018. The increase in general and administrative expense was primarily related to the following:

- approximately $5.3 million in increased personnel expenses, including an increase in stock-based compensation expense of $3.4 million, due to an increase of 47% in general and administrative headcount to support our overall growth as a publicly traded company; and
- approximately $3.5 million in increased professional fees, including pre-commercial planning activities.

Other Income, Net

Other income, net, increased by $3.5 million from $1.3 million of income for the six months ended June 30 2017 to $4.8 million of income for the six months ended June 30, 2018. The increase in other income, net, was primarily related to an increase in investment income due to higher average investment balances and a higher rate of return on investments during the six months ended June 30, 2018.

Interest Expense

Interest expense decreased by less than $0.1 million from $0.1 million for the six months ended June 30, 2017 to less than $0.1 million for the six months ended June 30, 2018. The decrease was primarily related to a decrease in the average outstanding principle balance under the loan and security agreement with Silicon Valley Bank for the six months ended June 30, 2018. We expect that interest expense will continue to decrease in subsequent periods as the principal amount under the loan decreases.

Liquidity and Capital Resources

Sources of Liquidity

To date, we have financed our operations primarily through public offerings of our common stock, private placements of our convertible preferred stock, collaborations and a debt financing.

Through June 30, 2018, we have received an aggregate of $1.1 billion from such transactions, including $887.4 million in aggregate gross proceeds from the sale of common stock in our May 2015 IPO and December 2016, April 2017 and December 2017 follow-on public offerings, $115.1 million in gross proceeds from the issuance of convertible preferred stock, $18.8 million in upfront and milestone payments under our former collaboration with Alexion, $55.0 million in upfront and milestone payments under our existing collaboration with Roche, a $40.0 million upfront payment under our existing collaboration with CStone and $10.0 million in gross proceeds from the debt financing. As a result of the termination of the Alexion agreement, which was effective in October 2017, we will not be entitled to receive payment from Alexion for any additional milestones.

As of June 30, 2018, we had cash, cash equivalents and investments of $616.7 million.

Cash Flows

The following table provides information regarding our cash flows for the six months ended June 30, 2018 and 2017:

	Six Months Ended June 30,	
(in thousands)	**2018**	**2017**
Net cash used in operating activities	$ (52,422)	$ (58,597)
Net cash used in investing activities	(233,919)	(114,349)
Net cash provided by financing activities	3,577	215,723
Net (decrease) increase in cash and cash equivalents	$ (282,764)	$ 42,777

Net Cash Used in Operating Activities. Net cash used in operating activities was $52.4 million during the six months ended June 30, 2018 compared to net cash used in operating activities of $58.6 million during the six months ended June 30, 2017. The decrease in net cash used in operating activities was primarily due to a $40.0 million upfront payment received under the CStone agreement and a $10.0 milestone payment received under the Roche agreement during the six months ended June 30, 2018. We did not receive any upfront payments or milestones during the six months ended June 30, 2017. The decrease in net cash used in operating activities was partially offset by an increase in operating expenses during the six months ended June 30, 2018 as compared to the six months ended June 30, 2017.

Net Cash Used in Investing Activities. Net cash used in investing activities was $233.9 million during the six months ended June 30, 2018 compared to net cash used in investing activities of $114.3 million during the six months ended June 30, 2017. Net cash used in investing activities for the six months ended June 30, 2018 consisted primarily of purchases of investments, offset by maturities. We classify these investments as available-for-sale and record them at fair value in the accompanying consolidated balance sheets. Net cash used in investing activities during the six months ended June 30, 2018 also consisted of purchases of property and equipment, mainly related to the relocation of our headquarters. Net cash used in investing activities for the six months ended June 30, 2017 consisted primarily of purchases of investments offset by maturities of investments.

Net Cash Provided by Financing Activities. Net cash provided by financing activities was $3.6 million during the six months ended June, 2018 compared to net cash provided by financing activities of $215.7 million during the six months ended June 30, 2017. Net cash provided by financing activities for the six months ended June 30, 2018 was primarily due to $4.7 million in proceeds from the issuance of common stock, partially offset by $0.8 million of principal payments on the term loan payable. Net cash provided by financing activities for the six months ended June 30, 2017 was primarily due to $216.2 million in gross proceeds from our April 2017 follow-on underwritten public offering, after deducting underwriting discounts and commissions and offering expenses paid by us.

Borrowings

In May 2013, we entered into the loan and security agreement with Silicon Valley Bank. Under the terms of the loan and security agreement, we borrowed $5.0 million. Loan advances under the loan and security agreement accrue interest at a fixed rate of 2.0% above the prime rate. In November 2014, we amended the loan and security agreement and borrowed an additional $5.0 million. Each loan advance included an interest-only payment period. Through June 30, 2018, we have made principal payments of $9.2 million on the $10.0 million of advances. We are required to pay a fee of 4% of the total loan advances at the end of the term of the loan. There are no financial covenants associated with the loan and security agreement. As of June 30, 2018, we had $0.7 million in outstanding principal under the loan and security agreement.

The term loan is collateralized by a blanket lien on all corporate assets, excluding intellectual property, and by a negative pledge of our intellectual property. The term loan contains covenants, including restrictions on dividends and default provisions. We have determined that the risk of subjective acceleration under the material adverse events clause is remote and therefore have classified the outstanding principal in current and long-term liabilities based on scheduled principal payments.

See Note 7, “Term Loan,” in the accompanying notes to our unaudited consolidated financial statements for additional information.

Funding Requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development of, continue and initiate clinical trials of, and seek marketing approval for, our drug candidates. In addition, if we obtain marketing approval for any of our drug candidates, we expect to incur significant commercialization expenses related to drug sales, marketing, manufacturing and distribution to the extent that such sales, marketing and distribution are not the responsibility of potential collaborators. Furthermore, we expect to continue to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

As of June 30, 2018, we had cash, cash equivalents and investments of $616.7 million. Based on our current plans, we believe our existing cash, cash equivalents and investments, excluding any potential option fees and milestone payments under our existing collaborations with Roche and CStone, will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the second half of 2020. Our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of drug discovery, pre-clinical development, laboratory testing and clinical trials for our drug candidates;
- the costs of securing and producing drug substance and drug product material for use in pre-clinical studies, clinical trials and for use as commercial supply;
- the scope, prioritization and number of our research and development programs;
- the success of our collaborations with Roche and CStone;
- the success of our current or future collaborations for companion diagnostic tests, including our companion diagnostic tests for avapritinib in order to identify GIST patients with the PDGFRα D842V mutation, BLU-554 in order to identify HCC patients with FGFR4 pathway activation and BLU-667 in order to identify NSCLC patients with RET fusions;
- the costs, timing and outcome of regulatory review of our drug candidates;
- our ability to establish and maintain additional collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under our collaboration agreements with Roche and CStone or any collaboration agreements that we may enter into in the future;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under future collaboration agreements, if any;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other drug candidates and technologies;
- the costs of securing manufacturing arrangements for development activities and commercial production;
- the costs of establishing operations outside the United States; and
- the costs of establishing or contracting for sales, marketing and distribution capabilities if we obtain regulatory approvals to market our drug candidates.

Identifying potential drug candidates and conducting pre-clinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve drug sales. In addition, our drug candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

Until such time, if ever, as we can generate substantial drug revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. At this time, we do not have any committed external source of funds other than potential funds to be earned under our collaborations with Roche and CStone. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt

financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or drug candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our drug development or future commercialization efforts or grant rights to develop and market drug candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations

As of June 30, 2018, there have been no material changes to our contractual obligations and commitments from those described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Annual Report on Form 10-K for the year ended December 31, 2017.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under applicable SEC rules.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of June 30, 2018, we had cash, cash equivalents and investments of $616.7 million, consisting primarily of money market funds and investments in U.S. treasury obligations and U.S government agency securities.

Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments are in marketable securities. Due to the short-term duration of our investment portfolio and the low risk profile of our investments, we believe an immediate 10% change in interest rates would not have a material effect on the fair market value of our investment portfolio. We have the ability to hold our investments until maturity, and therefore, we would not expect our operating results or cash flows to be affected to any significant degree by the effect of a change in market interest rates on our investment portfolio.

We are also exposed to market risk related to changes in foreign currency exchange rates. From time to time, we contract with vendors that are located in Asia and Europe, which are denominated in foreign currencies. We are subject to fluctuations in foreign currency rates in connection with these agreements. We do not currently hedge our foreign currency exchange rate risk. As of June 30, 2018 and December 31, 2017, we had minimal liabilities denominated in foreign currencies.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the three or six months ended June 30, 2018 and 2017.

Item 4. Controls and Procedures

Management's Evaluation of our Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible

controls and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their control objectives.

Our management, with the participation of our Chief Executive Officer and Vice President of Finance (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2018. Based upon such evaluation, our Chief Executive Officer and Vice President of Finance have concluded that, as of June 30, 2018, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter covered by this report that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to any material legal proceedings.

Item 1A. Risk Factors

The following risk factors and other information included in this Quarterly Report on Form 10-Q should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. Please see page 3 of this Quarterly Report on Form 10-Q for a discussion of some of the forward-looking statements that are qualified by these risk factors. If any of the following risks occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected.

Risks Related to Our Financial Position and Need for Additional Capital

We are a biopharmaceutical company with a limited operating history and have not generated any revenue from drug sales. We have incurred significant operating losses since our inception and anticipate that we will incur continued losses for the foreseeable future.

We are a biopharmaceutical company with a limited operating history on which investors can base an investment decision. Biopharmaceutical drug development is a highly speculative undertaking and involves a substantial degree of risk. We commenced operations in April 2011. Our operations to date have been limited primarily to organizing and staffing our company, business planning, raising capital, developing our technology, identifying potential drug candidates and undertaking pre-clinical studies and commencing Phase 1 clinical trials and preparing for additional planned clinical trials for our most advanced drug candidates, avapritinib, BLU-554 and BLU-667.

We are currently evaluating avapritinib for the treatment of gastrointestinal stromal tumors, or GIST, in an ongoing Phase 1 clinical trial in advanced GIST, which we refer to as our NAVIGATOR trial, and an ongoing global, randomized Phase 3 clinical trial for avapritinib compared to regorafenib in third-line GIST, which we refer to as our VOYAGER trial. In addition, we are currently evaluating avapritinib for the treatment of systemic mastocytosis, or SM, in an ongoing Phase 1 clinical trial for advanced SM, which we refer to as our EXPLORER trial, and in the third quarter of 2018, we expect to initiate screening for our registration-enabling Phase 2 clinical trial of avapritinib in advanced SM, which we refer to as our PATHFINDER trial. In addition, we anticipate initiating a registration-enabling Phase 2 clinical trial of avapritinib in patients with indolent SM and smoldering SM by the end of 2018, which we refer to as our PIONEER trial. We are currently evaluating BLU-554 in an ongoing Phase 1 clinical trial in patients with advanced hepatocellular carcinoma, or HCC, and BLU-667 in an ongoing Phase 1 clinical trial in patients with non-small cell lung cancer, or NSCLC, medullary thyroid cancer, or MTC, and other advanced solid tumors, which we refer to as our ARROW trial.

In September 2015, the U.S. Food and Drug Administration, or FDA, granted orphan drug designation to BLU-554 for the treatment of HCC, and in January 2016, the FDA granted orphan drug designation to avapritinib for the treatment of GIST and mastocytosis. In October 2016, the FDA granted fast track designation to avapritinib for the treatment of patients with unresectable or metastatic GIST that progressed following treatment with imatinib and a second tyrosine kinase inhibitor and for the treatment of patients with unresectable or metastatic GIST with the PDGFRα D842V mutation regardless of prior therapy. In addition, in June 2017, the FDA granted breakthrough therapy designation to avapritinib for the treatment of patients with unresectable or metastatic GIST harboring the PDGFRα D842V mutation, and in July 2017, the European Medicines Agency granted orphan drug designation to avapritinib for the treatment of GIST. In April 2018, the FDA granted orphan drug designation to BLU-667 for the treatment of RET-rearranged NSCLC, JAK1/2-positive NSCLC or TRKC-positive NSCLC. We have never generated any revenue from drug sales. We have not obtained regulatory approvals for any of our drug candidates.

We have not yet demonstrated our ability to successfully complete any clinical trials, including large-scale, pivotal clinical trials, obtain regulatory approvals, manufacture a commercial scale drug, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful commercialization. Typically, it

takes many years to develop one new drug from the time it is discovered to when it is available for treating patients. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will need to transition from a company with a research focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

Since inception, we have focused substantially all of our efforts and financial resources on organizing and staffing our company, business planning, raising capital, establishing our intellectual property, building our discovery platform, including our proprietary compound library and new target discovery engine, identifying kinase drug targets and potential drug candidates, producing drug substance and drug product material for use in pre-clinical studies and clinical trials, conducting pre-clinical studies and commencing clinical development and pre-commercial activities. To date, we have financed our operations primarily through public offerings of our common stock, private placements of our convertible preferred stock, collaborations and a debt financing. Through June 30, 2018, we have received an aggregate of $1.1 billion from such transactions, including $887.4 million in aggregate gross proceeds from the sale of common stock in our May 2015 initial public offering, or IPO, and December 2016, April 2017 and December 2017 follow-on public offerings, $115.1 million in gross proceeds from the issuance of convertible preferred stock, $18.8 million in upfront and milestone payments under our former collaboration with Alexion Pharma Holding, or Alexion, $55.0 million in upfront and milestone payments under our existing collaboration with F. Hoffmann-La Roche Ltd and Hoffmann-La Roche Inc., which we refer to collectively as Roche, a $40.0 million upfront payment under our existing collaboration with CStone Pharmaceuticals, or CStone, and $10.0 million in gross proceeds from the debt financing.

Since inception, we have incurred significant operating losses. Our net losses were $83.6 million for the six months ended June 30, 2018 and $148.1 million, $72.5 million and $52.8 million for the years ended December 31, 2017, 2016 and 2015, respectively. As of June 30, 2018, we had an accumulated deficit of $444.5 million. Substantially all of our operating 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 operating losses over the next several years and for the foreseeable future. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our stockholders' deficit and working capital. We expect our research and development expenses to significantly increase in connection with continuing our existing clinical trials and beginning additional clinical trials. In addition, if we obtain marketing approval for our drug candidates, we will incur significant sales, marketing and outsourced-manufacturing expenses. We have incurred and will continue to incur additional costs associated with operating as a public company. As a result, we expect to continue to incur significant and increasing operating losses for the foreseeable future. Because of the numerous risks and uncertainties associated with developing pharmaceuticals, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Even if we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis. Our ability to become profitable depends upon our ability to generate revenue.

To date, we have not generated any revenue from our most advanced drug candidates, avapritinib, BLU-554 and BLU-667, and we do not expect to generate any revenue from the sale of drugs in the near future. We do not expect to generate significant revenue unless and until we obtain marketing approval of, and begin to sell, avapritinib, BLU-554, BLU-667 or one of our other drug candidates. Our ability to generate revenue depends on a number of factors, including, but not limited to, our ability to:

- initiate and successfully complete clinical trials that meet their clinical endpoints;
- initiate and successfully complete all safety studies required to obtain U.S. and foreign marketing approval for our drug candidates;
- establish commercial manufacturing capabilities or make arrangements with third-party manufacturers for clinical supply and commercial manufacturing;
- commercialize our drug candidates, if approved, by developing a sales force or entering into additional collaborations with third parties; and

- achieve market acceptance of our drug candidates in the medical community and with third-party payors.

We expect to incur significant sales and marketing costs as we prepare to commercialize our drug candidates. Even if we initiate and successfully complete pivotal clinical trials of our drug candidates, and our drug candidates are approved for commercial sale, and despite expending these costs, our drug candidates may not be commercially successful. We may not achieve profitability soon after generating drug sales, if ever. If we are unable to generate drug revenue, we will not become profitable and may be unable to continue operations without continued funding.

We may need to raise substantial additional funding. If we are unable to raise capital when needed, we would be forced to delay, reduce or eliminate some of our drug development programs or commercialization efforts.

The development of pharmaceuticals is capital-intensive. We are currently advancing our most advanced drug candidates, avapritinib, BLU-554 and BLU-667, through clinical development. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development of, initiate or continue clinical trials of, and seek marketing approval for, our drug candidates. In addition, depending on the status of regulatory approval or, if we obtain marketing approval for any of our drug candidates, we expect to incur significant commercialization expenses related to drug sales, marketing, manufacturing and distribution to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of Roche, CStone or other collaborators. We may also need to raise additional funds sooner if we choose to pursue additional indications or geographies for our drug candidates or otherwise expand more rapidly than we presently anticipate. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate certain of our research and development programs or future commercialization efforts.

As of June 30, 2018, we had cash, cash equivalents and investments of $616.7 million. Based on our current plans, we believe our existing cash, cash equivalents and investments, excluding any potential option fees and milestone payments under our existing collaborations with Roche and CStone, will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the second half of 2020. Our future capital requirements will depend on and could increase significantly as a result of many factors, including:

- the scope, progress, results and costs of drug discovery, pre-clinical development, laboratory testing and clinical trials for our drug candidates;
- the costs of securing and producing drug substance and drug product material for use in pre-clinical studies, clinical trials and for use as commercial supply;
- the scope, prioritization and number of our research and development programs;
- the success of our collaborations with Roche and CStone;
- the success of our current or future collaborations for companion diagnostic tests, including our companion diagnostic tests for avapritinib in order to identify GIST patients with the PDGFRα D842V mutation, BLU-554 in order to identify HCC patients with FGFR4 pathway activation and BLU-667 in order to identify NSCLC patients with RET fusions;
- the costs, timing and outcome of regulatory review of our drug candidates;
- our ability to establish and maintain additional collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under our collaboration agreements with Roche or CStone or any collaboration agreements that we may enter into in the future;

- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under future collaboration agreements, if any;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other drug candidates and technologies;
- the costs of securing manufacturing arrangements for development activities and commercial production;
- the costs of establishing operations outside the United States; and
- the costs of establishing or contracting for sales, marketing and distribution capabilities if we obtain regulatory approvals to market our drug candidates.

Identifying potential drug candidates and conducting pre-clinical development and testing and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve drug sales. In addition, our drug candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our drug candidates. Dislocations in the financial markets have generally made equity and debt financing more difficult to obtain and may have a material adverse effect on our ability to meet our fundraising needs. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities would dilute all of our stockholders. The incurrence of indebtedness would result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborators or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or drug candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any drug candidate or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or drug candidates.

Until such time, if ever, as we can generate substantial drug revenues, we expect to finance our cash needs through a combination of public and private equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. We do not have any committed external source of funds, other than our collaborations with Roche and CStone, which are limited in scope and duration and subject to the achievement of milestones or royalties on sales of licensed products, if any, and funds already borrowed under the loan and security agreement that we entered into with Silicon Valley Bank in May 2013. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that materially adversely affect the rights of our common stockholders. Debt financing, if available, would increase our fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our intellectual property, future revenue streams, research programs or drug candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our drug development or future commercialization efforts or grant rights to develop and market drug candidates that we would otherwise prefer to develop and market ourselves.

Risks Related to Drug Development and Regulatory Approval

We are very early in our development efforts with only three drug candidates in clinical development: avapritinib, BLU-554 and BLU-667. All of our other drug candidates are currently in pre-clinical or earlier stages of development. If we are unable to advance our other drug candidates to clinical development, obtain regulatory approval for our most advanced drug candidates or other drug candidates and ultimately commercialize our most advanced drug candidates or other drug candidates, or experience significant delays in doing so, our business will be materially harmed.

We are very early in our development efforts with only three drug candidates in clinical development: avapritinib, BLU-554 and BLU-667. All of our other drug candidates are currently in pre-clinical or earlier stages of development. We have invested substantially all of our efforts and financial resources in the identification and pre-clinical development of kinase inhibitors, including the development of our drug candidates avapritinib, BLU-554 and BLU-667. Our ability to generate drug revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of our drug candidates, which may never occur. We currently generate no revenues from sales of any drugs, and we may never be able to develop or commercialize a marketable drug. Each of our drug candidates will require additional pre-clinical or clinical development, management of clinical, pre-clinical and manufacturing activities, regulatory approval in multiple jurisdictions, obtaining manufacturing supply, building of a commercial organization, substantial investment and significant marketing efforts before we generate any revenues from drug sales. In addition, for some of our drug candidates, in order to select patients most likely to respond to treatment and rapidly confirm mechanistic and clinical proof-of-concept, we may seek to develop companion diagnostic tests, which are assays or tests to identify an appropriate patient population. For example, we have entered into agreements with third parties to develop and commercialize companion diagnostics for avapritinib in order to identify GIST patients with the PDGFRα D842V mutation, BLU-554 in order to identify HCC patients with FGFR4 pathway activation and BLU-667 in order to identify NSCLC patients with RET fusions. Companion diagnostic tests are subject to regulation as medical devices and must themselves be approved for marketing by the FDA or certain other foreign regulatory agencies before we may commercialize our drug candidates. The success of our most advanced drug candidates and other drug candidates will depend on several factors, including the following:

- successful enrollment in, and completion of, clinical trials, including our current clinical trials for avapritinib, BLU-554 and BLU-667;
- successful completion of pre-clinical studies for our other drug candidates;
- approval of Investigational New Drug applications for future clinical trials for our other drug candidates;
- successful development of any companion diagnostic tests for use with our drug candidates, including the development of a companion diagnostic test for avapritinib in order to identify GIST patients with the PDGFRα D842V mutation, BLU-554 in order to identify HCC patients with FGFR4 pathway activation and BLU-667 in order to identify NSCLC patients with RET fusions;
- receipt of regulatory approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers for clinical supply and commercial manufacturing;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our drug candidates;

- launching commercial sales of our drug candidates, if and when approved, whether alone or in collaboration with others;
- acceptance of the drug candidates, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement;
- enforcing and defending intellectual property rights and claims; and
- maintaining a continued acceptable safety profile of the drug candidates following approval.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our drug candidates, which would materially harm our business. If we do not receive regulatory approvals for our drug candidates, we may not be able to continue our operations.

Our approach to the discovery and development of drug candidates that inhibit kinases is unproven, and we do not know whether we will be able to develop any drugs of commercial value.

Our scientific approach focuses on using our novel target discovery engine and our proprietary compound library to identify new kinase targets in disease indications. Our focus on using our novel target discovery engine to identify potential kinase targets in disease indications may not result in the discovery and development of commercially viable drugs for these diseases. The use of our proprietary compound library may not lead to the development of commercially viable drugs. Even if we are able to develop a drug candidate that successfully targets these kinases in pre-clinical studies, we may not succeed in demonstrating safety and efficacy of the drug candidate in clinical trials.

Clinical drug development involves a lengthy and expensive process, with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.

Our drug candidates avapritinib, BLU-554 and BLU-667 are in clinical development, and all of our other drug candidates, including BLU-782, are in pre-clinical development. The risk of failure for our drug candidates is high. It is impossible to predict when or if any of our drug candidates will prove effective and safe in humans or will receive regulatory approval. Before obtaining marketing approval from regulatory authorities for the sale of any drug candidate, we must complete pre-clinical studies and then conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of pre-clinical development testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Moreover, pre-clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their drug candidates performed satisfactorily in pre-clinical studies and clinical trials have nonetheless failed to obtain marketing approval of their drug candidates. Our pre-clinical studies, current Phase 1 clinical trials and future clinical trials may not be successful.

We are currently evaluating avapritinib for the treatment of GIST in our ongoing Phase 1 NAVIGATOR clinical trial in advanced GIST and our ongoing global, randomized Phase 3 VOYAGER clinical trial for avapritinib compared to regorafenib in third-line GIST. In addition, we are currently evaluating avapritinib for the treatment of SM, in our ongoing Phase 1 EXPLORER clinical trial for advanced SM, and in the third quarter of 2018, we expect to initiate screening for our registration-enabling Phase 2 PATHFINDER clinical trial of avapritinib in advanced SM. In addition, we anticipate initiating our registration-enabling Phase 2 PIONEER clinical trial of avapritinib in patients with indolent SM and smoldering SM by the end of 2018. We are currently evaluating BLU-554 in our ongoing Phase 1 clinical trial in patients with advanced HCC and BLU-667 in our ongoing Phase 1 ARROW clinical trial in patients with NSCLC, MTC and other advanced solid tumors.

Successful completion of our clinical trials is a prerequisite to submitting a new drug application, or NDA, to the FDA and a Marketing Authorization Application, or MAA, in the European Union for each drug candidate and, consequently, the ultimate approval and commercial marketing of avapritinib, BLU-554, BLU-667 and our other drug candidates. We do not know whether any of our clinical trials for our drug candidates will be completed on schedule, if at all.

We may experience delays in completing our pre-clinical studies and initiating or completing clinical trials, and we may experience numerous unforeseen events during, or as a result of, any current or future clinical trials that we could conduct that could delay or prevent our ability to receive marketing approval or commercialize our drug candidates, including:

- regulators or institutional review boards, 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 terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional pre-clinical studies or clinical trials or we may decide to abandon drug development programs;
- patients treated with our drug candidates may develop mutations that confer resistance to treatment, which may limit the market opportunity for our drug candidates or prevent us from completing our clinical trials, obtaining regulatory approval for or commercializing our drug candidates;
- the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, 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;
- we may elect to, or regulators or IRBs or ethics committees may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our drug candidates may be greater than we anticipate;
- the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate;
- our drug candidates may have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators or IRBs or ethics committees to suspend or terminate the trials, or reports may arise from pre-clinical or clinical testing of other cancer therapies that raise safety or efficacy concerns about our drug candidates; and
- the FDA or other regulatory authorities may require us to submit additional data or impose other requirements before permitting us to initiate a clinical trial.

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, 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 drug, 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 regulatory approval of our drug candidates. Further, the FDA may disagree with our clinical trial design and our interpretation of data from clinical trials, or the FDA may change the requirements for approval even after it has reviewed and commented on the design for our clinical trials.

If we are required to conduct additional clinical trials or other testing of our drug candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our drug candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval for our drug candidates;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- be subject to post-marketing testing requirements; or
- have the drug removed from the market after obtaining marketing approval.

Our drug development costs will also increase if we experience delays in testing or regulatory approvals. We do not know whether any of our clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant pre-clinical study or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our drug candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our drug candidates and may harm our business and results of operations. Any delays in our pre-clinical or future clinical development programs may harm our business, financial condition and prospects significantly.

We may choose not to develop a potential drug candidate, or we may suspend, deprioritize or terminate one or more discovery programs or pre-clinical drug candidates or programs.

At any time and for any reason, we may determine that one or more of our discovery programs or pre-clinical drug candidates or programs does not have sufficient potential to warrant the allocation of resources toward such program or drug candidate. Accordingly, we may choose not to develop a potential drug candidate or elect to suspend, deprioritize or terminate one or more of our discovery programs or pre-clinical drug candidates or programs. For example, we have previously determined to suspend our discovery program for inhibitors of neurotrophic tyrosine receptor kinase, or NTRK, and predicted NTRK resistant mutants, and to deprioritize our discovery program targeting protein kinase cAMP-activated catalytic subunit alpha fusions for the treatment of fibrolamellar carcinoma. If we suspend, deprioritize or terminate a program or drug candidate in which we have invested significant resources, we will have expended resources on a program that will not provide a full return on our investment and may have missed the opportunity to have allocated those resources to potentially more productive uses, including existing or future programs or drug candidates.

If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

We may not be able to initiate or continue clinical trials for our drug 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 particular, because we are focused on diseases in genomically defined patient populations, our ability to enroll eligible patients may be limited or may result in slower enrollment than we anticipate. In addition, some of our competitors have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' drug candidates.

Patient enrollment may be affected by other factors including:

- the severity of the disease under investigation;
- the size of the target patient population;
- the eligibility criteria for the clinical trial;
- the availability of an appropriate genomic screening test;
- the perceived risks and benefits of the drug candidate under study;
- the efforts to facilitate timely enrollment in clinical trials;
- the patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- the proximity and availability of clinical trial sites for prospective patients.

Because the target patient populations for our drug candidates are relatively small, it may be difficult to successfully identify patients, could delay enrollment for our trials. If the market opportunities for our drug candidates are smaller than we believe they are, our product revenues may be adversely affected, and our business may suffer.

We focus our research and product development on treatments for cancer and rare genetic diseases, including genomically defined cancer and diseases driven by abnormal kinase activation. Because the target patient populations for our drug candidates are relatively small, it may be difficult to successfully identify patients. We have entered into agreements with third parties to develop a companion diagnostic test for avapritinib in order to identify GIST patients with the PDGFRα D842V mutation, BLU-554 in order to identify HCC patients with FGFR4 pathway activation and BLU-667 in order to identify NSCLC patients with RET fusions. We may engage third parties to develop companion diagnostic tests for use in some of our other current or future clinical trials. However, third parties may not be successful in developing such companion diagnostic tests, furthering the difficulty in identifying patients for our clinical trials.

Our inability to enroll a sufficient number of patients in our clinical trials would result in significant delays and could require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our drug candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing. If we are unable to include patients with the driver of the disease, including the applicable genomic alteration for diseases in genomically defined patient populations, this could compromise our ability to seek participation in the FDA's expedited review and approval programs, including breakthrough therapy designation and fast track designation, or otherwise to seek to accelerate clinical development and regulatory timelines. In addition, our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our drug candidates, are based on estimates. These estimates may prove to be incorrect, and new studies may reduce the estimated incidence or prevalence of these diseases. The number of patients in the United States, European Union and elsewhere may turn out to be lower than expected, may not be otherwise amenable to treatment with our drug candidates or patients may become increasingly difficult to identify and access, all of which would adversely affect our business, prospects and ability to achieve or sustain profitability.

If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals both for our drug candidates and for any related companion diagnostic tests, we will not be able to commercialize, or will be delayed in commercializing, our drug candidates, and our ability to generate revenue will be materially impaired.

Our drug candidates and any related companion diagnostic tests, including the companion diagnostic tests that we are developing for avapritinib in order to identify GIST patients with the PDGFRα D842V mutation, BLU-554 in order to identify HCC patients with FGFR4 pathway activation and BLU-667 in order to identify NSCLC patients with RET fusions, and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, distribution,

import and export, are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by comparable authorities in other countries. Before we can commercialize any of our drug candidates, we must obtain marketing approval. We may also need marketing approval for any related companion diagnostic tests, including the companion diagnostic tests that we are developing for avapritinib, BLU-554 and BLU-667. We have not received approval to market any of our drug candidates or related companion diagnostic tests from regulatory authorities in any jurisdiction, and it is possible that none of our current or future drug candidates or related companion diagnostic tests will ever obtain regulatory approval. We have only limited experience in filing and supporting the applications necessary to gain regulatory approvals and expect to rely on third-party CROs and/or regulatory consultants to assist us in this process. Securing regulatory approval requires the submission of extensive pre-clinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the drug candidate's safety and efficacy. Securing regulatory approval also requires the submission of information about the drug manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Our drug candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use.

The process of obtaining regulatory approvals, if approval is obtained at all, both in the United States and abroad is expensive, may take many years if additional clinical trials are required and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the drug candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted NDA for a drug candidate, Pre-Market Approval, or PMA, application for a companion diagnostic test or equivalent application types, may cause delays in the approval or rejection of an application. The FDA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional pre-clinical, clinical or other studies. Our drug candidates could be delayed in receiving, or fail to receive, regulatory approval for many reasons, including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a drug candidate is safe and effective for its proposed indication or a related companion diagnostic test is suitable to identify appropriate patient populations;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a drug candidate's clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from pre-clinical studies or clinical trials;
- the data collected from clinical trials of our drug candidates may not be sufficient to support the submission of an NDA or other submission or to obtain regulatory approval in the United States or elsewhere;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

In addition, even if we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our drugs and

related companion diagnostic tests, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a drug candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that drug candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our drug candidates.

If we experience delays in obtaining approval or if we fail to obtain approval of our drug candidates and related companion diagnostic tests, the commercial prospects for our drug candidates may be harmed and our ability to generate revenues will be materially impaired.

Our drug candidates may cause undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

Undesirable side effects caused by our drug candidates could cause us to interrupt, delay or halt pre-clinical studies or could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other regulatory authorities. As is the case with all oncology drugs, it is likely that there may be side effects associated with the use of our drug candidates. 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 drug candidates for any or all targeted indications. The drug-related side effects could 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 drug candidates could cause undesirable side effects in clinical trials related to on-target toxicity. For example, the FGF19/FGFR4 signaling axis has been shown to play a role in the regulation of de novo bile acid synthesis. Modulation of this signaling axis by treatment with a small molecule FGFR4 inhibitor could lead to the clinical symptoms that were observed with administration of an FGF19 antibody. If on-target toxicity is observed, or if our drug 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.

Further, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of patients and limited duration of exposure, rare and severe side effects of our drug candidates may only be uncovered with a significantly larger number of patients exposed to the drug candidate. If our drug candidates receive marketing approval and we or others identify undesirable side effects caused by such drug candidates (or any other similar drugs) after such approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw or limit their approval of such drug candidates;
- regulatory authorities may require the addition of labeling statements, such as a “boxed” warning or a contraindication;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we may be required to change the way such drug candidates are distributed or administered, conduct additional clinical trials or change the labeling of the drug candidates;
- regulatory authorities may require a Risk Evaluation and Mitigation Strategy, or REMS, plan to mitigate risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools;

- we may be subject to regulatory investigations and government enforcement actions;
- we may decide to remove such drug candidates from the marketplace;
- we could be sued and held liable for injury caused to individuals exposed to or taking our drug candidates; and
- our reputation may suffer.

We believe that any of these events could prevent us from achieving or maintaining market acceptance of the affected drug candidates and could substantially increase the costs of commercializing our drug candidates, if approved, and significantly impact our ability to successfully commercialize our drug candidates and generate revenues.

A breakthrough therapy designation by the FDA for our drug candidates, including avapritinib for the treatment of patients with unresectable or metastatic GIST harboring the PDGFRα D842V mutation, may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our drug candidates will receive marketing approval.

In June 2017, the FDA granted breakthrough therapy designation to avapritinib for the treatment of patients with unresectable or metastatic GIST harboring the PDGFRα D842V mutation. We may also seek breakthrough therapy designation for some of our other drug candidates. 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 existing 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.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our drug candidates 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 a breakthrough therapy designation for a drug 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 one or more of our drug candidates qualify as breakthrough therapies, the FDA may later decide that the drugs no longer meet the conditions for qualification.

A fast track designation by the FDA may not actually lead to a faster development or regulatory review or approval process.

In October 2016, the FDA granted fast track designation to avapritinib for the treatment of patients with unresectable or metastatic GIST that progressed following treatment with imatinib and a second tyrosine kinase inhibitor and for the treatment of patients with unresectable or metastatic GIST with the PDGFRα D842V mutation regardless of prior therapy. We may also seek fast track designation for some of our other drug candidates. If a drug is intended for the treatment of a serious or life-threatening condition and the drug demonstrates the potential to address unmet medical needs for this condition, the drug 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 drug candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even though we have received fast track designation for avapritinib for treatment of patients with unresectable or metastatic GIST that progressed following treatment with imatinib and a second tyrosine kinase inhibitor and for the treatment of patients with unresectable or metastatic GIST with the PDGFRα D842V mutation regardless of prior therapy, or even if we receive fast track designation for our other drug candidates, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our clinical development program.

While we have received orphan drug designation for our most advanced drug candidates, avapritinib, BLU-554 and BLU-667, for specified indications, we may seek orphan drug designation for some of our other drug candidates. However, we may be unsuccessful in obtaining or may be unable to maintain the benefits associated with orphan drug designation, including the potential for market exclusivity.

In September 2015, the FDA granted orphan drug designation to BLU-554 for the treatment of HCC, and in January 2016, the FDA granted orphan drug designation to avapritinib for the treatment of GIST and mastocytosis. In addition, in July 2017, the European Medicines Agency granted orphan drug designation to avapritinib for the treatment of GIST. In April 2018, the FDA granted orphan drug designation to BLU-667 for the treatment of RET-rearranged NSCLC, JAK1/2-positive NSCLC or TRKC-positive NSCLC. As part of our business strategy, we may seek orphan drug designation for some of our other drug candidates, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the United States and the European Union, 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 the European Union, the European Commission grants orphan drug designation after receiving the opinion of the European Medicines Agency's, or 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 the European Union 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). In addition, 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 the European Union would be sufficient to justify the necessary investment in developing the drug. In the European Union, orphan drug designation entitles a party to financial incentives such as reduction of fees or fee waivers.

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 the European Union. The European Union 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 so that market exclusivity is no longer justified.

Even if we obtain orphan drug exclusivity for a drug, that exclusivity may not effectively protect the designated drug from competition because different drugs can be approved for the same condition. 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 intend to seek orphan drug designation for our other drug candidates in addition to avapritinib for the treatment of GIST and mastocytosis, BLU-554 for the treatment of HCC and BLU-667 for the treatment of RET-rearranged NSCLC, JAK1/2-positive NSCLC or TRKC-positive NSCLC, we may never receive such designations. Even if we receive orphan drug designation for any of our drug candidates, there is no guarantee that we will enjoy the benefits of those designations.

Even if we receive regulatory approval for any of our drug candidates, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense. In addition, our drug candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our drugs.

If the FDA or a comparable foreign regulatory authority approves any of our drug candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the drug 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 current Good Manufacturing Practices, or cGMPs, and Good Clinical Practices, or GCPs, for any clinical trials that we conduct post-approval. Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the drug. Later discovery of previously unknown problems with a drug, 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 the drug, withdrawal of the drug from the market, or voluntary drug recalls;
- 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 marketing approvals;
- drug seizure or detention, or refusal to permit the import or export of drugs; and
- injunctions or the imposition of civil or criminal penalties.

The FDA's policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our drug candidates. 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, which would adversely affect our business, prospects and ability to achieve or sustain profitability.

We may not be successful in our efforts to use and expand our discovery platform to build a pipeline of drug candidates.

A key element of our strategy is to use our novel target discovery engine to identify kinases that are drivers of diseases in genomically defined patient populations with high unmet medical need in order to build a pipeline of drug candidates. Although our research and development efforts to date have resulted in a pipeline of drug candidates, we may not be able to continue to identify novel kinase drivers and develop drug candidates. Even if we are successful in continuing to build our pipeline, the potential drug candidates that we identify may not be suitable for clinical development. For example, they may be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be drugs that will receive marketing approval and achieve market acceptance. If we do not successfully develop and commercialize drug candidates based upon our approach, we will not be able to obtain drug revenues in future periods, which likely would result in significant harm to our financial position and adversely affect our stock price.

We may expend our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug 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 focus on research programs and drug candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other drug 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 drugs or profitable market opportunities. Our

spending on current and future research and development programs and drug candidates for specific indications may not yield any commercially viable drugs. If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate.

Risks Related to Commercialization

The incidence and prevalence for target patient populations of our drug candidates have not been established with precision. If the market opportunities for our drug candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability will be adversely affected, possibly materially.

The precise incidence and/or prevalence for SM, GIST, HCC, RET-driven NSCLC, RET-driven MTC and fibrodysplasia ossificans progressive, or FOP, are unknown. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our drug candidates, are based on estimates. We estimate that in the United States, France, Germany, Italy, Spain, the United Kingdom and Japan, or the Major Markets, there are approximately: (i) 20,700 patients with SM, including 2,600 patients with advanced SM, 1,800 patients with SSM and 16,300 patients with ISM; (ii) 500 patients with PDGFRα D842V-driven GIST; (iii) 24,100 patients with GIST, including approximately 19,300 patients with KIT-driven GIST; (iv) 28,100 first and second line patients with FGFR4-activated HCC; (v) 10,200 patients with RET-driven NSCLC and approximately 780 patients with RET-driven MTC; and (vi) 1,100 patients with FOP.

The total addressable market opportunity for avapritinib for the treatment of patients with GIST and SM, BLU-554 for the treatment of patients with HCC, BLU-667 for the treatment of patients with RET-driven NSCLC and RET-driven MTC or BLU-782 for the treatment of patients with FOP will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each of avapritinib, BLU-554, BLU-667 and BLU-782, if our drug candidates are approved for sale for these indications, acceptance by the medical community and patient access, drug pricing and reimbursement. The number of patients in the Major Markets and elsewhere, including the number of addressable patients in those markets, may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our drugs, patients treated with our drug candidates may develop mutations that confer resistance to treatment or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

We face substantial competition, which may result in others discovering, developing or commercializing drugs before or more successfully than we do.

The development and commercialization of new drugs is highly competitive. We face competition with respect to our current drug candidates, and will face competition with respect to any drug candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell drugs or are pursuing the development of therapies in the field of kinase inhibition for cancer and other diseases. Some of these competitive drugs and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Specifically, there are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. If avapritinib receives marketing approval for advanced SM, it will face competition from Novartis AG’s midostaurin, a multi-kinase inhibitor with KIT D816V inhibitory activity that was approved in April 2017 by the FDA for the treatment of advanced SM. If avapritinib receives marketing approval for third line advanced GIST, it will face competition from Bayer AG’s regorafenib, and if avapritinib receives marketing approval for second line advanced GIST, it will face competition from Pfizer Inc.’s sunitinib. In addition, if avapritinib receives marketing approval for advanced SM, GIST and/or for GIST patients with the PDGFRα D842V mutation, it may face competition from other drug candidates in development for these indications, including drug

candidates in development by AB Science S.A., Allokos Inc., ARIAD Pharmaceuticals, Inc., a wholly-owned subsidiary of Takeda Pharmaceutical Company Limited, AROG Pharmaceuticals, Inc., Celldex Therapeutics, Inc., Deciphera Pharmaceuticals, LLC and Plexxikon Inc., a wholly-owned subsidiary of Daiichi Sankyo Company, Limited. If BLU-554 receives marketing approval for patients with FGFR4-activated HCC, it will face competition from Bristol-Myers Squibb Company's nivolumab, an immune checkpoint inhibitor, which was approved in September 2017 by the FDA for the treatment of HCC, as well as sorafenib and regorafenib, multi-kinase inhibitors approved for the treatment of HCC. In addition, BLU-554 may face competition from other drug candidates in development by Abbisko Therapeutics Co., Ltd, AstraZeneca plc, Bayer AG, Celgene Corporation, Eisai Inc., H3 Biomedicine Inc., Incyte Corporation, Johnson & Johnson, Novartis AG, Sanofi S.A., Taiho Pharmaceutical Co., Ltd., U3 Pharma GmbH, a wholly-owned subsidiary of Daiichi Sankyo Company, Limited, and Xoma Ltd. If BLU-667 receives marketing approval for patients with RET-driven cancers, it may face competition from other drug candidates in development, including drug candidates in development by ARIAD Pharmaceuticals, Inc., a wholly-owned subsidiary of Takeda Pharmaceutical Company Limited, AstraZeneca plc, Boston Pharmaceuticals, Inc., Eisai Inc., Exelixis, Inc., GlaxoSmithKline plc, Loxo Oncology, Inc., Mirati Therapeutics, Inc., Novartis AG, Pfizer Inc. and Roche, as well as several approved multi-kinase inhibitors with RET activity being evaluated in clinical trials, including alectinib, apatinib, cabozantinib, dovitinib, lenvatinib, ponatinib, sorafenib, sunitinib and vandetinib. If BLU-782 receives marketing approval for FOP, it may face competition from drug candidates in development by BioCryst Pharmaceuticals, Inc., Clementia Pharmaceuticals Inc. and Regeneron Pharmaceuticals, Inc.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, pre-clinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any drugs that we or our collaborators may develop. Our competitors also may obtain FDA or other regulatory approval for their drugs more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we or our collaborators are able to enter the market. The key competitive factors affecting the success of all of our drug candidates, if approved, are likely to be their efficacy, safety, convenience, price, the effectiveness of any related companion diagnostic tests, the level of generic competition and the availability of reimbursement from government and other third-party payors.

Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any drug candidates that we may develop.

We will face an inherent risk of product liability exposure related to the testing of our drug candidates in human clinical trials and use of our drug candidates through compassionate use programs, and we will face an even greater risk if we commercially sell any drug candidates that we may develop. If we cannot successfully defend ourselves against claims that our drug candidates caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any drug candidates that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;

- loss of revenue; and
- the inability to commercialize any drug candidates that we may develop.

Although we maintain product liability insurance coverage, it may not be adequate to cover all liabilities that we may incur. We anticipate that we will need to increase our insurance coverage when we begin later-stage clinical trials and if we successfully commercialize any drug candidate. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

If we or our collaborators are unable to successfully develop and commercialize companion diagnostic tests for our drug candidates, or experience significant delays in doing so we may not realize the full commercial potential of our drug candidates.

Because we are focused on precision medicine, in which predictive biomarkers will be used to identify the right patients for our drug candidates, we believe that our success may depend, in part, on the development and commercialization of companion diagnostic tests. There has been limited success to date industrywide in developing and commercializing these types of companion diagnostic tests. To be successful, we need to address a number of scientific, technical and logistical challenges. We have entered into agreements to develop and commercialize companion diagnostic tests with third parties for avapritinib in order to identify GIST patients with the PDGFRα D842V mutation, BLU-554 in order to identify HCC patients with FGFR4 pathway activation and BLU-667 in order to identify NSCLC patients with RET fusions. However, we have not yet initiated commercialization of these companion diagnostic tests or development and commercialization of companion diagnostic tests for any of our other programs. We have little experience in the development and commercialization of companion diagnostic tests and may not be successful in developing and commercializing appropriate companion diagnostic tests to pair with any of our drug candidates that receive marketing approval. Companion diagnostic tests are subject to regulation by the FDA and similar regulatory authorities outside the United States as medical devices and require separate regulatory approval prior to commercialization. Given our limited experience in developing and commercializing companion diagnostic tests, we are relying on third parties to design, manufacture, obtain regulatory approval for and commercialize the companion diagnostic tests for avapritinib, BLU-554 and BLU-667, and we expect to rely in whole or in part on third parties to design, manufacture, obtain regulatory approval for and commercialize any other companion diagnostic tests for our drug candidates. We and our collaborators may encounter difficulties in developing and obtaining approval for the companion diagnostic tests, including issues relating to selectivity/specificity, analytical validation, reproducibility, or clinical validation. In addition, our collaborators for any companion diagnostic test that we may seek to develop:

- may not perform their respective obligations as expected or as required under our agreements with them;
- may not pursue commercialization of a companion diagnostic test even if it receives any required regulatory approvals;
- may elect not to continue the development of a companion diagnostic test based on changes in their or other third parties' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
- may not commit sufficient resources to the marketing and distribution of a companion diagnostic test; and
- may terminate their relationship with us.

Any delay or failure by us or our collaborators to develop or obtain regulatory approval of the companion diagnostic tests could delay or prevent approval of our drug candidates. If we, or any third parties that we have engaged

or may in the future engage to assist us are unable to successfully develop and commercialize companion diagnostic tests for our drug candidates, or experience delays in doing so:

- the development of our drug candidates may be adversely affected if we are unable to appropriately select patients for enrollment in our clinical trials;
- our drug candidates may not receive marketing approval if safe and effective use of a therapeutic drug candidate depends on an *in vitro* diagnostic; and
- we may not realize the full commercial potential of any drug candidates that receive marketing approval if, among other reasons, we are unable to appropriately select patients who are likely to benefit from treatment with our drugs.

As a result, our business would be harmed, possibly materially.

In addition, third party collaborators may encounter production difficulties that could constrain the supply of the companion diagnostic tests, and both they and we may have difficulties gaining acceptance of the use of the companion diagnostic tests in the clinical community. If such companion diagnostic tests fail to gain market acceptance, it would have an adverse effect on our ability to derive revenues from sales of our drug candidates, if approved. In addition, the 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 drug 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 drug candidates or do so on commercially reasonable terms, which could adversely affect and/or delay the development or commercialization of our drug candidates.

Even if we are able to commercialize any drug candidates, such drugs may become subject to unfavorable pricing regulations or third-party coverage and reimbursement policies, which would harm our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new drugs vary widely from country to country. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a drug candidate in a particular country, but then be subject to price regulations that delay our commercial launch of the drug candidate, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the drug candidate in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if our drug candidates obtain marketing approval.

Our ability to commercialize any drug candidates successfully also will depend in part on the extent to which coverage and reimbursement for these drug candidates and related treatments will be available from government authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular drugs. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for drugs. We cannot be sure that coverage will be available for any drug candidate that we commercialize and, if coverage is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, any drug candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate for which we obtain marketing approval.

There may be significant delays in obtaining reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside the United States. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement

levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower-cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved drugs that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize drugs and our overall financial condition.

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

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or the Affordable Care Act, was passed, which substantially changes the way health care is financed by both governmental and private insurers, and significantly impacts the U.S. pharmaceutical industry. The Affordable Care Act, among other things, subjects biologic products to potential competition by lower-cost biosimilars, addresses 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, increases the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, establishes annual fees and taxes on manufacturers of certain branded prescription drugs, and a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% 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.

In addition, other legislative changes have been proposed and adopted in the United States since the Affordable Care Act was enacted. On August 2, 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 of 2% per fiscal year. These reductions went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2025 unless additional Congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, the Middle Class Tax Relief and Job Creation Act of 2012 required that the Centers for Medicare & Medicaid Services, the agency responsible for administering the Medicare program, or CMS, reduce the Medicare clinical laboratory fee schedule by 2% in 2013, which served as a base for 2014 and subsequent years. In addition, effective January 1, 2014, CMS also began bundling the Medicare payments for certain laboratory tests ordered while a patient received services in a hospital outpatient setting. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our drug candidates or companion diagnostic tests or additional pricing pressures.

U.S. President Donald Trump and his administration have indicated that enacting changes to or repealing and replacing the Affordable Care Act is a legislative priority. While Congress has not passed repeal legislation to date, the TJCA includes a provision repealing the individual mandate, effective January 1, 2019. Further, on January 20, 2017, U.S. President Donald Trump signed an Executive Order directing federal agencies with authorities and responsibilities under the Affordable Care Act to waive, defer, grant exemptions from, or delay the implementation of any provision of the Affordable Care Act 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.

On October 13, 2017, President Trump signed an Executive Order terminating the cost-sharing subsidies that reimburse insurers under the Affordable Care Act. Several state Attorneys General filed suit to stop the administration

from terminating these subsidies, but on October 25, 2017, a federal judge in California denied their request for a restraining order. In addition, CMS has recently proposed regulations that would give states greater flexibility in setting benchmarks for insurers in the individual and small group marketplaces, which may have the effect of relaxing the health benefits required under the Affordable Care Act for plans sold through these marketplaces. There may be further action to repeal, replace or modify the Affordable Care Act. It is unclear what impact any changes to the Affordable Care Act will have on the availability of healthcare and containing or lowering the cost of healthcare. We plan to continue to evaluate the effect that the Affordable Care Act and its possible repeal and replacement may have on our business.

Healthcare reforms stemming from the repeal of, and potential replacement for, the Affordable Care Act may result in more rigorous coverage criteria and lower reimbursement among regulated third-party payors, and in additional downward pressure on the prices that we receive for sales of our products, if approved. Any reduction in reimbursement from Medicare or other government-funded federal programs, including the Veterans Health Administration, or state healthcare programs could lead to a similar reduction in payments from private commercial payors. The implementation of cost containment measures or other healthcare reforms may thus prevent us from being able to generate revenue or attain profitability.

The delivery of healthcare in the European Union, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than EU, law and policy. National governments and health service providers have different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most EU member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with ever-increasing EU and national regulatory burdens on those wishing to develop and market products, this could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to commercialize any products for which we obtain marketing approval.

We are currently unable to predict what additional legislation or regulation, if any, relating to the health care industry may be enacted in the future or what effect recently enacted federal legislation or any such additional legislation or regulation would have on our business. The pendency or approval of such proposals or reforms could result in a decrease in our stock price or limit our ability to raise capital or to enter into collaboration agreements for the further development and potential commercialization of our products.

If, in the future, we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market our drug candidates, we may not be successful in commercializing our drug candidates if and when they are approved, and we may not be able to generate any revenue.

We do not currently have a sales or marketing infrastructure and have limited experience in the sale, marketing or distribution of drugs. To achieve commercial success for any approved drug candidate for which we retain sales and marketing responsibilities, we must build our sales, marketing, managerial, and other non-technical capabilities or make arrangements with third parties to perform these services. In the future, we may choose to build a focused sales and marketing infrastructure to sell, or participate in sales activities with our collaborators for, some of our drug candidates if and when they are approved.

There are risks involved with both establishing our own sales and marketing capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time-consuming and could delay any drug launch. If the commercial launch of a drug candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our drug candidates on our own include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future drugs;

- the lack of complementary drugs to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and

- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we enter into arrangements with third parties to perform sales, marketing and distribution services, our drug revenues or the profitability of these drug revenues to us are likely to be lower than if we were to market and sell any drug candidates that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our drug candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our drug candidates effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our drug candidates. Further, our business, results of operations, financial condition and prospects will be materially adversely affected.

Our relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm and diminished profits and future earnings.

Although we do not currently have any drugs on the market, once we begin commercializing our drug candidates, we will be subject to additional healthcare statutory and regulatory requirements and enforcement by the federal government and the states and foreign governments in which we conduct our business. Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any drug candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers 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 market, sell and distribute our drug candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the federal False Claims Act imposes civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the federal physician payment transparency requirements, sometimes referred to as the “Sunshine Act” under the Affordable Care Act require manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children’s Health Insurance Program to report to the Department of Health and Human Services information related to physician payments and other transfers

of value and the ownership and investment interests of such physicians and their immediate family members;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 and its implementing regulations, which also imposes obligations on certain covered entity healthcare providers, health plans, and healthcare clearinghouses as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and

- analogous state laws and regulations, such as state anti-kickback and false claims laws that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; and some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Ensuring that our future business arrangements with third parties comply with applicable healthcare laws and regulations could involve substantial costs. 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, including anticipated activities to be conducted by our sales team, were to be found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

Our future growth may depend, in part, on our ability to penetrate foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future profitability may depend, in part, on our ability to commercialize our drug candidates in foreign markets for which we may rely on collaboration with third parties. We are not permitted to market or promote any of our drug candidates before we receive regulatory approval from the applicable regulatory authority in that foreign market, and we may never receive such regulatory approval for any of our drug candidates. To obtain separate regulatory approval in many other countries we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our drug candidates, and we cannot predict success in these jurisdictions. If we obtain approval of our drug candidates and ultimately commercialize our drug candidates in foreign markets, we would be subject to additional risks and uncertainties, including:

- our customers' ability to obtain reimbursement for our drug candidates in foreign markets;

- our inability to directly control commercial activities because we are relying on third parties;

- the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements;

- different medical practices and customs in foreign countries affecting acceptance in the marketplace;

- import or export licensing requirements;
- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers for technical training;
- reduced protection of intellectual property rights in some foreign countries;
- the existence of additional potentially relevant third-party intellectual property rights;
- foreign currency exchange rate fluctuations; and
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute.

Foreign sales of our drug candidates could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs.

Governments outside the United States tend to impose strict price controls, which may adversely affect our revenues, if any.

In some countries, particularly countries in the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our drug candidate to other available therapies. If reimbursement of our drugs is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed. In addition, in 2016, the United Kingdom referendum on its membership in the European Union resulted in a majority of United Kingdom voters voting to exit the European Union, often referred to as Brexit. Brexit has already and may continue to adversely affect European and/or worldwide regulatory conditions. Brexit could lead to legal uncertainty and potentially divergent national laws and regulations, including those related to the pricing of prescription pharmaceuticals, as the United Kingdom determines which European Union laws to replicate or replace. If the United Kingdom were to significantly alter its regulations affecting the pricing of prescription pharmaceuticals, we could face significant new costs. As a result, Brexit could impair our ability to transact business in the European Union and the United Kingdom.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

Risks Related to Our Dependence on Third Parties

We may seek to establish additional collaborations, and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans.

Our drug development programs and the potential commercialization of our drug candidates will require substantial additional cash to fund expenses. For some of our drug candidates, we may decide to collaborate with additional pharmaceutical and biotechnology companies for the development and potential commercialization of those drug candidates.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject drug candidate, the costs and complexities of manufacturing and delivering such drug candidate to patients, the potential of competing drugs, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative drug candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our drug candidate. The terms of any additional collaborations or other arrangements that we may establish may not be favorable to us.

We may also be restricted under our collaboration agreements with Roche and CStone from entering into future agreements on certain terms with potential collaborators. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate additional collaborations on a timely basis, on acceptable terms or at all. If we are unable to do so, we may have to curtail the development of the drug candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our drug candidates or bring them to market and generate drug revenue.

In addition, our collaborations with Roche and CStone, as well as any future collaborations that we enter into, may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations. Disagreements between parties to a collaboration arrangement regarding clinical development and commercialization matters can lead to delays in the development process or commercializing the applicable drug candidate and, in some cases, termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Collaborations with pharmaceutical or biotechnology companies and other third parties often are terminated or allowed to expire by the other party. For example, in the fourth quarter of 2017, Alexion terminated our collaboration related to fibrodysplasia ossificans progressive for convenience following a strategic review by Alexion of its research and development portfolio. Any termination or expiration of our collaboration agreements with Roche and CStone or any future collaboration agreement could adversely affect us financially or harm our business reputation.

We rely on third parties to conduct our clinical trials for our drug candidates. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates and our business could be substantially harmed.

We do not have the ability to independently conduct clinical trials. We rely on medical institutions, clinical investigators, CROs, contract laboratories and other third parties to conduct or otherwise support clinical trials for our

drug candidates. We rely heavily on these parties for execution of clinical trials for our drug candidates and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on CROs will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our clinical trials, we could be subject to warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and our CROs are required to comply with regulations, including GCPs, for conducting, monitoring, recording and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. These regulations are enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area and comparable foreign regulatory authorities for any drugs in clinical development. The FDA enforces GCP regulations through periodic inspections of clinical trial sponsors, principal investigators and trial sites. If we or our CROs fail to comply with applicable GCPs, 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, the FDA will determine that our current or future clinical trials comply with GCPs. In addition, our clinical trials must be conducted with drug candidates produced under cGMPs regulations. Our failure or the failure of our CROs to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process and could also subject us to enforcement action. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we intend to design the clinical trials for our drug candidates, CROs will conduct all of the clinical trials. As a result, many important aspects of our development programs, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct current or future clinical trials will also result in less direct control over the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

These factors may materially adversely affect the willingness or ability of third parties to conduct our clinical trials and may subject us to unexpected cost increases that are beyond our control. If the CROs do not perform clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, regulatory approval and commercialization of our drug candidates may be delayed, we may not be able to obtain regulatory approval and commercialize our drug candidates, or our development program materially and irreversibly harmed. If we are unable to rely on clinical data collected by our CROs, we could be required to repeat, extend the duration of, or increase the size of any clinical trials we conduct and this could significantly delay commercialization and require significantly greater expenditures.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs. If CROs 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, regulatory requirements or for other reasons, any clinical trials such CROs are associated with may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for or successfully commercialize our drug candidates. As a result, we believe that our financial

results and the commercial prospects for our drug candidates in the subject indication would be harmed, our costs could increase and our ability to generate revenue could be delayed.

We contract with third parties for the manufacture of our drug candidates for pre-clinical development and clinical trials, and we expect to continue to do so for commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our drug candidates or drugs or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not currently own or operate, nor do we have any plans to establish in the future, any manufacturing facilities or personnel. We rely, and expect to continue to rely, on third parties for the manufacture of our drug candidates for pre-clinical development and clinical testing, as well as for the commercial manufacture of our drugs if any of our drug candidates receive marketing approval. This reliance on third parties increases the risk that we will not have sufficient quantities of our drug candidates or drugs or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

The facilities used by our contract manufacturers to manufacture our drug candidates must be approved by the FDA pursuant to inspections that will be conducted after we submit our marketing applications to the FDA. We do not control the manufacturing process of, and will be completely dependent on, our contract manufacturers for compliance with cGMPs in connection with the manufacture of our drug candidates. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our drug candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our drug candidates, if approved. Further, our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drug candidates or drugs, if approved, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect our business and supplies of our drug candidates.

We do not have any long-term supply agreements with our contract manufacturers, and we purchase our required drug supply, including the drug product and drug substance used in our most advanced drug candidates, on a purchase order basis. In addition, we may be unable to establish or maintain any agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish and maintain agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

Our drug candidates and any drugs that we may develop may compete with other drug candidates and approved drugs for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval. We do not currently have arrangements in place for redundant supply for bulk drug substances. If our current contract manufacturers cannot perform as agreed, we may be required to replace such manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture our drug candidates, we may incur added costs and delays in identifying and qualifying any such replacement.

Our current and anticipated future dependence upon others for the manufacture of our drug candidates or drugs could result in significant delays or gaps in availability of such drug candidates or drugs and may adversely affect our future profit margins and our ability to commercialize any drugs that receive marketing approval on a timely and competitive basis.

The third parties upon whom we rely for the supply of the active pharmaceutical ingredient, or API, drug product and drug substance used in our most advanced drug candidates are our sole source of supply, and the loss of any of these suppliers could significantly harm our business.

The API, drug product and drug substance used in our most advanced drug candidates are currently supplied to us from single-source suppliers. Our ability to successfully develop our drug candidates, supply our drug candidates for clinical trials and to ultimately supply our commercial drugs in quantities sufficient to meet the market demand, depends in part on our ability to obtain the API, drug product and drug substance for these drugs in accordance with regulatory requirements and in sufficient quantities for clinical testing and commercialization. Although we have entered into arrangements to establish redundant or second-source supply of some of the API, drug product or drug substance for our most advanced drug candidates, if any of our suppliers ceases its operations for any reason or is unable or unwilling to supply API, drug product or drug substance in sufficient quantities or on the timelines necessary to meet our needs, it could significantly and adversely affect our business, the supply of our drug candidates and our financial condition.

For all of our drug candidates, we intend to identify and qualify additional manufacturers to provide such API, drug product and drug substance prior to submission of an NDA to the FDA and/or an MAA to the EMA. We are not certain, however, that our single-source suppliers will be able to meet our demand for their products, either because of the nature of our agreements with those suppliers, our limited experience with those suppliers or our relative importance as a customer to those suppliers. It may be difficult for us to assess their ability to timely meet our demand in the future based on past performance. While our suppliers have generally met our demand for their products on a timely basis in the past, they may subordinate our needs in the future to their other customers.

Establishing additional or replacement suppliers for the API, drug product and drug substance used in our drug candidates, if required, may not be accomplished quickly. If we are able to find a replacement supplier, such replacement supplier would need to be qualified and may require additional regulatory approval, which could result in further delay. While we seek to maintain adequate inventory of the API, drug product and drug substance used in our drug candidates, any interruption or delay in the supply of components or materials, or our inability to obtain such API, drug product and drug substance from alternate sources at acceptable prices in a timely manner could impede, delay, limit or prevent our development efforts, which could harm our business, results of operations, financial condition and prospects.

Risks Related to Intellectual Property

If we are unable to adequately protect our proprietary technology or obtain and maintain patent protection for our technology and drugs or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully commercialize our technology and drugs may be impaired.

Our commercial success depends in part on our ability to obtain and maintain proprietary or intellectual property protection in the United States and other countries for our lead drug candidate, avapritinib, as well as our other most advanced drug candidates, BLU-554, BLU-667 and BLU-782, and our core technologies, including our novel target discovery engine and our proprietary compound library and other know-how. We seek to protect our proprietary and intellectual property position by, among other methods, filing patent applications in the United States and abroad related to our proprietary technology, inventions and improvements that are important to the development and implementation of our business. We also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary and intellectual property position.

We own patents and patent applications that relate to avapritinib, BLU-554, BLU-667 and BLU-782 as composition of matter. We also own applications relating to composition of matter for KIT inhibitors with multiple compound families, composition of matter for FGFR4 inhibitors with multiple compound families, composition of matter for inhibitors of RET, including predicted RET resistance mutations, with multiple compound families, and composition of matter for inhibitors of ALK2, with multiple compound families, as well as methods of use for these

novel compounds. The issued patent directed to BLU-554 composition of matter has a statutory expiration date in 2034, the issued patent directed to avapritinib composition of matter has a statutory expiration date in 2034.

As of July 15, 2018, we owned nine issued U.S. patents, three issued foreign patents, three pending U.S. non-provisional patent applications, one pending U.S. provisional patent application, 39 foreign patent applications and one pending Patent Cooperation Treaty, or PCT, patent application directed to our KIT program, including avapritinib. Our foreign patent filings are in a number of jurisdictions, including Australia, Argentina, Brazil, Bolivia, Canada, China, the European Union, Hong Kong, Israel, India, Japan, Lebanon, Mexico, New Zealand, Pakistan, Paraguay, Philippines, Russia, Singapore, South Africa, South Korea, Taiwan, Uruguay and Venezuela. Any U.S. or ex-U.S. patents issuing from the pending applications covering avapritinib will have a statutory expiration date between October 2034 and November 2038. Patent term adjustments or patent term extensions could result in later expiration dates.

As of July 15, 2018, we owned six issued U.S. patents, two pending U.S. non-provisional patent applications, four issued foreign patents, 39 pending foreign patent applications and one pending PCT patent application directed to our FGFR4 program, including BLU-554. Our foreign patent filings are in a number of jurisdictions, including Argentina, Australia, Bolivia, Brazil, Canada, China, Egypt, the European Union, Hong Kong, Israel, India, Indonesia, Japan, South Korea, Lebanon, Mexico, New Zealand, Pakistan, Paraguay, Philippines, Russia, Singapore, South Africa, Taiwan, Thailand, Uruguay, Venezuela and Vietnam. Any U.S. or ex-U.S. patent issuing from the pending applications covering BLU-554 will have a statutory expiration date between July 2033 and September 2037. Patent term adjustments or patent term extensions could result in later expiration dates.

As of July 15, 2018, we owned five pending U.S. non-provisional patent applications, four pending PCT applications, 27 pending foreign patent applications and three pending U.S. provisional patent applications directed to our RET program, including BLU-667. Our foreign patent filings are in a number of jurisdictions, including Argentina, Australia, Brazil, Canada, China, Chile, Ecuador, Eurasia, the European Union, Israel, India, Japan, Lebanon, Malaysia, Mexico, New Zealand, Philippines, Saudi Arabia, Singapore, South Africa, South Korea, Taiwan, Thailand, the United Arab Emirates and Uruguay. Any U.S. or ex-U.S. patent issuing from the pending applications covering BLU-667 will have a statutory expiration date between November 2036 and April 2039. Patent term adjustments or patent term extensions could result in later expiration dates.

As of July 15, 2018, we owned one pending U.S. patent application, one pending U.S. provisional patent application and one pending PCT international application directed to our ALK2 program, including BLU-782, which, if issued, will have statutory expiration dates of April 2037 or October 2038.

The intellectual property portfolio directed to our platform includes patent applications directed to novel gene fusions and the uses of these fusions for detecting and treating conditions implicated with these fusions. As of July 15, 2018, we owned ten pending U.S. patent applications and ten pending European Union patent applications directed to this technology, which, if issued, will have statutory expiration dates ranging from 2034 to 2035.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation.

The degree of patent protection we require to successfully commercialize our drug candidates may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot provide any assurances that any of our patents have, or that any of our pending patent applications that mature into issued patents will include, claims with a scope sufficient to protect avapritinib, BLU-554, BLU-667, BLU-782 or our other drug candidates. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Furthermore, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally twenty years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned patent portfolio may not provide us with adequate and continuing patent protection sufficient to exclude others from commercializing drugs similar or identical to our drug candidates, including generic versions of such drugs.

Other parties have developed technologies that may be related or competitive to our own, and such parties may have filed or may file patent applications, or may have received or may receive patents, claiming inventions that may overlap or conflict with those claimed in our own patent applications or issued patents, with respect to either the same methods or formulations or the same subject matter, in either case, that we may rely upon to dominate our patent position in the market. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we were the first-to-file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights cannot be predicted with any certainty. For example, we are aware of patents owned by third parties that have generic composition of matter and method of treatment claims that may cover BLU-554 or generic method of treatment claims that may cover BLU-667. If the claims of any of these third-party patents are asserted against us, we do not believe BLU-554, BLU-667 or our proposed activities related to such compounds would be found to infringe any valid claim of these patents. While we may decide to initiate proceedings to challenge the validity of these patents in the future, we may be unsuccessful, and courts or patent offices in the United States and abroad could uphold the validity of any such patents. If we were to challenge the validity of any issued United States patent in court, we would need to overcome a statutory presumption of validity that attaches to every United States patent. This means that in order to prevail, we would have to present clear and convincing evidence as to the invalidity of the patent's claims.

In addition, the patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Further, with respect to some of the pending patent applications covering our drug candidates, prosecution has yet to commence. Patent prosecution is a lengthy process, during which the scope of the claims initially submitted for examination by the U.S. Patent and Trademark Office, or USPTO, have been significantly narrowed by the time they issue, if at all. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, we do not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

Even if we acquire patent protection that we expect should enable us to maintain such competitive advantage, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. For example, we may be subject to a third-party submission of prior art to the USPTO challenging the priority of an invention claimed within one of our patents, which submissions may also be made prior to a patent's issuance, precluding the granting of any of our pending patent applications. We may become involved in opposition, derivation, reexamination, inter partes review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others from whom we have obtained licenses to such rights. Competitors may claim that they invented the inventions claimed in our issued patents or patent applications prior to us or may file patent applications before we do. Competitors may also claim that we are infringing on their patents and that we therefore cannot practice our technology as claimed under our patents, if issued. Competitors may also contest our patents, if issued, by showing the patent examiner that the invention was not original, was not novel or was obvious. In litigation, a competitor could claim that our patents, if issued, are not valid for a number of reasons. If a court agrees, we would lose our rights to those challenged patents.

In addition, we may in the future be subject to claims by our former employees or consultants asserting an ownership right in our patents or patent applications, as a result of the work they performed on our behalf. Although we generally require all of our employees, consultants and advisors and any other third parties who have access to our proprietary know-how, information or technology to assign or grant similar rights to their inventions to us, we cannot be certain that we have executed such agreements with all parties who may have contributed to our intellectual property, nor can we be certain that our agreements with such parties will be upheld in the face of a potential challenge, or that they will not be breached, for which we may not have an adequate remedy.

An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our

ability to stop others from using or commercializing similar or identical technology and drugs, without payment to us, or could limit the duration of the patent protection covering our technology and drug candidates. Such challenges may also result in our inability to manufacture or commercialize our drug candidates without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future drug candidates.

Even if they are unchallenged, our issued patents and our pending patents, if issued, may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent our owned or licensed patents by developing similar or alternative technologies or drugs in a non-infringing manner. For example, a third party may develop a competitive drug that provides benefits similar to one or more of our drug candidates but that has a different composition that falls outside the scope of our patent protection. If the patent protection provided by the patents and patent applications we hold or pursue with respect to our drug candidates is not sufficiently broad to impede such competition, our ability to successfully commercialize our drug candidates could be negatively affected, which would harm our business.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends upon our ability and the ability of our collaborators to develop, manufacture, market and sell our drug candidates and use our proprietary technologies without infringing the proprietary rights and intellectual property of third parties. The biotechnology and pharmaceutical industries are characterized by extensive and frequent litigation regarding patents and other intellectual property rights. We may in the future become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our drug candidates and technology, including interference proceedings before the USPTO. Our competitors or other third parties may assert infringement claims against us, alleging that our drugs are covered by their patents. Given the vast number of patents in our field of technology, we cannot be certain that we do not infringe existing patents or that we will not infringe patents that may be granted in the future. Many companies have filed, and continue to file, patent applications related to kinase inhibitors. Some of these patent applications have already been allowed or issued, and others may issue in the future. For example, we are aware of patents owned by third parties that have generic composition of matter and method of treatment claims that may cover BLU-554 or generic method of treatment claims that may cover BLU-667. If the claims of any of these third-party patents are asserted against us, we do not believe BLU-554, BLU-667 or our proposed activities related to such compounds would be found to infringe any valid claim of these patents. While we may decide to initiate proceedings to challenge the validity of these patents in the future, we may be unsuccessful, and courts or patent offices in the United States and abroad could uphold the validity of any such patents. If we were to challenge the validity of any issued United States patent in court, we would need to overcome a statutory presumption of validity that attaches to every United States patent. This means that in order to prevail, we would have to present clear and convincing evidence as to the invalidity of the patent's claims.

Since this area is competitive and of strong interest to pharmaceutical and biotechnology companies, there will likely be additional patent applications filed and additional patents granted in the future, as well as additional research and development programs expected in the future. Furthermore, because patent applications can take many years to issue and may be confidential for 18 months or more after filing, and because pending patent claims can be revised before issuance, there may be applications now pending which may later result in issued patents that may be infringed by the manufacture, use or sale of our drug candidates. If a patent holder believes our drug or drug candidate infringes on its patent, the patent holder may sue us even if we have received patent protection for our technology. Moreover, we may face patent infringement claims from non-practicing entities that have no relevant drug revenue and against whom our own patent portfolio may thus have no deterrent effect.

If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our drug candidates and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain such a license, it could be granted on non-exclusive terms, thereby providing our competitors and other third parties access to the same technologies licensed to us. Without such a license, we could be forced, including by court order, to cease developing and commercializing the infringing technology or drug candidates. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed such third-

party patent rights. A finding of infringement could prevent us from commercializing our drug candidates or force us to cease some of our business operations, which could materially harm our business.

We may become involved in lawsuits to protect or enforce our patents and other intellectual property rights, which could be expensive, time-consuming and unsuccessful.

Competitors and other third parties may infringe, misappropriate or otherwise violate our patents and other intellectual property rights. To counter infringement or unauthorized use, we may be required to file infringement claims. A court may disagree with our allegations, however, and may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the third-party technology in question. Further, such third parties could counterclaim that we infringe their intellectual property or that a patent we have asserted against them is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims challenging the validity, enforceability or scope of asserted patents are commonplace. In addition, third parties may initiate legal proceedings against us to assert such challenges to our intellectual property rights. The outcome of any such proceeding is generally unpredictable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Patents may be unenforceable if someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. It is possible that prior art of which we and the patent examiner were unaware during prosecution exists, which could render our patents invalid. Moreover, it is also possible that prior art may exist that we are aware of but do not believe is relevant to our current or future patents, but that could nevertheless be determined to render our patents invalid.

An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. If a defendant were to prevail on a legal assertion of invalidity or unenforceability of our patents covering one of our drug candidates, we would lose at least part, and perhaps all, of the patent protection covering such drug candidate. Competing drugs may also be sold in other countries in which our patent coverage might not exist or be as strong. If we lose a foreign patent lawsuit, alleging our infringement of a competitor's patents, we could be prevented from marketing our drugs in one or more foreign countries. Any of these outcomes would have a materially adverse effect on our business.

Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.

Litigation or other legal proceedings relating to intellectual property claims, with or without merit, is unpredictable and generally expensive and time-consuming and is likely to divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities.

We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating or from successfully challenging our intellectual property rights. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In addition,

periodic maintenance fees on issued patents often must be paid to the USPTO and foreign patent agencies over the lifetime of the patent. While an unintentional lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our drugs or procedures, we may not be able to stop a competitor from marketing drugs that are the same as or similar to our drug candidates, which would have a material adverse effect on our business.

We may not be able to effectively enforce our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on our drug candidates in all countries throughout the world would be prohibitively expensive. The requirements for patentability may differ in certain countries, particularly in developing countries. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. In addition, the patent laws of some foreign countries do not afford intellectual property protection to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property rights. This could make it difficult for us to stop the infringement of our patents or the misappropriation of our other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and, further, may export otherwise infringing drugs to territories where we have patent protection, if our ability to enforce our patents to stop infringing activities is inadequate. These drugs may compete with our drug candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and resources from other aspects of our business. Furthermore, while we intend to protect our intellectual property rights in the major markets for our drug candidates, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our drug candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

Changes to the patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve both technological and legal complexity and is therefore costly, time-consuming and inherently uncertain. Recent patent reform legislation in the United States and other countries, including the Leahy-Smith America Invents Act, or Leahy-Smith Act, signed into law on September 16, 2011, could increase those uncertainties and costs. 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, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. In addition, the Leahy-Smith Act has transformed the U.S. patent system into a “first-to-file” system. The first-to-file provisions, however, only became effective on March 16, 2013. Accordingly, it is not yet 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 make it more difficult to obtain patent protection for our inventions and increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could harm our business, results of operations and financial condition.

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, there have been recent proposals for additional changes to the patent laws of the United States and other countries that, if adopted, could impact our ability to obtain patent protection for our proprietary technology or our ability to enforce our proprietary technology. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant

law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position may be harmed.

In addition to the protection afforded by patents, we rely upon unpatented trade secret protection, unpatented know-how and continuing technological innovation to develop and maintain our competitive position. With respect to the building of our proprietary compound library, we consider trade secrets and know-how to be our primary intellectual property. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our collaborators, scientific advisors, employees and consultants, and invention assignment agreements with our consultants and employees. We may not be able to prevent the unauthorized disclosure or use of our technical know-how or other trade secrets by the parties to these agreements, however, despite the existence generally of confidentiality agreements and other contractual restrictions. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. If any of the collaborators, scientific advisors, employees and consultants who are parties to these agreements breaches or violates the terms of any of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a result. Enforcing a claim that a third party illegally obtained and is using our trade secrets, like patent litigation, is expensive and time-consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets.

Our trade secrets could otherwise become known or be independently discovered by our competitors. Competitors could purchase our drug candidates and attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside of our intellectual property rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If our trade secrets are not adequately protected so as to protect our market against competitors' drugs, our competitive position could be adversely affected, as could our business.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of our competitors or are in breach of non-competition or non-solicitation agreements with our competitors.

We could in the future be subject to claims that we or our employees have inadvertently or otherwise used or disclosed alleged trade secrets or other proprietary information of former employers or competitors. Although we try to ensure that our employees and consultants do not use the intellectual property, proprietary information, know-how or trade secrets of others in their work for us, we may in the future be subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement, or that we or these individuals have, inadvertently or otherwise, used or disclosed the alleged trade secrets or other proprietary information of a former employer or competitor. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. If our defenses to these claims fail, in addition to requiring us to pay monetary damages, a court could prohibit us from using technologies or features that are essential to our drug candidates if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. An inability to incorporate such technologies or features would have a material adverse effect on our business and may prevent us from successfully commercializing our drug candidates. In addition, we may lose valuable intellectual property rights or personnel as a result of such claims. Moreover, any such litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our drug candidates, which would have an adverse effect on our business, results of operations and financial condition.

Risks Related to Employee Matters, Managing Growth and Other Risks Related to Our Business

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on the research and development, clinical, business development, financial and legal expertise of Jeffrey W. Albers, our President and Chief Executive Officer, Anthony L. Boral, our Chief Medical Officer, Marion Dorsch, our Chief Scientific Officer, Kathryn Haviland, our Chief Business Officer, Michael Landsittel, our Vice President of Finance, Tracey McCain, our Chief Legal and Compliance Officer, and Christopher Murray, our Senior Vice President of Technical Operations, as well as the other principal members of our management, scientific and clinical team. Although we have entered into employment agreements with our executive officers, each of our executive officers may terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

We expect to continue hiring qualified development personnel. Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing key employees and executive officers may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize drugs. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. Failure to succeed in clinical trials may make it more challenging to recruit and retain qualified scientific personnel.

We will need to develop and expand our company, and we may encounter difficulties in managing this development and expansion, which could disrupt our operations.

As of July 15, 2018, we had 181 full-time employees, and we expect to continue to increase our number of employees and expand the scope of our operations. To manage our anticipated future growth, 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. Also, our management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This 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. Physical expansion of our operations in the future may lead to significant costs, including capital expenditures, and may divert financial resources from other projects, such as the development of our drug candidates. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our drug candidates, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. For example, the global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn, such as the global financial crisis, could result in a variety of risks to our business, including, weakened demand for our drug candidates and our ability to raise additional

capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our services.

Following its June 23, 2016 vote to leave the European Union, on March 29, 2017, the United Kingdom invoked Article 50 of the Lisbon Treaty and formally began the process of exiting the European Union. Although Brexit has already and may continue to adversely affect European and/or worldwide economic or market, political or regulatory conditions and may contribute to instability in the global financial markets, political institutions and regulatory agencies, the resulting immediate changes in foreign currency exchange rates have had a limited overall impact due to natural hedging. The long-term impact of Brexit, including on our business and our industry, will depend on the terms that are negotiated in relation to the United Kingdom's future relationship with the European Union, and we are closely monitoring the Brexit developments in order to determine, quantify and proactively address changes as they become clear. Despite the Brexit developments, we do not expect macroeconomic conditions to have a significant impact on our liquidity needs, financial condition or results of operations.

We or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Earthquakes or other natural disasters could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, could have a material adverse effect on our business.

Our internal computer systems, or those of our third-party collaborators, service providers, contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our drug candidates' development programs and have a material adverse effect on our reputation, business, financial condition or results of operations.

Our internal computer systems and those of our current or future third-party collaborators, service providers, contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Attacks on information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and they are being conducted by increasingly sophisticated and organized groups and individuals with a wide range of motives and expertise. In addition to extracting sensitive information, such attacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. The prevalent use of mobile devices also increases the risk of data security incidents. While we have not experienced any material system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations or the operations of third-party collaborators, service providers, contractors and consultants, it could result in a material disruption of our drug candidates' development programs and significant reputational, financial, legal, regulatory, business or operational harm. For example, the loss of clinical trial data for our drug candidates 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 results in a loss of or damage to our data or applications or other data or applications relating to our technology or drug candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of our drug candidates could be delayed. In addition, our liability insurance may not be sufficient in type or amount to cover us against claims related to security breaches, cyberattacks and other related breaches.

Any failure or perceived failure by us or any third-party collaborators, service providers, contractors or consultants to comply with our privacy, confidentiality, data security or similar obligations to third parties, or any data security incidents or other security breaches that result in the unauthorized access, release or transfer of sensitive information, including personally identifiable information, may result in governmental investigations, enforcement actions, regulatory fines, litigation or public statements against us, could cause third parties to lose trust in us or could result in claims by third parties asserting that we have breached our privacy, confidentiality, data security or similar

obligations, any of which could have a material adverse effect on our reputation, business, financial condition or results of operations. Moreover, data security incidents and other security breaches can be difficult to detect, and any delay in identifying them may lead to increased harm. While we have implemented data security measures intended to protect our information technology systems and infrastructure, there can be no assurance that such measures will successfully prevent service interruptions or data security incidents.

Compliance with global privacy and data security requirements could result in additional costs and liabilities to us or inhibit our ability to collect and process data globally, and the failure to comply with such requirements could have a material adverse effect on our business, financial condition or results of operations.

Privacy and data security have become significant issues in the United States, Europe and in many other jurisdictions where we conduct or may in the future conduct our operations. The regulatory framework for the collection, use, safeguarding, sharing and transfer of information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Globally, virtually every jurisdiction in which we operate has established its own data security and privacy frameworks with which we must comply. For example, the European Union Data Protection Directive 95/46/EC and the country-specific regulations that implement the directive currently impose strict obligations on the processing of personal data and the free movement of such data. Effective May 25, 2018, the current data protection laws of each European Union member state will be replaced by the General Data Protection Regulation 2016/679, or GDPR. The GDPR applies to any company established in the European Union as well as any company outside the European Union that collects and uses personal data in connection with the offering goods or services to individuals in the European Union or the monitoring of their behavior. The GDPR enhances data protection obligations for processors and controllers of personal data, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements and onerous new obligations on services providers. The GDPR will impose additional obligations and risk upon our business and substantially increase the penalties to which we could be subject in the event of any non-compliance, including fines of up to €20 million or 4% of total worldwide annual turnover, whichever is higher. Given the breadth and depth of changes in data protection obligations, preparing for and complying with the GDPR's requirements has required and will continue to require significant time, resources and a review of our technologies, systems and practices, as well as those of any third-party collaborators, service providers, contractors or consultants that process or transfer personal data collected in the European Union. The GDPR and other changes in laws or regulations associated with the enhanced protection of certain types of sensitive data, such as healthcare data or other personal information from our clinical trials, could lead to government enforcement actions and significant penalties against us and could have a material adverse effect on our business, financial condition or results of operations.

Our employees, principal investigators, CROs and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.

We are exposed to the risk that our employees, principal investigators, CROs and consultants may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate the regulations of the FDA and other regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities; healthcare fraud and abuse laws and regulations in the United States and abroad; or laws that require the reporting of financial information or data accurately. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, 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. Activities subject to these laws also involve the improper use of information obtained in the course of clinical trials or creating fraudulent data in our pre-clinical studies or clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. We have adopted a code of conduct applicable to all of our employees, but it is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. In addition, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. 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 significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in

Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

We may acquire businesses or drugs, or form strategic alliances, in the future, and we may not realize the benefits of such acquisitions.

We may acquire additional businesses or drugs, form strategic alliances or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new drugs resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition, we will achieve the expected synergies to justify the transaction.

We may be subject to adverse legislative or regulatory tax changes that could negatively impact our 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 IRS and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect our stockholders or us. In recent years, many such changes have been made and changes are likely to continue to occur in the future. We cannot predict whether, when, in what form, or with what effective dates, tax laws, regulations and rulings may be enacted, promulgated or decided, which could result in an increase in our, or our stockholders', tax liability or require changes in the manner in which we operate in order to minimize increases in our tax liability.

On December 22, 2017, the Tax Cuts and Jobs Act, or TCJA, was enacted. The TCJA significantly reforms the Internal Revenue Code of 1986, as amended. The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating loss carryforwards and allows for the expensing of capital expenditures. Our net deferred tax assets and liabilities were revalued as of December 31, 2017 at the newly enacted U.S. corporate rate, and the impact was recognized in our tax expense in the year of enactment but was offset by a corresponding reduction to the valuation allowance. We continue to examine the impact this tax reform legislation may have on our business. The impact of this tax reform is uncertain and could be adverse.

Risks Related to Our Common Stock

The price of our common stock has been and may in the future be volatile and fluctuate substantially.

Our stock price has been and may in the future be subject to substantial volatility. In addition, the stock market in general, and Nasdaq listed and biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. For example, our stock traded within a range of a high price of $109.00 and a low price of $13.04 per share for the period beginning on April 30, 2015, our first day of trading on The Nasdaq Global Select Market, through July 31, 2018. As a result of this volatility, our stockholders could incur substantial losses. In addition, the market price for our common stock may be influenced by many factors, including:

- the success of competitive drugs or technologies;
- results of clinical trials of our drug candidates or those of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;

- the level of expenses related to any of our drug candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license additional drug candidates or drugs;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other factors described in this “Risk Factors” section.

These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In the past, when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management.

An active trading market for our common stock may not be sustained, and investors may not be able to resell their shares at or above the price they paid.

Although we have listed our common stock on The Nasdaq Global Select Market, an active trading market for our shares may not be sustained. In the absence of an active trading market for our common stock, investors may not be able to sell their common stock at or above the price at which they acquired their shares or at the time that they would like to sell. An inactive trading market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

If equity research analysts publish negative evaluations of or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock relies in part on the research and reports that equity research analysts publish about us or our business. We do not control these analysts. If one or more of the analysts covering our business downgrade their evaluations of our common stock, the price of our common stock could decline. If one or more of these analysts cease to cover our common stock, we could lose visibility in the market for our common stock, which in turn could cause our common stock price to decline.

Our executive officers, directors, principal stockholders and their affiliates maintain the ability to exercise significant influence over our company and all matters submitted to stockholders for approval.

Our executive officers, directors and stockholders who own more than 5% of our outstanding common stock, together with their affiliates and related persons, beneficially own shares of common stock representing a significant percentage of our capital stock. As a result, if these stockholders were to choose to act together, they would be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company on terms that other stockholders may desire. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control of us;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. These provisions include a classified board of directors, a prohibition on actions by written consent of our stockholders and the ability of our board of directors to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirors to negotiate with our board of directors, they would apply even if an offer rejected by our board were considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

Future sales of our common stock, including by us or our directors and executive officers or shares issued upon the exercise of currently outstanding options, could cause our stock price to decline.

A substantial portion of our outstanding common stock can be traded without restriction at any time. In addition, a portion of our outstanding common stock is currently restricted as a result of federal securities laws, but can be sold at any time subject to applicable volume limitations. As such, sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, by us or others, could reduce the market price of our common stock or impair our ability to raise adequate capital through the sale of additional equity securities. In addition, we have a significant number of shares that are subject to outstanding options. The exercise of these options and the subsequent sale of the underlying common stock could cause a further decline in our stock price. These sales also might make it difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. We cannot predict the number, timing or size of future issuances or the effect, if any, that any future issuances may have on the market price for our common stock.

We have incurred and will continue to incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, we have incurred and expect to continue to incur significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002 and rules subsequently implemented by the Securities and Exchange Commission, or SEC, and Nasdaq have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and make some activities more time-consuming and costly.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we are required to furnish an annual report by our management on our internal control over financial reporting. To achieve compliance with Section 404 within the prescribed period, we have been and will continue to be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting

and improvement process for internal control over financial reporting.

Despite our efforts, there is a risk that in the future neither we nor our independent registered public accounting firm will be able to conclude within the prescribed timeframe that our internal control over financial reporting is effective as required by Section 404 or that we will not be able to comply with the requirements of Section 404 in a timely manner. If this were to occur, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources. Furthermore, investor perceptions of our company may suffer if deficiencies are found, and this could cause a decline in the market price of our stock. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation. If we are unable to implement these requirements effectively or efficiently, it could harm our operations, financial reporting, or financial results and could result in an adverse opinion on our internal control over financial reporting from our independent registered public accounting firm.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be the sole source of gain for our stockholders.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, under the loan and security agreement with Silicon Valley Bank, we are currently restricted from paying cash dividends, and we expect these restrictions to continue in the future. In addition, the terms of any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for our stockholders for the foreseeable future.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

Under Section 382 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an “ownership change” (generally defined as a greater than 50% change (by value) in the ownership of its equity over a three year period), the corporation’s ability to use its pre-change net operating loss carryforwards and certain other pre-change tax attributes to offset its post-change income may be limited. We may have experienced such ownership changes in the past, and we may experience ownership changes in the future as a result of shifts in our stock ownership, some of which are outside our control. As of December 31, 2017, we had federal net operating loss carryforwards of approximately $288.6 million, and our ability to utilize those net operating loss carryforwards could be limited by an “ownership change” as described above, which could result in increased tax liability to us. In addition, pursuant to the TCJA, we may not use net operating loss carry-forwards to reduce our taxable income in any year by more than 80%, and we may not carry back any net operating losses to prior years. These new rules apply regardless of the occurrence of an ownership change.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
10.1*†	License and Collaboration Agreement, dated June 1, 2018, between the Registrant and CStone Pharmaceuticals
10.2*#	Form of non-qualified stock option agreement for employees under 2015 Stock Option and Incentive Plan
10.3*#	Form of non-qualified stock option agreement for consultants under 2015 Stock Option and Incentive Plan
10.4*#	Form of restricted stock unit award agreement for employees under 2015 Stock Option and Incentive Plan
10.5*#	Form of restricted stock unit award agreement for non-employee directors under 2015 Stock Option and Incentive Plan
10.6*#	Form of restricted stock unit award agreement for consultants under 2015 Stock Option and Incentive Plan
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, 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 Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certifications 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
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

# Indicates management contract or compensatory plan or arrangement.

† Confidential treatment requested as to portions of the exhibit. Confidential materials omitted and filed separately with the Securities and Exchange Commission.

* Filed herewith.

+ The certifications furnished in Exhibit 32.1 hereto are deemed to be furnished with this Quarterly Report on Form 10-Q and will not be deemed to be “filed” for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

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.

BLUEPRINT MEDICINES CORPORATION

Date: August 1, 2018

By: /s/ Jeffrey W. Albers
Jeffrey W. Albers
President, Chief Executive Officer and Director (Principal Executive Officer)

Date: August 1, 2018

By: /s/ Michael Landsittel
Michael Landsittel
Vice President of Finance
(Principal Financial and Accounting Officer)

Exhibit 10.1

[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES ACT OF 1934, AS AMENDED

LICENSE AND COLLABORATION AGREEMENT

by and between

Blueprint Medicines Corporation

and

CStone Pharmaceuticals

Dated as of June 1, 2018

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Schedules

LICENSE AND COLLABORATION AGREEMENT

This LICENSE AND COLLABORATION AGREEMENT (this "**Agreement**") is made as of June 1, 2018 (the "**Effective Date**") by and between Blueprint Medicines Corporation, a Delaware corporation ("**Blueprint**"), having a place of business at 45 Sidney Street, Cambridge MA 02139, USA, and CStone Pharmaceuticals, a corporation organized under the laws of the Cayman Islands ("**CStone**"), having a place of business at Vistra (Cayman) Limited, Floor 4, Willow House, Cricket Square, PO Box 2804, Grand Cayman KY1-1112, Cayman Islands. Blueprint and CStone are referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Blueprint is a biopharmaceutical company that is developing (a) a highly selective KIT and PDGFRα inhibitor known as avapritnib, or BLU-285, (b) a highly selective FGFR4 inhibitor known as BLU-554, and (c) a highly selective RET inhibitor known as BLU-667, each for the treatment of certain cancers or rare diseases;

WHEREAS, Blueprint Controls certain Know-How and Patent Rights relating to BLU-285, BLU-554, and BLU-667;

WHEREAS, CStone is a biopharmaceutical company engaged in the research, development, and commercialization of pharmaceutical and biologic products in the greater China region, including the development of an anti-PD-L1 monoclonal antibody known as CS1001 for the treatment of certain cancers;

WHEREAS, CStone Controls certain Know-How and Patent Rights relating to CS1001 and other CStone Products; and

WHEREAS, CStone wishes to obtain from Blueprint an exclusive license to develop, manufacture, and commercialize the BLU-285 Product, the BLU-554 Product, and the BLU-667 Product, in each case, in the Territory, as a monotherapy or potentially as part of a Combination Regimen with certain CStone Products, and Blueprint is willing to grant such a license to CStone, all in accordance with the terms and conditions set forth herein.

AGREEMENT

NOW, **THEREFORE**, the Parties hereby agree as follows:

Article 1
DEFINITIONS

Unless specifically set forth to the contrary herein, the following terms will have the respective meanings set forth below, whether used in the singular or plural:

1.1 "**Accounting Standards**" means GAAP for both Parties, unless a Party elects to change its general accounting principles to IFRS (or any change thereafter between IFRS and GAAP) and provides notice to the other Party of such change in accordance with Section 10.7 (Accounting Standards).

1.2 "**Acquired Party**" has the meaning set forth in Section 2.6.3 (Acquisitions by Third Parties).

1.3 "**Acquiring Party**" has the meaning set forth in Section 2.6.4(a) (Options).

1.4 "**Active Ingredient**" means those clinically active materials that provide pharmacological activity in a pharmaceutical or biologic product (excluding [***]).

1.5 "**Affiliate**" means, with respect to a Person, any other Person that controls, is controlled by, or is under common control with such Person. For the purpose of this definition only, "control" (including, with correlative meaning, the terms "controlled by" and "under the common control") means the actual power, either directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of any Person, whether by the ownership of more than 50% of the voting security of such Person, by contract or otherwise.

1.6 "**Agreement**" has the meaning set forth in the Preamble.

1.7 "**Alliance Manager**" has the meaning set forth in Section 3.1 (Alliance Managers).

1.8 "**Amalgamated Product**" means a Collaboration Product that (a) includes a Blueprint Product that is sold for a single price together with any (i) delivery device or component therefor, (ii) Companion Diagnostic, or (iii) pharmaceutical or biologic product (including any CStone Product, if applicable), process, service, or therapy, in each case, other than a pharmaceutical or biologic product containing a Blueprint Compound (the products, devices, processes, services, and therapies described in the foregoing clauses (i) – (iii), each, an "**Other Component**"); or (b) defined as a "combination product" by the FDA pursuant to 21 C.F.R. §3.2(e) or its foreign equivalent. For clarity, a Blueprint/CStone Combination or a Blueprint Combination Product that is sold for a single price is an Amalgamated Product.

1.9 "**Anti-Corruption Laws**" has the meaning set forth in Section 12.4.2(a) (Covenants of the Parties).

1.10 "**Applicable Law**" means collectively all laws, rules, regulations, ordinances, decrees, judicial and administrative orders (and any license, franchise, permit, or similar right granted under any of the foregoing), and any policies and other requirements of any applicable Governmental Authority that govern or otherwise apply to a Party, including all Anti-Corruption Laws.

1.11 "**Approved Labeling**" means, with respect to a Collaboration Product: (a) the Regulatory Authority-approved full prescribing information for such Collaboration Product; and (b) the Regulatory Authority-approved labels and other written, printed, or graphic materials on any container, wrapper, or any package insert that is used with or for such Collaboration Product.

1.12 "**Arbitration Notice**" has the meaning set forth in Section 16.3.1 (Rules).

1.13 "**Arbitrators**" has the meaning set forth in Section 16.3.2 (Selection of Arbitrator).

1.14 "**Assigned Collaboration Know-How**" means any Collaboration Know-How that (a) [***] relates to a Blueprint Compound, a Blueprint Product, or a Blueprint Combination Product (including any composition of matter, method of use, or method of Manufacturing, in each case, that is [***]), or any Companion Diagnostic [***] for use with a Blueprint Product or a Blueprint Combination Product, and (b) is developed or invented during the Term by CStone's or its Affiliates', licensees', Sublicensees', or Subcontractors' employees, agents, or independent contractors, or any Person contractually required to assign or license such Know-How (or Patent Rights Covering such Know-How) to CStone or any Affiliate of CStone, whether solely or jointly with others, in the course of performance of activities undertaken pursuant to this Agreement. For clarity, Assigned Collaboration Know-How does not include any Blueprint/CStone Combination Know-How or any Know-How that does not [***] and excludes Know-How that relates in whole or in part to any

composition of matter, method of use, or method of Manufacturing of any Blueprint/CStone Combination or CStone Product.

1.15 "**Assigned Collaboration Patent Rights**" means all Collaboration Patent Rights that Cover Assigned Collaboration Know-How. For clarity, Assigned Collaboration Patent Rights do not include Patent Rights that Cover any Blueprint/CStone Combination or CStone Product.

1.16 "**Assigned Collaboration Technology**" means the Assigned Collaboration Know-How and the Assigned Collaboration Patent Rights.

1.17 "**BLU-285**" or "**avapritnib**" means (a) Blueprint's proprietary KIT and PDGFRα inhibitor known as avapritnib or BLU-285, (b) its named back-up form [***] and any other backup form that Blueprint identifies and designates after the Effective Date as a back-up form for BLU-285 in accordance with Blueprint's then-current business practices, and (c) any amorphous forms, crystalline forms, co-crystals, isomers, isotopic substitutions, pro-drug esters, metabolites, salts, hydrates, solvates, and polymorphs of any compound described in clause (a) or clause (b).

1.18 "**BLU-285 Product**" means any pharmaceutical or biologic product containing BLU-285 as an Active Ingredient, in any form, presentation, formulation, or dosage form. For clarity, BLU-285 Product does not include any Blueprint/CStone Combination or any Blueprint Combination Product.

1.19 "**BLU-554**" means (a) Blueprint's proprietary FGFR4 inhibitor known as BLU-554, (b) its named back-up form [***] and any other backup form that Blueprint identifies and designates after the Effective Date as a back-up form for BLU-554 in accordance with Blueprint's then-current business practices, and (c) any amorphous forms, crystalline forms, co-crystals, isomers, isotopic substitutions, pro-drug esters, metabolites, salts, hydrates, solvates, and polymorphs of any compound described in clause (a) or clause (b).

1.20 "**BLU-554 Combination Pivotal Trials**" means the BLU-554/CStone Checkpoint Combination Pivotal Trial and the BLU-554/Other Checkpoint Combination Pivotal Trial.

1.21 "**BLU-554 Combination POC Trials**" means the BLU-554/CStone Checkpoint Combination POC Trial and the BLU-554/Other Checkpoint Combination POC Trial.

1.22 "**BLU-554 Monotherapy Pivotal Trial**" means Blueprint's Pivotal Trial that is a Global Clinical Trial for BLU-554 as a monotherapy for the HCC Indication conducted under a Global Development Plan.

1.23 "**BLU-554 Monotherapy POC Trial**" means Blueprint's on-going POC Trial that is a Global Clinical Trial for BLU-554 as a monotherapy for the HCC Indication conducted under a Global Development Plan.

1.24 "**BLU-554 Product**" means any pharmaceutical or biologic product containing BLU-554 as an Active Ingredient, in any form, presentation, formulation, or dosage form. For clarity, BLU-554 Product does not include any Blueprint/CStone Combination or any Blueprint Combination Product.

1.25 "**BLU-554 Scenario 1**" has the meaning set forth in Section 5.4.2 (Pivotal Trials for the HCC Indication).

1.26 "**BLU-554 Scenario 2**" has the meaning set forth in Section 5.4.2 (Pivotal Trials for the HCC Indication).

1.27 "**BLU-554 Scenario 3**" has the meaning set forth in Section 5.4.2 (Pivotal Trials for the HCC Indication).

1.28 "**BLU-554/Checkpoint Combination POC Share**" means the greater of (a) the aggregate amount that Blueprint pays to CStone as reimbursement for [***] of the costs and expenses incurred by or on behalf of CStone in connection with the BLU-554/CStone Checkpoint Combination POC Trial in accordance with the terms of Section 5.10.1 (Development Costs for Combination Regimens Including BLU-554), or (b) if the BLU-554/CStone Checkpoint Combination POC Trial is not completed, then [***] of the BLU-554/CStone Checkpoint Combination POC Budget.

1.29 "**BLU-554/CStone Checkpoint Combination**" has the meaning set forth in Section 5.4.1 (POC Trials for the HCC Indication).

1.30 "**BLU-554/CStone Checkpoint Combination Pivotal Trial**" has the meaning set forth in Section 5.4.2 (Pivotal Trials for the HCC Indication).

1.31 "**BLU-554/CStone Checkpoint Combination POC Budget**" has the meaning set forth in Section 5.4.1 (POC Trials for the HCC Indications).

1.32 "**BLU-554/CStone Checkpoint Combination POC Trial**" has the meaning set forth in Section 5.4.1 (POC Trials for the HCC Indication).

1.33 "**BLU-554/Other Checkpoint Combination**" has the meaning set forth in Section 5.4.1 (POC Trials for the HCC Indication).

1.34 "**BLU-554/Other Checkpoint Combination Pivotal Trial**" has the meaning forth in Section 5.4.2 (Pivotal Trials for the HCC Indication).

1.35 "**BLU-554/Other Checkpoint Combination POC Trial**" has the meaning set forth in Section 5.4.1 (POC Trials for the HCC Indication).

1.36 "**BLU-667**" means (a) Blueprint's proprietary RET inhibitor known as BLU-667, (b) its named back-up form [***] and any other backup form that Blueprint identifies and designates after the Effective Date as a back-up form for BLU-667 in accordance with Blueprint's then-current business practices, and (c) any amorphous forms, crystalline forms, co-crystals, isomers, isotopic substitutions, pro-drug esters, metabolites, salts, hydrates, solvates, and polymorphs of any compound described in clause (a) or clause (b).

1.37 "**BLU-667 Product**" means any pharmaceutical or biologic product containing BLU-667 as an Active Ingredient, in any form, presentation, formulation, or dosage form. For clarity, BLU-667 Product does not include any Blueprint/CStone Combination or any Blueprint Combination Product.

1.38 "**Blueprint**" has the meaning set forth in the Preamble.

1.39 "**Blueprint Collaboration Know-How**" means Collaboration Know-How, other than Blueprint/CStone Combination Know-How, developed or invented solely by Blueprint's or its Affiliates', licensees', Sublicensees', or Subcontractors' employees, agents, or independent

contractors, or any Persons contractually required to assign or license such Collaboration Know-How to Blueprint or any Affiliate of Blueprint, in each case, in the performance of activities under this Agreement during the Term.

1.40 "**Blueprint Collaboration Patent Rights**" means all Collaboration Patent Rights that Cover Blueprint Collaboration Know-How.

1.41 "**Blueprint Combination Product**" means any Combination Regimen that includes a Blueprint Product together with any Third Party pharmaceutical or biologic product.

1.42 "**Blueprint Compound**" means BLU-285, BLU-554, or BLU-667.

1.43 "**Blueprint/CStone Combination**" means (a) the BLU-554/CStone Checkpoint Combination, and (b) any other Combination Regimen that includes a Blueprint Product together with any CStone Product.

1.44 "**Blueprint/CStone Combination Know-How**" means any Collaboration Know-How that (a) [***] relates to any Blueprint/CStone Combination (and not any CStone Product itself or any other Collaboration Product that is not a Blueprint/CStone Combination) including any method of use or method of Manufacturing, in each case, that is specific to a Blueprint/CStone Combination (including any method of use or method of Manufacturing that is [***]), or any Companion Diagnostic [***] for use with a Blueprint/CStone Combination, and (b) is developed or invented during the Term by a Party's or its Affiliates', licensees', Sublicensees', or Sublicensees' employees, agents, or independent contractors, or any Persons contractually required to assign or license such Know-How to a Party or any Affiliate of a Party, either alone or jointly with the other Party's or its Affiliates', licensees', Sublicensees', Subcontractors' employees, agents, or independent contractors, or any Persons contractually required to assign or license such Know-How to the other Party or any Affiliate of the other Party, in each case, in the course of performance of activities undertaken pursuant to this Agreement.

1.45 "**Blueprint/CStone Combination Patent Rights**" means all Collaboration Patent Rights that Cover Blueprint/CStone Combination Know-How, including all Collaboration Patent Rights that Cover any method of use or method of Manufacturing of a Blueprint/CStone Combination or any Companion Diagnostic [***] for use with a Blueprint/CStone Combination. For clarity, Blueprint/CStone Combination Patent Rights do not include any Patent Rights that Cover (a) a CStone Product itself or (b) any other Collaboration Product that is not a Blueprint/CStone Combination or a Companion Diagnostic that is for use with a CStone Product itself or any other Collaboration Product that is not a Blueprint/CStone Combination.

1.46 "**Blueprint/CStone Combination Technology**" means the Blueprint/CStone Combination Know-How and the Blueprint/CStone Combination Patent Rights.

1.47 "**Blueprint Identified Rights**" has the meaning set forth in Section 2.5.1 (Blueprint Identified Rights).

1.48 "**Blueprint Indemnitee(s)**" has the meaning set forth in Section 13.1 (By CStone).

1.49 "**Blueprint In-Licensed Rights**" has the meaning set forth in Section 2.5.3 (Third Party IP Agreements).

1.50 "**Blueprint Know-How**" means, subject to Section 2.5.5 (Right to Decline Blueprint Identified Rights), all Know-How (excluding Blueprint's interest in the Blueprint/CStone Combination Know-How and other Joint Collaboration Know-How) that is (a) Controlled by Blueprint or any of its Affiliates as of the Effective Date or during the Term, and (b) necessary or useful to Exploit a Blueprint Compound or a Collaboration Product, including all Assigned Collaboration Know-How, Blueprint Manufacturing Know-How, and Blueprint Collaboration Know-How.

1.51 "**Blueprint Manufacturing Know-How**" means all Blueprint Know-How that is necessary or useful for the Manufacturing of each Blueprint Product, excluding any Blueprint Know-How related to the Manufacture of any Active Ingredient included in any Blueprint Product.

1.52 "**Blueprint Patent Rights**" means, subject to Section 2.5.5 (Right to Decline Blueprint Identified Rights), all Patent Rights (excluding Blueprint's interest in the Joint Collaboration Patent Rights) that are (a) Controlled by Blueprint or any of its Affiliates as of the Effective Date or during the Term, and (b) necessary or useful (or, with respect to patent applications, would be necessary or useful if such patent applications were to issue as patents) to Exploit a Blueprint Compound or a Collaboration Product, including all Assigned Collaboration Patent Rights and Blueprint Collaboration Patent Rights. Schedule 1.52 (Blueprint Patent Rights) includes the Blueprint Patent Rights that are owned or exclusively licensed by Blueprint in the Territory and that exist as of the Effective Date.

1.53 "**Blueprint Product**" means any of the BLU-285 Product, the BLU-554 Product, or the BLU-667 Product. Blueprint Product does not mean or include any Blueprint Combination Product, any Blueprint/CStone Combination, or any CStone Product that is a part of any Blueprint/CStone Combination.

1.54 "**Blueprint Specifications**" has the meaning set forth in Section 7.2.3 (Specifications).

1.55 "**Blueprint Technology**" means Blueprint Know-How, Blueprint Patent Rights, and Blueprint's interest in the Joint Collaboration Technology.

1.56 "**Breach Notification**" has the meaning set forth in Section 15.2.2(a) (Notice and Cure Period).

1.57 "**Business Day**" means a day other than a Saturday, Sunday, or a day on which banking institutions in Cambridge, Massachusetts or Shanghai, China are required by Applicable Law to remain closed.

1.58 "**Buyers**" has the meaning set forth in Section 1.176 (Net Sales).

1.59 "**Calendar Quarter**" means the respective periods of three consecutive calendar months ending on March 31, June 30, September 30, and December 31.

1.60 "**Calendar Year**" means each 12-month period commencing on January 1.

1.61 "**cGMP**" means all applicable current Good Manufacturing Practices, including, as applicable, (a) the principles detailed in the U.S. Current Good Manufacturing Practices, 21 C.F.R. Parts 4, 210, 211, 601, 610 and 820, (b) European Directive 2003/94/EC and Eudralex 4, (c) the principles detailed in the International Conference on Harmonization's Q7 guidelines, and (d) the equivalent Applicable Law in any relevant country or region, each as may be amended and applicable from time to time.

1.62 "**Change of Control**" means, with respect to a Party, that: (a) any Third Party acquires directly or indirectly the beneficial ownership of any voting security of such Party, or if the percentage ownership of such Third Party in the voting securities of such Party is increased through stock redemption, cancellation, or other recapitalization, and immediately after such acquisition or increase such Third Party is, directly or indirectly, the beneficial owner of voting securities representing at least 50% of the total voting power of all of the then outstanding voting securities of such Party; (b) a merger, consolidation, recapitalization, or reorganization of such Party is consummated which would result in shareholders or equity holders of such Party immediately prior to such transaction, owning at least 50% of the outstanding voting securities of the surviving entity (or its parent entity) immediately following such transaction; or (c) there is a sale or transfer to a Third Party of all or substantially all of such Party's consolidated assets taken as a whole, through one or more related transactions.

1.63 "**Chief Scientific Officer**" has the meaning set forth in Section 2.6.2 (Competitive Product Disputes).

1.64 "**Clinical Supply Agreement**" has the meaning set forth in Section 7.1.1 (Development Supply).

1.65 "**Clinical Trial**" means any clinical trial in humans that is conducted in accordance with GCP and is designed to generate data in support or maintenance of an IND or MAA, or other similar marketing application, including any Phase I Clinical Trial, Phase II Clinical Trial, Phase III Clinical Trial, or any post-approval clinical trial in humans.

1.66 "**CMO**" means a contract manufacturing organization.

1.67 "**CNDA**" means the China National Drug Administration, and local counterparts thereto, and any successor agency or authority thereto having substantially the same function.

1.68 "**Collaboration Know-How**" means any Know-How developed or invented during the Term by a Party's or its Affiliates', licensees', Sublicensees', or Subcontractors' employees, agents, or independent contractors, or any persons contractually required to assign or license such Know-How to a Party or any Affiliate of a Party, either alone or jointly with the other Party's or its Affiliates', licensees', Sublicensees', or Subcontractors' employees, agents, or independent contractors, or any persons contractually required to assign or license such Know-How to the other Party or any Affiliate of the other Party, in each case, in the performance of activities under this Agreement, including Assigned Collaboration Know-How and Blueprint/CStone Combination Know-How.

1.69 "**Collaboration Patent Rights**" means any Patent Rights that (a) claim any Invention included in the Collaboration Know-How or (b) disclose any Collaboration Know-How.

1.70 "**Collaboration Product**" means a Blueprint Product, Blueprint Combination Product, or a Blueprint/CStone Combination.

1.71 "**Collaboration Technology**" means Collaboration Know-How and Collaboration Patent Rights.

1.72 "**Combination Regimen**" means any product or treatment regimen that comprises, or is a combination of (a) a BLU-285 Product, BLU-554 Product, or BLU-667 Product, and (b) any other product containing an Active Ingredient other than BLU-285, BLU-554, or BLU-667, where (a) and (b) are labeled for use together either simultaneously or in a separate or sequential administration, whether or not sold for a single price. For clarity, any Amalgamated Product that satisfies the requirement set forth in both clauses (a) and (b) is a Combination Regimen.

1.73 "**Commercial Supply Agreement**" has the meaning set forth in Section 7.1.2 (Commercial Supply).

1.74 "**Commercialization**" means any and all activities directed to the marketing, promotion, distribution, pricing, reimbursement, offering for sale, and sale of a pharmaceutical or biologic product and interacting with Regulatory Authorities following receipt of Regulatory Approval in the applicable country or region for such pharmaceutical or biologic product regarding the foregoing, including seeking any required Reimbursement Approval, but excluding activities directed to Manufacturing, Development, or Medical Affairs. "**Commercialize**," "**Commercializing**," and "**Commercialized**" will be construed accordingly.

1.75 "**Commercialization Plan**" means, with respect to a Collaboration Product, the written high-level strategic and tactical plans for the Commercialization activities for such Collaboration Product to be conducted in the Territory that will be prepared and updated by CStone as provided in Section 9.2 (Commercialization Plans).

1.76 "**Commercially Reasonable Efforts**" means, with respect to the Exploitation of a Blueprint Compound or a Collaboration Product by a Party, those efforts and resources, including reasonably necessary personnel, equivalent to the efforts that a reasonable international biopharmaceutical company or a pharmaceutical company, in each case, that is of comparable size and resources to such Party would typically devote to a product of similar market potential, profit potential, and strategic value and at a comparable stage in development or product life to such Blueprint Compound or Collaboration Product, based on conditions then prevailing and taking into account all relevant factors, including issues of safety and efficacy, anticipated or actual product labeling, the competitiveness of alternative Third Party therapies in the marketplace, [***] the expected likelihood of Regulatory Approval, [***] and other relevant scientific, technical, regulatory, and commercial factors. Commercially Reasonable Efforts requires, with respect to an obligation, that the Party: (a) promptly assign responsibility for such obligation to specific employees who are held accountable for progress and monitor such progress on an on-going basis, (b) set and consistently seek to achieve specific and meaningful objectives for carrying out such obligation, and (c) consistently make and implement decisions and allocate resources designed to advance progress with respect to such objectives. Notwithstanding the foregoing, in a determination of an expenditure of Commercially Reasonable Efforts, a Party may not take into account [***].

1.77 "**Companion Diagnostics**" has the meaning set forth in Section 5.15 (Development of Companion Diagnostics).

1.78 "**Competitive Activities**" has the meaning set forth in Section 2.6.1 (Exclusivity Covenant).

1.79 "**Competitive Product**" means any pharmaceutical or biologic product, other than a Collaboration Product, that is a [***] inhibitor of (a) [***], (b) [***], or (c) [***], in each case ((a) through (c)), either as a monotherapy or combination therapy. For purposes of this Agreement, a "[***] inhibitor" excludes [***]. Notwithstanding the foregoing, if this Agreement is terminated with respect to a Collaboration Product that contains (i) BLU-554, then a Competitive Product will not include a [***] inhibitor of [***]; (ii) BLU-285, then a Competitive Product will not include a [***] inhibitor of [***]; and (iii) BLU-667, then a Competitive Product will not include a [***] inhibitor of [***].

1.80 "**Confidential Information**" means, subject to Section 11.3 (Exemptions), (a) Know-How and any technical, scientific, trade, research, manufacturing, business, financial, marketing, product, supplier, intellectual property, and other non-public or proprietary data or information (including

unpublished patent applications) that may be disclosed by one Party or its Affiliates to the other Party or its Affiliates pursuant to this Agreement (including information disclosed prior to the Effective Date pursuant to the Confidentiality Agreement), regardless of whether such information is specifically marked or designated as confidential and regardless of whether such information is in written, oral, electronic, or other form, and (b) the terms of this Agreement.

1.81 "**Confidentiality Agreement**" means the Confidentiality Agreement dated January 16, 2018 by and between the Parties.

1.82 "**Continuing Know-How Transfer**" has the meaning set forth in Section 4.3 (Continuing Know-How Transfer).

1.83 "**Control**" or "**Controlled**" means the possession by a Party (whether by ownership, license, or otherwise other than pursuant to this Agreement) of, (a) with respect to any tangible Know-How, the legal authority or right to physical possession of such tangible Know-How, with the right to provide such tangible Know-How to the other Party on the terms set forth herein, or (b) with respect to Patent Rights, Regulatory Approvals, Regulatory Submissions, intangible Know-How, or other intellectual property rights, the legal authority or right to grant a license, sublicense, access, or right to use (as applicable) to the other Party under such Patent Rights, Regulatory Approvals, Regulatory Submissions, intangible Know-How, or other intellectual property rights on the terms set forth herein, in each case ((a) and (b)), without breaching or otherwise violating the terms of any arrangement or agreement with a Third Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such access, right to use, licenses, or sublicense. Notwithstanding the foregoing, a Party and its Affiliates will not be deemed to "Control" any Patent Right or Know-How that, prior to the consummation of a Change of Control of such Party, is owned or in-licensed by a Third Party that becomes an Affiliate of such acquired Party after the Effective Date as a result of such Change of Control unless (i) prior to the consummation of such Change of Control, such acquired Party or any of its Affiliates also Controlled such Patent Right or Know-How, or (ii) the Know-How or Patent Rights owned or in-licensed by the applicable Third Party were not used in the performance of activities under this Agreement prior to the consummation of such Change of Control, but after the consummation of such Change of Control, such acquired Party or any of its Affiliates determines to use or uses any such Patent Rights or Know-How in the performance of its obligations or exercise of its rights under this Agreement, in each of which cases ((i) and (ii)), such Patent Rights or Know-How will be "Controlled" by such Party for purposes of this Agreement.

1.84 "**Controlling Party**" has the meaning set forth in Section 14.4.2(ii) (Enforcement Rights; CStone First Right).

1.85 "**Cover**" means, with respect to a particular subject matter at issue and a relevant Patent Right, that the manufacture, use, sale, offer for sale, or importation of such subject matter would fall within the scope of a claim in such Patent Right.

1.86 "**CPI**" means (a) with respect to Blueprint, the Consumer Price Index-Urban Wage Earners and Clerical Workers, U.S. City Average, All Items 1982-84=100, published by the United States Department of Labor, Bureau of Labor Statistics (or its successor equivalent index), in the United States and (b) with respect to CStone, the consumer price index for Shanghai as published by The National Bureau of Statistics of China.

1.87 "**CREATE Act**" has the meaning set forth in Section 14.2 (CREATE Act).

1.88 "**CRO**" means a contract research organization.

1.89 "**CS1001**" means CStone's proprietary anti-PD-L1 monoclonal antibody designated as CS1001, the sequence of which has been disclosed in writing by CStone to Blueprint in the electronic data room prior to the Effective Date.

1.90 "**CStone**" has the meaning set forth in the Preamble.

1.91 "**CStone Checkpoint Antibody**" means (a), CS1001 [***] with respect to which CStone or its Affiliates exclusively Controls Know-How or Patent Rights, (b) any monoclonal antibody that binds to, targets, or otherwise recognizes [***] PD-L1[***] with respect to which CStone or any of its Affiliates exclusively Controls any Know-How or Patent Rights, (c) any back-up form of either of the foregoing that CStone or any of its Affiliates identifies and designates after the Effective Date as a back-up form of either of the foregoing in accordance with CStone's then-current business practices, and (d) any modification, variant, fragment, or derivative of any antibody described in clause (a), clause (b), or clause (c).

1.92 "**CStone Checkpoint Product Agreement**" means [***] any other agreement pursuant to which CStone or any of its Affiliates Control any Know-How related to or Patent Rights that Cover CS1001 or any product that contains CS1001.

1.93 "**CStone General Collaboration Know-How**" means Collaboration Know-How, other than Blueprint/CStone Combination Know-How, Assigned Collaboration Know-How, or CStone Product Collaboration Know-How, developed or invented solely by CStone's or its Affiliates', licensees', Sublicensees', or Subcontractors' employees, agents, or independent contractors, or any Persons contractually required to assign or license such Collaboration Know-How to CStone or any Affiliate of CStone, in each case, in the performance of activities under this Agreement during the Term.

1.94 "**CStone General Collaboration Patent Rights**" means all Collaboration Patent Rights that Cover CStone General Collaboration Know-How.

1.95 "**CStone General Collaboration Technology**" means CStone General Collaboration Know-How and CStone General Collaboration Patent Rights.

1.96 "**CStone Identified Rights**" has the meaning set forth in Section 2.5.2 (CStone Identified Rights).

1.97 "**CStone Indemnitee(s)**" has the meaning set forth in Section 13.2 (By Blueprint).

1.98 "**CStone New Indication Share**" has the meaning set forth in Section 5.8.3 (CStone New Indication Share).

1.99 "**CStone Product**" means any pharmaceutical or biologic product (a) that contains a CStone Checkpoint Antibody, or (b) with respect to which CStone or any of its Affiliates exclusively Controls any Know-How or Patent Rights and that the Executive Officers of each Party agree in writing to include in a Blueprint/CStone Combination under this Agreement pursuant to Section 5.5.2 (Executive Officer Decision Regarding Proposed Additional Blueprint/CStone Combinations) and, with respect to any Active Ingredient in any (i) pharmaceutical product described in the foregoing clause (b), amorphous forms, crystalline forms, co-crystals, isomers, isotopic substitutions, pro-drug esters, metabolites, salts, hydrates, solvates, and polymorphs of such Active Ingredient, and (ii) biologic product described in the foregoing clause (b), any

modifications, variants, fragments, or derivatives of such Active Ingredient, in each case (a) and (b), in any form, presentation, formulation, or dosage form.

1.100 "**CStone Product Collaboration Know-How**" means any Collaboration Know-How, other than Blueprint/CStone Combination Know-How, that (a) [***] relates to any CStone Product or any Active Ingredient therein (including any composition of matter, method of use, or method of Manufacturing, in each case, that is [***]), or any Companion Diagnostic [***] for use with a CStone Product, and (b) is developed or invented solely by CStone's or its Affiliates', licensees', Sublicensees', or Subcontractors' employees, agents, or independent contractors, or any Persons contractually required to assign or license such CStone Product Collaboration Know-How to CStone or any of its Affiliates, in each case, in the performance of activities under this Agreement during the Term. For clarity, CStone Product Collaboration Know-How does not include any Assigned Collaboration Know-How, or any other Know-How that does not [***] and excludes Know-How that relates in whole or in part to any composition of matter, method of use, or method of Manufacturing of any other Collaboration Product (other than a CStone Product itself).

1.101 "**CStone Product Collaboration Patent Rights**" means all Collaboration Patent Rights that Cover CStone Product Collaboration Know-How. For clarity, CStone Product Collaboration Patent Rights do not include Patent Rights that Cover any Blueprint/CStone Combination, Blueprint Product, or Blueprint Combination Product.

1.102 "**CStone Product Collaboration Technology**" means CStone Product Collaboration Know-How and CStone Product Collaboration Patent Rights.

1.103 "**CStone Product Know-How**" means all Know-How (excluding CStone General Collaboration Know-How and CStone's interest in Joint Collaboration Know-How) that is (a) Controlled by CStone or any of its Affiliates as of the Effective Date or during the Term, and (b) necessary or useful for the Exploitation of a Blueprint Compound or a Collaboration Product, including CStone Product Collaboration Know-How. CStone Product Know-How does not include any Assigned Collaboration Know-How.

1.104 "**CStone Product Patent Rights**" means all Patent Rights (excluding CStone General Collaboration Patent Rights and CStone's interest in Joint Collaboration Patent Rights) that are (a) Controlled by CStone or any of its Affiliates as of the Effective Date or during the Term; and (b) necessary or useful (or, with respect to patent applications, would be necessary or useful if such patent applications were to issue as patents) for the Exploitation of a Blueprint Compound or a Collaboration Product, including all CStone Product Collaboration Patent Rights. CStone Product Patent Rights do not include any Assigned Collaboration Patent Rights.

1.105 "**CStone Product Technology**" means CStone Product Know-How, CStone Product Patent Rights, and CStone's interest in the Joint Collaboration Technology.

1.106 "**CStone Specifications**" has the meaning set forth in Section 7.2.3 (Specifications).

1.107 "**CStone Technology**" means CStone General Collaboration Technology and CStone Product Technology.

1.108 "**Debarred/Excluded**" means any Person becoming debarred or suspended under 21 U.S.C. §335(a) or (b), the subject of a conviction described in Section 306 of the FD&C Act, excluded, or having previously been excluded, from a federal or governmental health care program, debarred from federal contracting, convicted of or pled *nolo contendere* to any felony, or to any federal or

state legal violation (including misdemeanors) relating to prescription drug products or fraud, the subject to OFAC sanctions or on the OFAC list of specially designated nationals, or the subject of any similar sanction of any Governmental Authority in the Territory.

1.109 "**Deficient Site**" has the meaning set forth in Section 5.11.2 (Deficient Sublicensees or Sites and Replacement).

1.110 "**Development**" means all internal and external research, development, and regulatory activities related to pharmaceutical or biologic products, including (a) research, non-clinical testing, toxicology, testing and studies, non-clinical and preclinical activities, and Clinical Trials, and (b) preparation, submission, review, and development of data or information for the purpose of submission to a Regulatory Authority to obtain authorization to conduct Clinical Trials and to obtain, support, or maintain Regulatory Approval of a pharmaceutical or biologic product, but excluding activities directed to Manufacturing, Medical Affairs, or Commercialization. Development will include development and regulatory activities for additional forms, formulations, or indications for a pharmaceutical or biologic product after receipt of Regulatory Approval of such product (including label expansion), including Clinical Trials initiated following receipt of Regulatory Approval or any Clinical Trial to be conducted after receipt of Regulatory Approval that was mandated by the applicable Regulatory Authority as a condition of such Regulatory Approval with respect to an approved formulation or Indication (such as post-marketing studies, observational studies, implementation and management of registries and analysis thereof, in each case, if required by any Regulatory Authority in any region in the Territory to support or maintain Regulatory Approval for a pharmaceutical or biologic product in such region). "**Develop**," "**Developing**," and "**Developed**" will be construed accordingly.

1.111 "**Development Milestone Events**" has the meaning set forth in Section 10.2.1 (Development Milestone Events and Payments).

1.112 "**Development Milestone Payments**" has the meaning set forth in Section 10.2.1 (Development Milestone Events and Payments).

1.113 "**Disclosing Party**" has the meaning set forth in Section 11.1.1 (Duty of Confidence).

1.114 "**Dispute**" has the meaning set forth in Section 16.1 (General).

1.115 "**Dollar**" means the U.S. dollar, and "$" will be interpreted accordingly.

1.116 "**Effective Date**" has the meaning set forth in the Preamble.

1.117 "**Examined Party**" has the meaning set forth in Section 10.11 (Financial Records and Audits).

1.118 "**Executive Officers**" has the meaning set forth in Section 3.6.3 (Decisions of the JSC).

1.119 "**Exploit**" means to make, have made, use, offer to sell, sell, Develop, Manufacture, perform Medical Affairs activities, Commercialize, or otherwise exploit. "**Exploitation**" will be construed accordingly.

1.120 "**Ex-Territory Infringement**" has the meaning set forth in Section 14.4.1 (Patent Enforcement; Notice).

1.121 "**FD&C Act**" means the United States Federal Food, Drug and Cosmetic Act, as amended from time to time, together with any rules, regulations, and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto).

1.122 "**FDA**" means the United States Food and Drug Administration or any successor entity thereto having essentially the same function.

1.123 "**FGFR4**" means the fibroblast growth factor receptor target commonly known as FGFR4, including any isoforms of the foregoing.

1.124 "**Field**" means the treatment, cure, prevention, control, palliation, monitoring, prediction, or diagnosis of any diseases or conditions in humans.

1.125 "**First Commercial Sale**" means, with respect to any Collaboration Product [***] in any country or region, the first sale of such Collaboration Product [***] to a Third Party for distribution, use, or consumption in such country or region after receipt of Regulatory Approvals for such Collaboration Product in such country or region. First Commercial Sale excludes [***].

1.126 "**FTE**" means the equivalent of the work of one duly qualified employee of a Party full time for one year (consisting of a total of [***] hours per year) carrying out Development, Manufacturing, Medical Affairs activities, or other scientific or technical work under this Agreement. Overtime and work on weekends, holidays, and the like, in each case, will not be counted with any multiplier (*e.g.*, time-and-a-half or double time) toward the number of hours that are used to calculate the FTE contribution. The portion of an FTE billable by a Party for one individual during a given accounting period will be determined by dividing the number of hours worked directly by such individual on the work to be conducted under this Agreement during such accounting period and the number of FTE hours applicable for such accounting period based on [***] working hours per Calendar Year.

1.127 "**FTE Rate**" means the amount for an FTE per Calendar Year, which for the Calendar Year ending on December 31, 2018 will be (a) with respect to Blueprint, [***] per FTE; and (b) with respect to CStone, [***] per FTE, in each case, pro-rated for the period beginning on the Effective Date and ending on December 31, 2018. Beginning on January 1, 2019 and on January 1 of each subsequent Calendar Year during the Term, each FTE Rate is subject to annual adjustment by the percentage increase or decrease in the applicable CPI comparing the levels of the applicable CPI as of December 31 [***].

1.128 "**Fully Burdened Manufacturing Cost**" means, with respect to any Blueprint Compound, Blueprint Combination Product, or any CStone Product (or component thereof), in each case, supplied by or on behalf of the applicable Party to the other Party or its Affiliates hereunder:

(a) if and to the extent such Blueprint Product, Blueprint Combination Product, or CStone Product (or any precursor or intermediate thereof), as applicable, is Manufactured by a Third Party manufacturer, (i) the actual Third Party costs of such Manufacturing incurred by the supplying Party, including the costs of [***] internal costs (at the applicable FTE Rate) incurred by such supplying Party in connection with and attributable to such Manufacturing, including for process development, project management, Manufacturing oversight (including at the applicable FTE Rate for any [***]), and quality control and assurance; *or*

(b) if and to the extent such Blueprint Product, Blueprint Combination Product, or CStone Product (or any precursor or intermediate thereof), as applicable, is Manufactured by a

Party or its Affiliate, the actual, fully burdened costs [***], including the cost of [***]. Such fully burdened costs will be calculated in accordance with applicable Accounting Standards, consistently applied. Notwithstanding the foregoing, Fully Burdened Manufacturing Cost will be computed on a theoretical full-capacity basis, and [***]. In addition, Fully Burdened Manufacturing Cost will not include any (i) margin or mark-up (including any margin or mark-up for [***]), (ii) manufacturing variances [***], or (iii) intellectual property acquisition or licensing costs [***] paid by a supplying Party with respect to the Manufacture of a Blueprint Product, Blueprint Combination Product, or CStone Product (as applicable).

1.129 "**GAAP**" means United States generally accepted accounting principles, consistently applied.

1.130 "**GCP**" means all applicable good clinical practice standards for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of Clinical Trials, including, as applicable (a) as set forth in the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use Harmonized Tripartite Guideline for Good Clinical Practice (CPMP/ICH/135/95) (the "**ICH Guidelines**") and any other guidelines for good clinical practice for trials on medicinal products in the Territory, (b) the Declaration of Helsinki (2004) as last amended at the 52nd World Medical Association in October 2000 and any further amendments or clarifications thereto, (c) U.S. Code of Federal Regulations Title 21, Parts 50 (Protection of Human Subjects), 56 (Institutional Review Boards), and 312 (Investigational New Drug Application), as may be amended from time to time, and (d) the equivalent Applicable Law in the region in the Territory, each as may be amended and applicable from time to time and in each case, that provide for, among other things, assurance that the clinical data and reported results are credible and accurate and protect the rights, integrity, and confidentiality of trial subjects.

1.131 [***] means, with respect to a [***] in a region in the Territory, the [***] in which the [***] in such region occurred [***] in such region to [***] such [***] as a pharmaceutical product for [***] for such Collaboration Product in such region.

1.132 [***] means, with respect to [***] in a particular region in the Territory, a [***] that (a) [***] in such region in the Territory and that [***] in such region [***] in such region, and (b) [***] in such region [***] as a Sublicensee, Subcontractor, or Third Party Distributor of CStone or any of its Affiliates, Sublicensees, or Subcontractors with respect to such Collaboration Product.

1.133 "**GIST**" means gastrointestinal stromal tumors.

1.134 "**Global Brand Elements**" has the meaning set forth in Section 14.9.1 (Global Brand Elements).

1.135 "**Global Brand Strategy**" has the meaning set forth in Section 9.2 (Commercialization Plan).

1.136 "**Global Clinical Trial**" means a Clinical Trial for a Collaboration Product the data from which, at the time of commencement, is intended to be used to obtain Regulatory Approval both inside the Territory and in any of the following: [***].

1.137 "**Global Development Plan**" has the meaning set forth in Section 5.3 (Global Development Plan).

1.138 "**GLP**" means all applicable good laboratory practice standards, including, as applicable, as set forth in the then-current good laboratory practice standards promulgated or endorsed by the U.S. Food and Drug Administration, as defined in 21 C.F.R. Part 58, and the equivalent Applicable Law in the region in the Territory, each as may be amended and applicable from time to time.

1.139 "**Governmental Authority**" means any federal, national, state, provincial, or local government, or political subdivision thereof, or any multinational organization or any authority, agency, regulatory body, or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, or any court or tribunal (or any department, bureau or division of any of the foregoing, or any governmental arbitrator or arbitral body). Governmental Authorities include all Regulatory Authorities.

1.140 "**HCC**" means hepatocellular carcinoma.

1.141 [***] has the meaning set forth in Section **Error! Reference source not found.** [***].

1.142 "**ICC**" has the meaning set forth in Section 16.3.1 (Rules).

1.143 "**ICH Guidelines**" has the meaning set forth in Section 1.130 (GCP).

1.144 "**IDL**" has the meaning set forth in Section 1.170 (Marketing Authorization Application or MAA).

1.145 "**IFRS**" means International Financial Reporting Standards, consistently applied.

1.146 "**IND**" means an Investigational New Drug application required pursuant to 21 C.F.R. Part 312 or any comparable filings outside of the U.S. required to commence human clinical trials in such country or region (such as an application for a Clinical Trial Authorization in the Territory), and all supplements or amendments that may be filed with respect to the foregoing.

1.147 "**Indemnified Party**" has the meaning set forth in Section 13.3 (Indemnification Procedure).

1.148 "**Indemnifying Party**" has the meaning set forth in Section 13.3 (Indemnification Procedure).

1.149 "**Indication**" means a [***] that a Collaboration Product is [***] in the indication section of the Approved Labeling for such Collaboration Product, or that is the subject of a Clinical Trial and where it is [***].

1.150 "**Initial Know-How Transfer**" has the meaning set forth in Section 4.1 (Initial Know-How Transfer).

1.151 "**Invention**" means any process, method, composition of matter, article of manufacture, discovery, or finding that is conceived or reduced to practice (whether or not patentable).

1.152 "**Joint Collaboration Know-How**" means (a) Blueprint/CStone Combination Know-How, and (b) other Collaboration Know-How developed or invented jointly by a Party's or its Affiliates', licensees', Sublicensees', or Subcontractors' employees, agents, or independent contractors, or any persons contractually required to assign or license such Collaboration Know-How to such Party or any Affiliate of such Party, on the one hand, and the other Party's or its Affiliates', licensees', Sublicensees', or Subcontractors' employees, agents, or independent contractors, or any Persons contractually required to assign or license such Collaboration Know-How to such Party or any Affiliate of such Party, on the other hand, in the performance of activities under this Agreement during the Term, but excluding any Assigned Collaboration Know-How.

1.153 "**Joint Collaboration Patent Rights**" means all Collaboration Patent Rights that Cover Joint Collaboration Know-How, including Blueprint/CStone Combination Patent Rights.

1.154 "**Joint Collaboration Technology**" means the Joint Collaboration Know-How and the Joint Collaboration Patent Rights.

1.155 "**JPT**" has the meaning set forth in Section 3.3 (Joint Project Teams).

1.156 "**JPT Chairperson**" has the meaning set forth in Section 3.3.1 (Formation; Composition; Meetings).

1.157 "**JSC**" has the meaning set forth in Section 3.2.1 (Formation).

1.158 "**JSC Chairperson**" has the meaning set forth in Section 3.2.1 (Formation).

1.159 "**KIT**" means the stem cell growth factor receptor tyrosine kinase protein targets commonly known as KIT, including any isoforms of the foregoing.

1.160 "**Know-How**" means any proprietary information and materials, including records, discoveries, improvements, modifications, processes, techniques, methods, assays, chemical or biological materials, designs, protocols, formulas, data (including physical data, chemical data, toxicology data, animal data, raw data, clinical data, and analytical and quality control data), dosage regimens, control assays, product specifications, marketing, pricing and distribution costs, Inventions, algorithms, technology, forecasts, profiles, strategies, plans, results in any form whatsoever, know-how and trade secrets (in each case, patentable, copyrightable or otherwise).

1.161 "**Knowledge**" means the [***], of (a) with respect to Blueprint, [***], and (b) with respect to CStone, [***].

1.162 [***] has the meaning set forth in Section **Error! Reference source not found.** [***].

1.163 [***] has the meaning set forth in Section **Error! Reference source not found.** [***].

1.164 "**Local Manufacturing Approval**" has the meaning set forth in 6.2.1 (Obtaining and Maintaining Regulatory Approvals).

1.165 [***] means a condition where, with respect to [***] in a particular region in the Territory: (a) [***] in such region by a Third Party; and (b) [***] in that region [***] are [***] in such region during the [***]; *provided*, *however*, if [***] in a region during any [***] in such region [***], then the condition of [***] in such region [***].

1.166 "**Losses**" means damages, debts, obligations, and other liabilities, losses, claims, taxes, interest obligations, deficiencies, judgments, assessments, fines, fees, penalties, or expenses (including amounts paid in settlement, interest, court costs, costs of investigators, reasonable fees and expenses of attorneys, accountants, financial advisors, consultants, and other experts, and other expenses of litigation).

1.167 "**Manufacture**" means activities directed to manufacturing, processing, packaging, labeling, filling, finishing, assembly, shipping, storage, or freight of any pharmaceutical or biologic product (or any components or process steps involving any product or any companion diagnostic), placebo, or comparator agent, as the case may be, including quality assurance and stability testing, characterization testing, quality control release testing of drug substance and drug product, quality assurance batch record review and release of product, process development, qualification, and validation, scale-up, pre-clinical, clinical, and commercial manufacture and analytic development,

and product characterization, but excluding activities directed to Development, Commercialization, or Medical Affairs. "**Manufacturing**" and "**Manufactured**" will be construed accordingly.

1.168 "**Manufacturing Technology Transfer**" means the transfer of the Blueprint Manufacturing Know-How related to a Blueprint Product in accordance with the Manufacturing Technology Transfer Plan for such Blueprint Product, which includes the provision of any technical assistance to enable the Manufacture of such Blueprint Product (but not the Manufacture of the Active Ingredient included in such Blueprint Product [***].

1.169 "**Manufacturing Technology Transfer Plan**" means the plan for the transfer to CStone and its designees of Blueprint Manufacturing Know-How for a particular Blueprint Product, which plan, among other things, will set forth the JSC-approved scope of Manufacturing activities that will be transferred to CStone or its designees, the scope of the Blueprint Manufacturing Know-How that will be necessary or useful for the conduct of such activities, and the work plan and timeline for such transfer.

1.170 "**Marketing Authorization Application**" or "**MAA**" means any new drug application, biologics license application, or other marketing authorization application, in each case, filed with the applicable Regulatory Authority in a country or other regulatory jurisdiction, which application is required to commercially market or sell a pharmaceutical or biologic product in such country or jurisdiction (and any amendments thereto). In the context of imported drugs, MAA is also known as the Import Drug License ("**IDL**") application.

1.171 "**Medical Affairs**" means activities conducted by a Party's medical affairs departments (or, if a Party does not have a medical affairs department, the equivalent function thereof), including communications with key opinion leaders, medical education, symposia, advisory boards (to the extent related to medical affairs or clinical guidance), activities performed in connection with patient registries, and other medical programs and communications, including educational grants, research grants (including conducting investigator-initiated studies), and charitable donations to the extent related to medical affairs and not to other activities that do not involve the promotion, marketing, sale, or other Commercialization of the Collaboration Products and are not conducted by a Party's medical affairs (or equivalent) departments.

1.172 "**Medical Affairs Plan**" means, with respect to a Collaboration Product, [***] for the Medical Affairs activities for such Collaboration Product to be conducted in the Territory that will be prepared and updated by CStone as provided in Section 8.1 (Medical Affairs Plans).

1.173 "**Milestone Events**" has the meaning set forth in Section 10.2.3(a) (Notification of Milestone Events).

1.174 "**Milestone Payments**" has the meaning set forth in Section 10.2.3(a) (Notification of Milestone Events).

1.175 "**MTC**" means medullary thyroid carcinoma.

1.176 "**Net Sales**" means with respect to a Collaboration Product, the gross amount [***] CStone and its Affiliates and Sublicensees (each of the foregoing, a "**Seller**") to independent, unrelated persons (including Third Party Distributors) ("**Buyers**") in *bona fide* arm's length transactions with respect to such Collaboration Product, less the following deductions, in each case, to the extent [***] in connection with such Collaboration Product:

(a) actual transportation and insurance costs incurred in transporting Collaboration Product to customers, to the extent actually incurred and itemized;

(b) sales, excise taxes, tariffs, and duties paid by the Seller and any other governmental charges or taxes imposed with respect to the sale, transportation, delivery, use, exportation, or importation of such Collaboration Product and actually paid;

(c) usual and customary discounts actually allowed and taken (including trade, cash, and quantity discounts) and chargebacks actually granted, allowed, or incurred in connection with the sale of such Collaboration Product to the extent not otherwise attributable to other products of CStone or its Affiliates;

(d) allowances or credits to such Buyer actually given or amounts actually repaid by Seller and not in excess of the selling price of such Collaboration Product on account of rejection, outdating, recalls, returns, price adjustments, or billing errors of such Collaboration Product;

(e) amounts written off by reason of uncollectible debt if and when actually written off or allowed in accordance with Seller's accounting policies, as consistently applied, after commercially reasonable debt collection efforts have been exhausted [***]; *provided that* such amounts will be added back to Net Sales if and when collected;

(f) discounts actually paid under government-legislated or Seller-sponsored discount prescription drug programs or other similar coupon or voucher programs; and

(g) rebates, reimbursements, fees, clawbacks, discounts, charge-backs, or similar payments paid or credited to Third Party Distributors, wholesalers, pharmacies and other retailers, buying groups (including group purchasing organizations), health care insurance carriers, Third Party payor, administrator, or contractee, pharmacy benefit management companies, health maintenance organizations, Governmental Authorities, hospitals, or other institutions or health care organizations[***].

If Seller receives non-cash consideration for a Collaboration Product sold to a Buyer during the Term, then the Net Sales amount for such Collaboration Product will be calculated based on [***].

No deduction will be made for any item of cost incurred by any Seller in Developing or Commercializing Collaboration Products except as permitted pursuant to clauses (a) to (g) of the foregoing sentence; *provided that* Collaboration Products transferred to Buyers in reasonable quantities in connection with Clinical Trials, compassionate use or expanded access programs, indigent programs, promotional sampling or technology transfer activities, in each case, will give rise to Net Sales only to the extent [***]. If a single item falls into more than one of the categories set forth in clauses (a)-(g) above, then such item may not be deducted more than once.

All deductions in clauses (a) through (g) above will be fairly and equitably allocated between such Collaboration Product and other products of CStone and its Affiliates and Sublicensees such that such Collaboration Product does not bear a disproportionate portion of such deductions. Calculations of Net Sales will be consistently applied across all products of Seller and will be consistent between periods.

Such amounts will be determined from the books and records of Seller, and will be calculated in accordance with applicable Accounting Standards.

Transfers or sales between CStone and its Affiliates and Sublicensees will be disregarded for purposes of calculating Net Sales, except if such purchaser is an end user.

In the event of any sale of a Blueprint/CStone Combination that is not an Amalgamated Product (*i.e.*, both the Blueprint Product and the CStone Product that comprise the Blueprint/CStone Combination are available for sale separately, each as a monotherapy), the Net Sales from such Blueprint/CStone Combination for the purposes of determining payments hereunder based on Net Sales of such Blueprint/CStone Combination will be the sales of the applicable Blueprint Product during the applicable reporting period.

If a Collaboration Product is sold as part of an Amalgamated Product (including any Blueprint/CStone Combination or Blueprint Combination Product), then the Net Sales of the Collaboration Product will be calculated for each applicable reporting period by multiplying the Net Sales (as determined without reference to this paragraph) of the Amalgamated Product by the fraction, A/(A+B), where A is the average gross selling price in the applicable region of the Blueprint Product when sold separately in finished form, and B is the average gross selling price in the applicable region of the Other Components included in the Amalgamated Product when sold separately in finished form, in each case for the most recent period in which sales of both occurred.

If the Collaboration Product is sold as part of an Amalgamated Product and is sold separately in finished form, but the Other Components included in the Amalgamated Product are not sold separately in finished form, then the Net Sales of the Collaboration Product will be determined by multiplying the Net Sales of the Amalgamated Product by the fraction A/C where: A is the average gross selling price in the applicable region of the Collaboration Product contained in such Amalgamated Product when sold separately, and C is the average gross selling price in the applicable region of the Amalgamated Product. If the Collaboration Product is sold as part of an Amalgamated Product and is not sold separately in finished form, but the Other Components included in the Amalgamated Product are sold separately in finished form, then the Net Sales of the Collaboration Product will be determined by multiplying the Net Sales of the Amalgamated Product by the fraction C-B/C where: B is the average gross selling price of the Other Component included in such Amalgamated Product when sold separately, and C is the average gross selling price of the Amalgamated Product.

If Net Sales of the Collaboration Product when included in an Amalgamated Product cannot be determined using the methods above (as neither the Collaboration Product nor the Other Components are sold separately), then the average gross selling prices in the above described equation in the applicable region in the Territory will be replaced with the Parties' agreed estimate of the fair market value of the products for which no such sales exist in such region. At least [***] prior to the First Commercial Sale of any Amalgamated Product in a region in the Territory, CStone will propose such good faith estimate to Blueprint, and Blueprint will [***] consider such proposal, and the Parties will seek to reach agreement on such allocation. If the Parties are unable to reach such agreement within [***] after CStone provides such proposal, then the issue will be resolved in accordance with Section Article 16 (Dispute Resolution).

1.177 "**New Development Activities**" has the meaning set forth in Section 5.6 (New Development by CStone).

1.178 "**New Development Proposal**" has the meaning set forth in Section 5.6 (New Development by CStone).

1.179 "**New Indication**" has the meaning set forth in Section 5.6 (New Development by CStone).

1.180 "**New Territory-Specific Development Activities**" has the meaning set forth in Section 5.6.1(a) (JSC Approval).

1.181 "**NSCLC**" means non-small cell lung cancer.

1.182 "**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury or any successor agency thereto.

1.183 "**Other Component**" has the meaning set forth in Section 1.8 (Amalgamated Product).

1.184 "**Party**" or "**Parties**" has the meaning set forth in the Preamble.

1.185 "**Patent Challenge**" has the meaning set forth in Section 15.2.3 (Termination for Patent Challenge).

1.186 "**Patent Prosecution**" means activities directed to (a) preparing, filing, and prosecuting applications (of all types) for any Patent Right, (b) maintaining any Patent Right, and (c) deciding whether to abandon or maintain any Patent Right.

1.187 "**Patent Rights**" means (a) all patents and patent applications in any country or region, (b) all patent applications filed either from such patents or patent applications or from an application claiming priority from any of these, including divisionals, continuations, continuations-in-part, provisionals, converted provisionals, and continued prosecution applications, (c) any and all patents that have issued or in the future issue from the foregoing patent applications, and (d) any and all substitutions, renewals, registrations, confirmations, extensions, or restorations, including revalidations, reissues, and re-examinations (including any supplementary protection certificates and the like) of the foregoing patents or patent applications.

1.188 "**Paying Party**" has the meaning set forth in Section 10.12.2 (Tax Cooperation).

1.189 "**PDGFRα**" means the platelet-derived growth factor receptor targets commonly known as PDGFRα, including any isoforms of the foregoing.

1.190 "**Person**" means any corporation, limited or general partnership, limited liability company, joint venture, joint stock company, trust, unincorporated association, governmental body, authority, bureau, or agency, or any other entity or body, or an individual.

1.191 "**Phase I Clinical Trial**" means a clinical trial in humans that generally provides for the first introduction into humans of a pharmaceutical or biologic product (including any Combination Regimen) with the primary purpose of determining safety, metabolism, and pharmacokinetic properties and clinical pharmacology of such product, in a manner that is generally consistent with 21 C.F.R. § 312.21(a), as amended (or its successor regulation), or, with respect to any other country or region, the equivalent of such a clinical trial in such other country or region.

1.192 "**Phase II Clinical Trial**" means a clinical trial in humans that is intended to explore the feasibility, safety, dose ranging, or efficacy of a pharmaceutical or biologic product (including any Combination Regimen) that is prospectively designed to generate sufficient data (if successful) to commence a Phase III Clinical Trial for such product, in a manner that is generally consistent with 21 C.F.R. § 312.21(b), as amended (or its successor regulation), or, with respect to any other country or region, the equivalent of such a clinical trial in such other country or region.

1.193 "**Phase III Clinical Trial**" means a clinical trial in humans of a pharmaceutical or biologic product (including any Combination Regimen) performed to gain evidence with statistical significance of the efficacy of such product in a target population, and to obtain expanded evidence of safety for such product that is needed to evaluate the overall benefit-risk relationship of such product, to form the basis for approval of an MAA by a Regulatory Authority and to provide an adequate basis for physician labeling, in a manner that is generally consistent with 21 C.F.R. § 312.21(c), as amended (or its successor regulation), or, with respect to any other country or region, the equivalent of such a clinical trial in such other country or region.

1.194 "**Pivotal Trial**" means any (a) [***], or (b) [***] in humans of a pharmaceutical or biologic product (including any Combination Regimen), the results of which, together with prior data and information concerning such product, are [***] in any particular jurisdiction and that is intended to support, or otherwise supports, the filing of an MAA in such jurisdiction (including any bridging study).

1.195 "**POC Trial**" means a clinical trial [***] in humans of a pharmaceutical or biologic product (including any Combination Regimen) performed to [***] of such product and that [***].

1.196 "**Preapproved Subcontractor**" means any Subcontractor that the JSC has approved as a Subcontractor that CStone may engage to perform its obligations or exercise its rights under this Agreement as further described in Section 2.2.3 (Right to Subcontract).

1.197 "**PRC**" means the People's Republic of China, which, for purposes of this Agreement, does not include Hong Kong Special Administrative Region, Macau Special Administrative Region, or Taiwan.

1.198 "**PRC Submission Estimated Timeline**" means, for each Collaboration Product, a written timeline setting forth the estimated dates of achievement of key regulatory milestones and submission to applicable Regulatory Authorities in the PRC of key Regulatory Submissions (including each MAA) for such Collaboration Product.

1.199 "**Product Infringement**" has the meaning set forth in Section 14.4.1 (Patent Enforcement; Notice).

1.200 "**Product Marks**" has the meaning set forth in Section 14.9.2 (Product Marks in the Territory).

1.201 "**Proposed Additional Blueprint/CStone Combination**" has the meaning set forth in Section 5.5.1 (Proposed Additional Blueprint/CStone Combinations).

1.202 "**Prosecuting Party**" has the meaning set forth under Section 14.3.3(a) (Blueprint/CStone Combination Technology).

1.203 "**Public Official**" means (a) any officer, employee or representative of any regional, federal, state, provincial, county or municipal government or government department, agency or other division; (b) any officer, employee or representative of any commercial enterprise that is owned or controlled by a government, including any state-owned or controlled veterinary, laboratory or medical facility; (c) any officer, employee or representative of any public international organization, such as the International Monetary Fund, the United Nations or the World Bank; and (d) any person acting in an official capacity for any government or government entity, enterprise, or organization identified above.

1.204 "**Publication**" has the meaning set forth in Section 11.7 (Publications).

1.205 "**Receiving Party**" has the meaning set forth in Section 11.1.1 (Duty of Confidence).

1.206 "**Recipient**" has the meaning set forth in Section 10.12.2 (Tax Cooperation).

1.207 "**Regulatory Approval**" means, with respect to a particular country or other regulatory jurisdiction, any approval of an MAA or other approval, product, or establishment license, registration, or authorization of any Regulatory Authority necessary for the commercial marketing or sale of a pharmaceutical or biologic product in such country or other regulatory jurisdiction, excluding, in each case, Reimbursement Approval.

1.208 "**Regulatory Authority**" means any applicable Governmental Authority with jurisdiction or authority over the Development, Manufacture, Commercialization, or other Exploitation (including Regulatory Approval or Reimbursement Approval) of pharmaceutical or biologic products in a particular country or other regulatory jurisdiction, including the CNDA, and any corresponding national or regional regulatory authorities.

1.209 [***] has the meaning set forth in Section 6.2.1 (Obtaining and Maintaining Regulatory Approvals).

1.210 "**Regulatory Submissions**" means any filing, application, or submission with any Regulatory Authority in support of Developing, Manufacturing, or Commercializing a pharmaceutical or biologic product (including to obtain, support, or maintain Regulatory Approval from that Regulatory Authority), and all correspondence or communication with or from the relevant Regulatory Authority, as well as minutes of any material meetings, telephone conferences, or discussions with the relevant Regulatory Authority. Regulatory Submissions include all INDs, MAAs, and other applications for Regulatory Approval and their equivalents.

1.211 "**Reimbursement Approval**" means an approval, agreement, determination, or other decision by the applicable Governmental Authority that establishes prices charged to end-users for pharmaceutical or biologic products at which a particular pharmaceutical or biologic product will be reimbursed by the Regulatory Authorities or other applicable Governmental Authorities in the Territory.

1.212 "**Replacement Site**" has the meaning set forth in Section 5.11.2 (Deficient Sublicensees or Sites and Replacement).

1.213 "**RET**" means a receptor tyrosine kinase commonly known as REarranged during Transfection, including any isoforms of the foregoing.

1.214 "**RET Basket Trial**" means any clinical trial of a pharmaceutical or biologic product in humans intended to test the effect of such product on any RET alteration in more than one malignancy type.

1.215 "**Review Period**" has the meaning set forth in Section 11.7 (Publications).

1.216 "**Royalty Patent Rights**" means the Blueprint Patent Rights and the Joint Collaboration Patent Rights excluding Blueprint/CStone Combination Patent Rights.

1.217 "**Royalty Payments**" has the meaning set forth in Section 10.3.1 (Royalty Rates).

1.218 "**Royalty Reduction Trigger**" has the meaning set forth in Section 1.165 ([***]).

1.219 "**Royalty Report**" has the meaning set forth in Section 10.3.4 (Royalty Reports and Payments).

1.220 "**Royalty Term**" has the meaning set forth in Section 10.3.2 (Royalty Term).

1.221 "**Rules**" has the meaning set forth in Section 16.3.1 (Arbitration; Rules).

1.222 "**Safety Agreement**" has the meaning set forth in Section 6.5.1 (Adverse Events Reporting; Safety Agreements).

1.223 "**Sales Milestone Events**" has the meaning set forth in Section 10.2.2 (Sales Milestone Events and Payments).

1.224 "**Sales Milestone Payments**" has the meaning set forth in Section 10.2.2 (Sales Milestone Events and Payments).

1.225 "**Seller**" has the meaning set forth in Section 1.1764 (Net Sales).

1.226 "**SM**" means systemic mastocytosis.

1.227 "**Subcontractor**" means a Third Party contractor engaged by a Party to perform certain obligations or exercise certain rights of such Party under this Agreement on a fee-for-service basis (including CROs and CMOs), excluding all Sublicensees and Third Party Distributors.

1.228 "**Sublicensee**" means any Person, excluding any Subcontractor or Third Party Distributor, (a) with respect to CStone, to whom CStone grants a sublicense of, or other authorization or permission granted under, the rights granted to CStone in Section 2.1 (License Grants to CStone), and (b) with respect to Blueprint, to whom Blueprint grants a sublicense of, or other authorization or permission granted under, the rights granted to Blueprint in Section 2.3 (License Grants to Blueprint).

1.229 "**Tax**" or "**Taxes**" means any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including any interest thereon), including value add taxes ("**VAT**").

1.230 "**Technology Transfer**" has the meaning set forth in Section 4.3 (Continuing Know-How Transfer).

1.231 "**Term**" has the meaning set forth in Section 15.1 (Term).

1.232 "**Terminated Product**" means any Blueprint Product, any Collaboration Product that is a Combination Regimen of which such Blueprint Product is a part, and the corresponding Blueprint Compound, in each case, with respect to which this Agreement is terminated.

1.233 "**Territory**" means the PRC, Hong Kong Special Administrative Region, Macau Special Administrative Region, and Taiwan, each of which will be deemed a separate region for purposes of this Agreement.

1.234 "**Territory Sponsor**" means, with respect to a Territory-Specific Clinical Trial or a Global Clinical Trial for a Collaboration Product to be conducted at sites in the Territory, the Party that holds the IND from the applicable Regulatory Authority in the Territory for such Clinical Trial in its name.

1.235 "**Territory-Specific Clinical Trial**" means a Clinical Trial for a Collaboration Product, the data from which at the time of commencement is intended to be used to obtain Regulatory Approval in the Territory but not to obtain Regulatory Approval in any of the following: [***].

1.236 "**Territory-Specific Development Plans**" has the meaning set forth in Section 5.2 (Territory-Specific Development Plans).

1.237 "**Third Party**" means any Person other than a Party or an Affiliate of a Party.

1.238 "**Third Party Claims**" means collectively, any and all Third Party demands, claims, actions, suits, and proceedings (whether criminal or civil, in contract, tort, or otherwise).

1.239 "**Third Party Distributor**" means any Third Party that purchases Collaboration Product from CStone or its Affiliates, or Sublicensees takes title to such Collaboration Product, and distributes such Collaboration Product directly to customers, but does not Develop or Manufacture any Blueprint Compound or Collaboration Product and does not make any royalty, profit-share, or other payment to CStone or its Affiliates or Sublicensees, other than payment for the purchase of Collaboration Products for resale.

1.240 "**Third Party IP Agreement**" has the meaning set forth in Section 2.5.1 (Blueprint Identified Rights).

1.241 "**United States**" or "**U.S.**" means the United States of America and its territories and possessions.

1.242 "**Upfront Payment**" has the meaning set forth in Section 10.1 (Upfront Payment).

1.243 "**Valid Claim**" means: (a) a claim in an issued Patent Right that has not: (i) expired, lapsed, or been canceled or revoked; (ii) been declared invalid or unenforceable by an unreversed and unappealable or unappealed decision of a court or other appropriate body of competent jurisdiction; (iii) been disclaimed or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise; or (iv) been abandoned or dedicated to the public; or (b) a claim in a patent application for which there is a good faith argument for patentability and that has been pending for [***], and that has not lapsed, in the case of a provisional patent application, or been cancelled, withdrawn, abandoned (without the possibility of refiling) or finally rejected by the applicable Governmental Authority or court (and from which no appeal is or can be taken), in which case it will cease to be considered a Valid Claim until the patent issues and recites such claim (at which point it will be considered a Valid Claim).

1.244 "**VAT**" has the meaning set forth in Section 1.229 (Tax).

1.245 "**VAT Credit**" has the meaning set forth in Section 10.13 (VAT Credits).

1.246 "**Working Group**" has the meaning set forth in Section 3.4 (Working Groups).

Article 2
LICENSES

2.1 License Grants to CStone.

2.1.1 **In the Territory**. Subject to the terms of this Agreement, Blueprint hereby grants to CStone an exclusive [***], royalty-bearing license, with the right to grant sublicenses solely in accordance with Section 2.2 (Sublicensing and Subcontractors), under the Blueprint Technology to Manufacture solely in accordance with Section 7.2.1 (Restriction on Manufacturing by CStone) and otherwise to Exploit the Blueprint Compounds and the Collaboration Products in the Field in the Territory.

2.1.2 **Outside of the Territory**.

(a) Subject to the terms of this Agreement, Blueprint hereby grants to CStone a non-exclusive, royalty-free license, with the right to grant sublicenses solely in accordance with Section 2.2 (Sublicensing and Subcontractors), under the Blueprint Technology to perform [***].

(b) Subject to the terms of this Agreement, Blueprint hereby grants to CStone a non-exclusive, perpetual, irrevocable, royalty-free license, with the right to grant sublicenses through multiple tiers, under the Assigned Collaboration Technology and Blueprint's interests in the Joint Collaboration Technology to Exploit all CStone Products [***].

2.1.3 **Restrictions**. The licenses granted by Blueprint to CStone under this Section 2.1 (License Grants to CStone) are subject to the terms of this Agreement, including the following: Section 5.4.4 (Scenario 1 Election), Section 5.4.5 (Scenario 2 Election), Section 5.4.7 (Restrictions on Exploitation of the BLU-554/Other Checkpoint Combination), Section 5.5.2 (Executive Officer Decision Regarding Proposed Additional Blueprint/CStone Combination), Section 5.5.3 (Further Exploitation of Proposed Additional Blueprint/CStone Combinations that are Blueprint/CStone Combinations), and Section 5.8 (New Development by Blueprint).

2.2 Sublicensing and Subcontractors.

2.2.1 **Right to Sublicense**. Subject to the terms of this Agreement, CStone will have the right to grant sublicenses of the rights granted under Section 2.1 (License Grants to CStone) (a) to its Affiliates, *provided that* any such sublicense will automatically terminate if such Person ceases to be an Affiliate of CStone, and (b) to Third Parties subject to Blueprint's prior written approval, not to be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, CStone will not grant a sublicense to a Third Party of all or substantially all of CStone's rights or obligations under this Agreement with respect to one or more regions within the Territory without Blueprint's prior written consent. Each Sublicensee will hold its rights contingent on the rights licensed to CStone under the terms of this Agreement. Any termination of the licenses granted to CStone under Section 2.1 (License Grants to CStone) as a result of a termination of this Agreement with respect to one or more Collaboration Products or in its entirety will cause the Sublicensees to automatically lose the same rights under any sublicense.

2.2.2 **Terms of Sublicenses to Third Parties**. CStone will provide prior written notice to Blueprint identifying its intention to grant a sublicense to any Third Party under Section 2.2.1 (Right to Sublicense), the purpose of such sublicense, and the identity of the Third Party to whom CStone intends to grant such sublicense. Each sublicense to a Third Party will be granted under a written agreement that is consistent with the terms of this Agreement and that (a) requires each such Third Party Sublicensee to which CStone grants a sublicense of the rights granted to CStone under Section 2.1 (License Grants to CStone) to comply with the terms of this Agreement that are applicable to such sublicense (including obligations of confidentiality and non-use at least as stringent as those set forth Article 11 (Confidentiality; Publication), as applicable, the Milestone Event and Royalty Payment reporting obligations set forth under Section 10.2 (Milestone Payments) and Section 10.3 (Royalty Payments to Blueprint), the record keeping and audit requirements set forth under Section 5.11 (Clinical Trial Audit Rights), Section 10.11 (Financial

Records and Audits), and the intellectual property provisions set forth in Article 14 (Intellectual Property)), (b) includes Blueprint as an intended third party beneficiary under the sublicense with the right to enforce the applicable terms of such sublicense, and (c) precludes the granting of further sublicenses in contravention with the terms of this Agreement. Without limiting the generality of the foregoing, each sublicense agreement with such a Third Party entered into after the Effective Date must include (i) [***], (ii) [***], and (iii) [***].

2.2.3 **Right to Subcontract**. CStone will not propose the engagement of any Subcontractor that is Debarred/Excluded. Prior to CStone's engagement of the first Subcontractor, CStone will provide to the JSC to review, discuss, and determine whether to approve as Preapproved Subcontractors a list of Subcontractors that CStone may engage to perform its obligations and exercise its rights under this Agreement. In addition, during the term, CStone may propose additional Subcontractors to be approved by the JSC as Preapproved Subcontractors and following the approval by the JSC of any such additional Subcontractors, such Subcontractors will be Preapproved Subcontractors. CStone may engage any such Preapproved Subcontractor to perform CStone's obligations and exercise of CStone's rights under this Agreement. In addition, if CStone wishes to engage a Subcontractor that is not a Preapproved Subcontractor to perform its obligations or exercise its rights under this Agreement related to the (a) Development or Manufacture of a Collaboration Product, or (b) prior to [***] for a Blueprint Product in a region in the Territory, the Commercialization of such Blueprint Product (or the Combination Regimen of which such Blueprint Product is a part) in such region, then in each case ((a) and (b)), CStone will provide written notice to Blueprint at least [***] before engaging any such Subcontractor identifying CStone's intention to engage such Subcontractor, the purpose of engaging such Subcontractor, and the identity of such Subcontractor. Within [***] after the receipt of such written notice, Blueprint may provide written notice of its veto of CStone's engagement of such proposed Subcontractor and in such case, CStone will not engage such Subcontractor to perform its obligations or exercise its rights under this Agreement. If Blueprint does not provide written notice to CStone of Blueprint's veto of CStone's engagement of a particular proposed Subcontractor within [***] after Blueprint's receipt of such notice, then CStone may engage such proposed Subcontractor to perform its obligations or exercise its rights under this Agreement (subject to the terms set forth herein). In any event, any agreement pursuant to which CStone engages any Subcontractor must be consistent with the terms of this Agreement, including containing obligations of confidentiality and non-use at least as stringent as those set forth Article 11 (Confidentiality; Publication), and terms that are consistent with the intellectual property provisions set forth in Article 14 (Intellectual Property). Without limiting the generality of the foregoing, each agreement pursuant to which CStone engages a Subcontractor to Exploit Collaboration Products hereunder must include [***].

2.2.4 **Notice of Sublicenses and Subcontracts**. CStone will provide Blueprint with a true and complete copy of each sublicense or subcontracting agreement with any Third Party within [***], subject to CStone's right to redact any confidential or proprietary information contained therein that is not necessary for Blueprint to determine the scope of the rights granted under such sublicense or subcontract or compliance with the terms of this Agreement. Any sublicense granted under this Agreement must either be in English or [***].

2.2.5 **CStone Audits of Sublicensees and Subcontractors**. CStone will provide Blueprint with copies of any quality oversight or audit reports from audits that CStone (or its agent)

has conducted on any Sublicensees or Subcontractors that CStone engages to perform its obligations or exercise its rights under this Agreement to the extent such reports are relevant to such Sublicensees or Subcontractors' performance of such obligations or exercise of such rights no later than [***].

2.2.6 **Responsibility for Sublicensees and Subcontractors**. CStone will require that all Sublicensees and Subcontractors perform the activities that they are sublicensed or engaged to perform (as applicable) in accordance with GLP, cGMP, and GCP, as applicable, and otherwise in compliance with Applicable Law. Notwithstanding any sublicense or subcontracting, CStone will remain primarily liable to Blueprint for the performance of all of its obligations under, and CStone's compliance with all provisions of, this Agreement. CStone will be fully responsible and liable for any breach of the terms of this Agreement by any of its Sublicensees or Subcontractors to the same extent as if CStone itself has committed any such breach and will terminate promptly the agreement with any Sublicensee or Subcontractor if such Sublicensee or Subcontractor is in material breach of this Agreement and does not cure such breach in a timely manner.

2.3 License Grants to Blueprint.

2.3.1 **Development Activities**. Subject to the terms of this Agreement, CStone hereby grants to Blueprint a non-exclusive, royalty-free license, with the right to grant sublicenses solely in accordance with Section 2.3.3 (Restrictions), under the CStone Product Technology and CStone General Collaboration Technology to perform the Development activities for the Blueprint Compounds and the Collaboration Products in the Field solely to the extent necessary for Blueprint to perform Development activities for which it is responsible under a Global Development Plan, including any Global Clinical Trial for a Collaboration Product (including a POC Trial or other Development of any Blueprint/CStone Combination).

2.3.2 **Outside of the Territory**. Subject to the terms of this Agreement (including CStone's retained right to perform the Development activities for the Blueprint Compounds and the Collaboration Products in the Field outside of the Territory in accordance with the applicable Global Development Plan), CStone hereby grants to Blueprint a non-exclusive, perpetual, irrevocable, royalty-free license, with the right to grant sublicenses through multiple tiers, under the CStone General Collaboration Technology, CStone Product Collaboration Technology, and CStone's interests in the Joint Collaboration Technology solely to Exploit Blueprint Compounds, Blueprint Products, and Blueprint Combination Products in the Field outside of the Territory.

2.3.3 **Restrictions**. The licenses granted by CStone to Blueprint under this Section 2.3 (License Grants to Blueprint) are subject to the terms of this Agreement, including the following: Section 5.4.4 (Scenario 1 Election), Section 5.4.5 (Scenario 2 Selection), Section 5.4.7 (Restrictions on Exploitation of the BLU-554/Other Checkpoint Combination), Section 5.5.2 (Executive Officer Decision Regarding Proposed Additional Blueprint/CStone Combination), Section 5.5.3 (Further Exploitation of Proposed Additional Blueprint/CStone Combinations that are Blueprint/CStone Combinations), and Section 5.8 (New Development by Blueprint). In addition, each agreement pursuant to which Blueprint engages a Sublicensee or Subcontractor to perform any of its obligations or exercise any of its rights under this Agreement must include [***].

2.4 Retained Rights. Nothing in this Agreement will be interpreted to grant a Party any rights under any intellectual property rights owned or Controlled by the other Party, including Blueprint Technology, CStone Product Technology, or CStone General Collaboration Technology, in each case, that are not expressly granted herein, whether by implication, estoppel, or otherwise. Any rights not expressly granted to Blueprint by CStone under this Agreement are hereby retained by CStone. Any rights not expressly granted to CStone by Blueprint under this Agreement are hereby retained by Blueprint, including the right (on behalf of itself and its licensees, other than CStone, and Sublicensees) to (a) perform Development activities for the Blueprint Compounds and the Collaboration Products in accordance with this Agreement, including to conduct Development activities under a Global Development Plan as provided hereunder, (b) perform Blueprint's other obligations under this Agreement, and (c) Exploit the Blueprint Compounds, Blueprint Products, and Blueprint Combination Products outside of the Territory, subject to the restrictions under this Agreement. Notwithstanding anything to the contrary set forth in this Agreement, Blueprint may (i) perform (or have performed by its Subcontractors) in the Territory Development activities (other than Clinical Trials related to Blueprint Compounds or Collaboration Products or regulatory activities performed in furtherance of obtaining or maintaining Regulatory Approval of any Collaboration Product in the Territory), and (ii) Manufacture (itself or through any Subcontractor) in the Territory Blueprint Compounds, Blueprint Products, and Blueprint Combination Products, in each case ((i) and (ii)), regardless of whether such activities are expressly contemplated in any Global Development Plan. CStone will not practice the Blueprint Technology and Blueprint will not practice the CStone Technology, in each case, other than as expressly licensed and permitted under this Agreement or otherwise agreed by the Parties in writing.

2.5 Third Party In-Licenses.

2.5.1 **Blueprint Identified Rights**. Blueprint will remain solely responsible for the payment of all royalties, license fees, milestone payments, and other payment obligations under all agreements entered into by Blueprint prior to the Effective Date. If, after the Effective Date during the Term, Blueprint intends to obtain Control of any Know-How or Patent Rights from a Third Party (whether by acquisition or license) that may be necessary or useful to Exploit the Blueprint Compounds or the Collaboration Products (other than Blueprint/CStone Combinations) in the Field anywhere in the world (other than a Change of Control of Blueprint or as a result of the acquisition by Blueprint of a Third Party by merger, acquisition, or similar transaction or series of related transactions) (such Know-How and Patent Rights, "**Blueprint Identified Rights**"), then Blueprint will notify CStone in writing of such Blueprint Identified Rights and Section 2.5.3 (Third Party IP Agreements) will apply.

2.5.2 **CStone Identified Rights**. If CStone determines that a license under any Know-How or Patent Rights controlled by a Third Party is [***] ("**CStone Identified Rights**"), then CStone will [***]. Blueprint will have the first right to acquire rights to any such CStone Identified Rights from such Third Party (whether by acquisition or license) and if [***], then Blueprint will notify CStone of such intention within [***] and the terms of Section 2.5.3 (Third Party IP Agreements) will apply. If Blueprint [***] within such [***] period or otherwise [***], then CStone will have the right to acquire rights under such CStone Identified Rights from such Third Party solely for the Territory or any region therein. If thereafter CStone so acquires such rights, then such Know-How or Patent Rights will be included in the CStone Product Know-How or CStone Product Patent Rights, as applicable and CStone will [***].

2.5.3 **Third Party IP Agreements**. Prior to executing an agreement with a Third Party to acquire or license any Blueprint Identified Rights or CStone Identified Rights (together, "**Blueprint In-Licensed Rights**" and any such agreement, a "**Third Party IP Agreement**"), Blueprint will (a) provide CStone an opportunity to review and comment on [***], including any [***], (b) take CStone's comments into consideration [***] and incorporate such comments [***] into the Third Party IP Agreement prior to finalizing such agreement, and (c) ensure that such Third Party IP Agreement includes [***]. Upon execution of such Third Party IP Agreement, Blueprint will notify CStone in writing and will provide [***].

2.5.4 **Responsibility for Costs**. Subject to CStone's right to decline a license or sublicense of Blueprint In-Licensed Rights within [***] in accordance with the terms of Section 2.5.5 (Right to Decline Blueprint In-Licensed Rights), following Blueprint's execution of the applicable Third Party IP Agreement (a) such Blueprint In-Licensed Rights will be included in the Blueprint Know-How or the Blueprint Patent Rights (as applicable) and licensed or sublicensed (as applicable) to CStone under the licenses granted in Section 2.1 (License Grants to CStone), subject to the terms of this Agreement and the Third Party IP Agreement, and (b) CStone will reimburse Blueprint (i) [***] of any such payments under the applicable Third Party IP Agreement that [***] pertain to, or arise [***] as a result of, the Exploitation of the Blueprint Compounds or the Collaboration Products in the Territory (for example, [***]), and (ii) with respect to any [***] payments payable in consideration for any Blueprint In-Licensed Rights that pertain to, or arise as a result of, the Exploitation of the Blueprint Compounds or the Collaboration Products both inside and outside of the Territory or are non-Territory specific (for example, [***]), (A) [***] of any such payment if such payments relate to [***], and (B) [***] of any such payment if such payments relate to any Collaboration Product other than [***]. Blueprint will bear [***] of amounts payable in consideration for any Blueprint In-Licensed Rights that pertain to any Blueprint Product other than a Blueprint Compound or Collaboration Product or that [***] pertain to, or arise [***] as a result of, the Exploitation of the Blueprint Compounds or the Collaboration Products outside of the Territory (for example, [***]).

2.5.5 **Right to Decline Blueprint In-Licensed Rights**. CStone will have the right to decline a license or sublicense (as applicable) from Blueprint under Blueprint In-Licensed Rights under a Third Party IP Agreement by providing written notice to Blueprint [***]. Upon Blueprint's [***] receipt of such notice declining such a license or sublicense (as applicable) under any Blueprint In-Licensed Rights, Blueprint will not be deemed to Control such Blueprint In-Licensed Rights, the definitions of Blueprint Patent Rights and Blueprint Know-How will exclude such Blueprint In-Licensed Rights, as applicable, and such Blueprint In-Licensed Rights will not be included in the scope of the rights granted to CStone under Section 2.1 (License Grants to CStone).

2.6 Exclusivity.

2.6.1 **Exclusivity Covenant**. Subject to Section 2.6.3 (Acquisition by Third Parties) and Section 2.6.4 (Acquisitions of Third Parties), during the Term neither Party will, and will ensure that its Affiliates do not, independently or for or with any Third Party, [***] unless agreed in writing by the Parties (the "**Competitive Activities**").

2.6.2 **Competitive Product Disputes**. If a Party disputes whether a pharmaceutical or biologic product is a Competitive Product or a [***], then the Parties will refer the matter

to the chief scientific officer of CStone and Blueprint (or, if a Party does not have a chief scientific officer, its most senior employee having the equivalent responsibilities) or their designees (the "**Chief Scientific Officer**"). The Chief Scientific Officers will meet [***] to discuss and resolve the matter within [***] after referral of such matter to such Chief Scientific Officers. If the Chief Scientific Officers cannot agree on a resolution to the matter within such [***] period, then the Parties will refer such matter for resolution to an independent Third Party expert agreed upon by the Parties within [***] after the Chief Scientific Officers failed to resolve such matter. Such independent Third Party expert will be [***], and unless otherwise agreed in writing by the Parties, must not [***]. Such expert will make its determination as to whether the applicable pharmaceutical or biologic product is a Competitive Product or [***], in each case, either as a monotherapy or as part of a combination therapy). The Party bringing a dispute pursuant to this Section 2.6.2 (Competitive Product Disputes) will [***] engage such expert and the Parties will share the out-of-pocket costs incurred in connection with the engagement of such expert [***]. Within [***] of the engagement of such expert by the disputing Party, such expert will deliver a written decision to the Parties on the matter as to whether such product is a Competitive Product or a [***] (including a detailed report as to such expert's rationale for such decision), and such decision will be binding on the Parties.

2.6.3 **Acquisitions by Third Parties**. Neither Blueprint nor CStone will be in breach of the restrictions set forth in Section 2.6.1 (Exclusivity Covenant) if such Party undergoes a Change of Control with a Third Party (together with such Third Party and its Affiliates following the closing of the applicable Change of Control transaction, the "**Acquired Party**") that is (either directly or through an Affiliate, or in collaboration with the Third Party) performing Competitive Activities with respect to one or more Competitive Products at the closing of the Change of Control transaction, and such Acquired Party may continue to perform the applicable Competitive Activities with respect to such Competitive Products after such Change of Control transaction; as long as (a) no Blueprint Technology or CStone Technology is used by or on behalf of such Acquired Party or its Affiliates [***] in connection with any subsequent Exploitation of such Competitive Products, and (b) such Acquired Party institutes commercially reasonable [***] safeguards to ensure the requirements set forth in the foregoing clause (a) are met, including by creating "firewalls" between the personnel working on such Competitive Products and the personnel teams charged with working on any Blueprint Compound or Collaboration Product or having access to data from activities performed under this Agreement or Confidential Information of the Parties.

2.6.4 **Acquisitions of Third Parties**.

(a) **Options**. If a Party or any of its Affiliates merges or consolidates with, or otherwise acquires a Third Party (whether such transaction occurs by way of a sale of assets, merger, consolidation, or similar transaction) (the "**Acquiring Party**") and at such time such Third Party is performing Competitive Activities with respect to one or more Competitive Products or is engaged in activities that would otherwise constitute a breach of Section 2.6.1 (Exclusivity Covenant), then, unless the Parties agree otherwise in writing, the Acquiring Party will notify the other Party in writing no later than [***] following the date of consummation of the relevant sale, merger, consolidation, or acquisition, of its determination to do one of the following:

(i) divest, or cause its relevant Affiliates to divest, whether by license or otherwise, its interest in such Competitive Products;

(ii) terminate any further Competitive Activities with respect to such Competitive Products; or

(iii) if the Acquiring Party is CStone and the closing of such transaction occurs on or after the first anniversary of the Effective Date, terminate this Agreement pursuant to Section 15.2.1 (Termination by CStone for Convenience).

(b) **Time Periods**. If the Acquiring Party notifies the other Party in writing that it intends to divest the applicable Competitive Products or terminate this Agreement or the further performance of further Competitive Activities with respect to such Competitive Products as provided in Section 2.6.4(a) (Options), then the Acquiring Party or its relevant Affiliate will effect the consummation of such divestiture within [***] or such other period as may be required to comply with Applicable Law, effect such termination of the applicable Competitive Activities with respect to the Competitive Product within [***], or effect the termination of this Agreement by providing notice thereof within [***] (as applicable), in each case, after the closing of the relevant transaction and will confirm to the other Party in writing when it completes such divestiture pursuant to clause (i) or termination pursuant to clause (ii). The Acquiring Party will keep the other Party reasonably informed of its efforts and progress in effecting such divesture or termination until the Acquiring Party completes the same.

(c) **Protective Provisions**. In the event of a required divestiture or termination pursuant to Section 2.6.4 (Acquisitions by Third Parties), prior to such divestiture or termination, the Acquiring Party and its relevant Affiliates will institute commercially reasonable [***] safeguards to limit data access and sharing, including by creating "firewalls" between the personnel working on such Competitive Product and the personnel teams charged with working on any Blueprint Compound or Collaboration Product or having access to data from activities performed under this Agreement or Confidential Information of the Parties.

Article 3
GOVERNANCE

3.1 Alliance Managers. Each Party will appoint an individual to act as its alliance manager under this Agreement as soon as practicable after the Effective Date (each an "**Alliance Manager**"). The Alliance Managers will: (a) serve as the primary points of contact between the Parties for the purpose of providing the other Party with information on the progress of a Party's activities under this Agreement; (b) be responsible for facilitating the flow of information and otherwise promoting communication, coordination, and collaboration between the Parties, all of which communications between the Parties will be in English; (c) facilitate the prompt resolution of any disputes; and (d) attend JSC, JPT, and Working Group meetings, in each case, as a non-voting member. An Alliance Manager may also bring any matter to the attention of the JSC, a JPT, or applicable Working Group if such Alliance Manager reasonably believes that such matter warrants such attention. Each Party will use reasonable efforts to keep an appropriate level of continuity but may replace its Alliance Manager at any time upon written notice to the other Party.

3.2 Joint Steering Committee.

3.2.1 **Formation**. No later than [***] after the Effective Date, the Parties will establish a joint steering committee (the "**JSC**") to monitor and coordinate the Exploitation of the Blueprint Compounds and the Collaboration Products in the Territory. The JSC will be composed of an equal number of representatives from each Party and a minimum of 3 representatives of each Party who are fluent in English and who have the appropriate and direct knowledge and expertise and requisite decision-making authority. Each Party may replace any of its representatives on the JSC and appoint a person to fill the vacancy arising from each such replacement. A Party that replaces a representative will notify the other Party at least [***] prior to the next scheduled meeting of the JSC. Both Parties will use reasonable efforts to keep an appropriate level of continuity in representation. Representatives may be represented at any meeting by another person designated by the absent representative. The JSC will be chaired by one of the representatives ("**JSC Chairperson**") and will rotate between the Parties every 12 months during the Term. The initial Chairperson of the JSC will be a representative of CStone for the period ending on [***], and a Blueprint representative will become the Chairperson of the JSC for the next [***] period during the Term. Each Party's representatives on the JSC will inform and coordinate within their respective organization to enable each Party to fulfill its obligations as agreed upon between the Parties under this Agreement, including within the time frames set forth hereunder.

3.2.2 **Meeting Agendas**. Each Party will disclose to the other Party the proposed agenda items along with appropriate information [***] in advance of each meeting of the JSC; *provided that* under exigent circumstances requiring JSC input, a Party may provide its agenda items to the other Party within a shorter period of time in advance of a meeting, or may propose that there not be a specific agenda for a particular meeting, so long as such other Party consents to such later addition of such agenda items or the absence of a specific agenda for such JSC meeting.

3.2.3 **Meetings**. The JSC will hold meetings at such times as it elects to do so, but will meet no less frequently than quarterly, unless otherwise agreed by the Parties. All meetings will be conducted in English. The JSC may meet in person or by means of teleconference, Internet conference, videoconference, or other similar communication method; *provided that* [***] meeting each Calendar Year will be conducted in person at a location selected alternatively by Blueprint and CStone or such other location as the Parties may agree. Each Party will be responsible for all of its own costs and expenses of participating in any JSC meeting. The Alliance Managers will jointly prepare and circulate minutes for each JSC meeting within [***] after each such meeting and will ensure that such minutes are reviewed and approved by their respective companies within [***] thereafter.

3.2.4 **JSC Roles and Responsibilities**. The responsibilities of the JSC will be to:

(a) provide a forum for the discussion of the Parties' activities under this Agreement;

(b) review, discuss, and determine whether to approve the initial list of Preapproved Subcontractors and any updates thereto, as described in Section 2.2.3 (Right to Subcontract);

(c) oversee the JPTs and establish and oversee Working Groups as necessary or advisable to further the purpose of this Agreement and settle any disputes that arise

within any JPT or Working Groups, as described in Section 3.6.2 (Resolution of JPT and Working Group Disputes);

(d) oversee the implementation of, and the coordination between the Parties of activities to be performed under, the Clinical Supply Agreement, the Commercial Supply Agreement, the Safety Agreements, and any other written agreement between the Parties with respect to the subject matter hereof;

(e) review, discuss, and determine whether to approve each Manufacturing Technology Transfer Plan, as described in Section 4.2 (Manufacturing Technology Transfer);

(f) review, discuss, and determine whether to approve any change in the scope of Manufacturing activities to be transferred to CStone in connection with the Manufacturing Technology Transfer for any Blueprint Product, as described in Section 4.2 (Manufacturing Technology Transfer);

(g) review, discuss, and determine whether to approve the [***] PRC Submission Estimated Timeline for each Collaboration Product [***] and each update thereto for each Collaboration Product, in each case, as described in Section 5.1.3(c) (Amendments and Obligations);

(h) review, discuss, and determine whether to approve the conduct of the BLU-554/Other Checkpoint Combination POC Trial, and if so approved, determine which Party will be responsible for conducting such trial pursuant to the applicable Global Development Plan, as described in Section 5.1.4(b) (BLU-554 Combination Pivotal Trials);

(i) review, discuss, and determine whether to approve the initial Territory-Specific Development Plan for each Collaboration Product and each update thereto, in each case, as described in Section 5.2 (Territory-Specific Development Plans);

(j) review and discuss the initial Global Development Plan for each Collaboration Product (other than the BLU-554 Product as a monotherapy), and each update thereto for any Collaboration Product, in each case, as described in Section 5.3 (Global Development Plan);

(k) review, discuss, and determine if CStone will be the Territory Sponsor for any Collaboration Product, as described in Section 5.3 (Global Development Plan);

(l) review, discuss, and determine whether to allocate to CStone any activities under a Global Development Plan, as described in Section 5.3 (Global Development Plan);

(m) review, discuss, and determine whether to approve the BLU-554/CStone Checkpoint Combination POC Budget, as described in Section 5.4.1 (POC Trials for the HCC Indication);

(n) review, discuss, and determine whether to approve the budget for the BLU-554/Other Checkpoint Combination POC Trial, as described in Section 5.4.1 (POC Trials for the HCC Indication);

(o) review, discuss, and determine whether to approve further Development of the BLU-554/CStone Checkpoint Combination or a BLU-554/Other Checkpoint Combination, as applicable, as a first line therapy for the HCC Indication, pursuant to BLU-554 Scenario 1, BLU-554 Scenario 2, or BLU-554 Scenario 3, each as described in Section 5.4.2 (Pivotal Trials for the HCC Indication);

(p) review, discuss, and determine whether to approve for Development under this Agreement any Proposed Additional Blueprint/CStone Combination and the Territory-Specific Development Plan for any such Proposed Additional Blueprint/CStone Combination (and if, Development for such Proposed Additional Blueprint/CStone Combination is proposed to be conducted for purposes of seeking Regulatory Approval outside of the Territory, a Global Development Plan) and, if so approved by the JSC, submit the same to the Executive Officers for confirmation of such approval as described in Section 5.5.1 (Proposed Additional Blueprint/CStone Combinations);

(q) review, discuss, and determine whether to approve any New Development Proposal, and review, discuss, and determine whether to approve any New Territory-Specific Development Activities, in each case, as described in Section 5.6 (New Development by CStone);

(r) review, discuss, and determine whether to approve the CStone New Indication Share for any Development of a Collaboration Product for a New Indication conducted by or on behalf of Blueprint, as further described in Section 5.8.3 (CStone New Indication Share).

(s) review, discuss, and determine whether to approve the regulatory strategy for receipt of approval from the CNDA with respect to the conduct of each of the BLU-554 Combination POC Trials (and each update thereto and to the regulatory strategy for any other Blueprint/CStone Combination), as described in Section 6.1 (Regulatory Strategy; Combination Regimens Including BLU-554);

(t) review and discuss CStone's plan for undertaking additional regulatory activities for any Collaboration Product delegated by Blueprint or the JSC to CStone, as described in Section 6.2.1 (Obtaining and Maintaining Regulatory Approvals);

(u) review, discuss, and determine matters that may have a material adverse impact upon the regulatory status of the Collaboration Products pursuant to Section 6.7 (No Harmful Actions);

(v) discuss and determine whether to extend the period during which Blueprint will supply CStone with any [***] Blueprint Product beyond [***] for such Blueprint Products, as described in Section 7.1.2 (Commercial Supply);

(w) review, discuss, and determine whether to approve the use of any Product Mark for a Collaboration Product in the Territory that deviates from Blueprint's Global Brand Elements, as described in Section 14.9.2(Product Marks);

(x) review, discuss, and determine whether to approve any brand strategy for a Collaboration Product that is specific to the Territory (or any region therein) and

that is inconsistent with the Global Brand Strategy for such Collaboration Product, as described in Section 9.2 (Commercialization Plans);

(y) review, discuss, and determine whether to approve [***] that are proposed by either Party [***]; and

(z) perform such other functions as expressly set forth in this Agreement or allocated to the JSC by the Parties' written agreement.

3.3 Joint Project Teams.

3.3.1 **Formation; Composition; Meetings**. No later than [***], the Parties will form joint project teams to coordinate and oversee the day-to-day performance of the activities and obligations of the Parties under this Agreement related to the Exploitation of each Blueprint Compound and the corresponding Collaboration Products (each, a "**JPT**"). Each JPT will be composed of representatives from each Party who have direct knowledge and expertise in each of the following functional areas (as applicable depending on the stage of the applicable Collaboration Products): clinical, clinical operations, pharmaceutical and biologic product development (including Companion Diagnostics, to the extent applicable), regulatory, safety, manufacturing, intellectual property, marketing, and commercial, in each case, as such functional areas relate to products similar to the applicable Collaboration Product. Initially, the same representatives of each Party will serve on the JPT for each Collaboration Product, but may during the Term elect to form separate JPTs for one or more Collaboration Products. Each Party may replace any of its representatives on a JPT and appoint a person to fill the vacancy arising from each such replacement. A Party that replaces a representative will notify the other Party at least [***] prior to the next scheduled meeting of the applicable JPT. An individual may serve on more than one JPT and each Party will use reasonable efforts to keep an appropriate level of continuity in representation. Representatives may be represented at any meeting by another person designated by the absent representative. Each Party's representatives on the JPT will inform and coordinate within their respective organization to enable each Party to fulfill its obligations within the time frames as agreed upon between the Parties under this Agreement. Each JPT will be chaired by one of the representatives ("**JPT Chairperson**") and will rotate between the Parties every 12 months during the Term. The initial Chairperson of each JPT will be a representative of Blueprint for the period ending on [***] and a CStone representative will become the Chairperson of each JPT for the next [***] period during the Term. Each JPT will meet as frequently as, and will operate as, the JSC may determine [***]. The JPTs may meet in person or by means of teleconference, Internet conference, videoconference, or other similar communications method, and the JPT for each Blueprint Compound and corresponding Collaboration Products may hold meetings at the same time as one or more other JPTs if agreed by the Parties. All meetings of each JPT will be held in English. Each JPT and its activities will be subject to the oversight of, and will report to, the JSC. In no event will the authority of any JPT exceed the authority of the JSC. Each Party will be responsible for all of its own costs and expenses of participating in the JPTs. The Alliance Managers will jointly prepare and circulate minutes for each JPT meeting within [***] after each such meeting and will ensure that such minutes are reviewed and approved by their respective companies within [***] thereafter.

3.3.2 **JPT Roles and Responsibilities**. The responsibilities of the JPT will be to:

(a) oversee the day-to-day performance of the activities and obligations of each Party under this Agreement related to the Exploitation of each Blueprint Compound and Collaboration Product;

(b) discuss and develop the Manufacturing Technology Transfer Plan for each Blueprint Product, as described in Section 4.2 (Manufacturing Technology Transfer);

(c) review and discuss updates of any Blueprint Know-How related to any Blueprint Product or Collaboration Product developed by Blueprint or its Affiliates or licensees since the previous meeting, as described in Section 4.3 (Continuing Know-How Transfer);

(d) review, discuss, and submit to the JSC the [***] PRC Submission Estimated Timeline for each Collaboration Product [***], and each update thereto for each Collaboration Product, as described in Section 5.1.3(c) (Amendments and Obligations);

(e) review, discuss, provide comments on, and submit to the JSC the Territory-Specific Development Plan for each Collaboration Product, and each update thereto, as described in Section 5.2 (Territory-Specific Development Plans);

(f) review and discuss the Global Development Plan for each Collaboration Product, and each update thereto, as described in Section 5.3 (Global Development Plans);

(g) review, discuss, and submit to the JSC the BLU-554/CStone Checkpoint Combination POC Budget in connection with the development of the initial Territory-Specific Development Plan for the BLU-554/CStone Checkpoint Combination, as described in Section 5.4.1 (POC Trials for the HCC Indication);

(h) review, discuss, and submit to the JSC the budget for the BLU-554/Other Checkpoint Combination POC Trial in connection with the development of the initial Global Development Plan for the BLU-554/Other Checkpoint Combination, as described in Section 5.4.1 (POC Trials for the HCC Indication);

(i) discuss, develop, and submit to the JSC the Territory-Specific Development Plan for any Proposed Additional Blueprint/CStone Combination (and, if Development for such Proposed Additional Blueprint/CStone Combination is proposed to be conducted for purposes of seeking Regulatory Approval outside of the Territory, a Global Development Plan), as described in Section 5.5.1 (Proposed Additional Blueprint/CStone Combinations);

(j) review, discuss, provide comments on, and submit to the JSC any update to the Territory-Specific Development Plan for any Collaboration Product that includes any New Territory-Specific Development Activities that have been approved by the JSC, as described in Section 5.6.1(a) (JSC Approval);

(k) discuss, develop, and submit to the JSC the regulatory strategy for receipt of approval from the CNDA with respect to the conduct of each of the BLU-554 Combination POC Trials (and each update thereto and to the regulatory strategy

for any other Blueprint/CStone Combination), as described in Section 6.1 (Regulatory Strategy; Combination Regimens Including BLU-554);

(l) review and monitor the Parties' compliance with the Safety Agreements, as described in Section 6.5.1 (Safety Agreements);

(m) review and monitor the Parties' compliance with and performance under the Clinical Supply Agreement, the Commercial Supply Agreement, and any other written agreement between the Parties with respect to the subject matter hereof, and review and discuss Manufacturing of the Collaboration Products by each Party for the Territory;

(n) review and discuss the Medical Affairs Plan for each Collaboration Product and each update thereto, as described in Section 8.1 (Medical Affairs Plans);

(o) review and discuss each report provided by CStone of the Medical Affairs activities performed by or on behalf of CStone in the Territory for each Collaboration Product, as described in Section 8.2 (Medical Affairs Reports);

(p) review and discuss the Commercialization Plan for each Collaboration Product and each update thereto, as described in Section 9.2 (Commercialization Plans);

(q) review and discuss each report provided by CStone of the Commercialization activities performed by or on behalf of CStone in the Territory for each Collaboration Product, as described in Section 9.3 (Commercialization Reports);

(r) coordinate activities between the Parties with respect to certain Commercialization and Medical Affairs activities for the Collaboration Products inside and outside of the Territory, as described in Section 9.4 (Coordination of Commercialization Activities; Blueprint Support); and

(s) perform such other functions as expressly set forth in this Agreement or allocated to JPT by the Parties' written agreement or by the JSC.

3.4 Working Groups. From time to time, the JSC may establish joint working groups (each, a "**Working Group**") on an "as-needed" basis to oversee specific functional areas or activities and coordinate the day-to-day performance of such activities under this Agreement, which establishment of Working Groups will be reflected in the minutes of the meetings of the JSC. Each such Working Group will have at least two representatives of each Party and will be otherwise constituted, will meet as frequently as, and will operate as the JSC may determine. Working Groups may meet in person or by means of teleconference, Internet conference, videoconference, or other similar communications method. Each Working Group and its activities will be subject to the oversight of, and will report to, the JSC. In no event will the authority of any Working Group exceed the authority of the JSC. Each Party will be responsible for all of its own costs and expenses of participating in any Working Group. The Alliance Managers will jointly prepare and circulate minutes for each Working Group meeting [***] after each such meeting and will ensure that such minutes are reviewed and approved by their respective companies within [***] thereafter.

3.5 Non-Member Attendance. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend a meeting of the JSC (in a non-voting capacity), a JPT, or any Working Group if such participants have expertise that is relevant to the

planned agenda for such JSC, JPT, or Working Group meeting; *provided that* if either Party intends to have any Third Party (including any consultant) attend such a meeting, then such Party will provide prior written notice to the other Party reasonably in advance of such meeting and will ensure that such Third Party is bound by obligations of confidentiality and non-use at least as stringent as those set forth in Article 11 (Confidentiality; Publication). Notwithstanding anything to the contrary set forth in this Agreement, if the other Party objects in good faith to the participation of such Third Party in such meeting due to a *bona fide* concern regarding competitively sensitive information that is reasonably likely to be discussed at such meeting *(i.e.*, a consultant that also provides services to a Third Party with a Competitive Product), then such Third Party will not be permitted to participate in such meeting (or the portion thereof during which such competitively sensitive information is reasonably likely to be discussed).

3.6 Decision-Making.

3.6.1 **General Process**. The JSC, the JPTs, and any Working Group will only have the powers expressly assigned to it in this Article 3 (Governance) and elsewhere in this Agreement and will not have the authority to: (a) modify or amend the terms of this Agreement; or (b) waive either Party's compliance with the terms of this Agreement. All decisions of the JSC, a JPT, and any Working Group will be made by unanimous vote, with each Party's representatives having one vote (*i.e.*, one vote per Party). No action taken at any meeting of the JSC or any JPT or Working Group will be effective unless there is a quorum at such meeting, and at all such meetings, a quorum will be reached if two voting representatives of each Party are present or participating in such meeting. Except as otherwise expressly set forth in this Agreement, the phrase "determine," "designate," "confirm," "approve," or "determine whether to approve" by the JSC, a JPT, or any Working Group and similar phrases used in this Agreement will mean approval in accordance with this Section 3.6 (Decision-Making), including the escalation and tie-breaking provisions herein. For the avoidance of doubt, matters that are specified in Section 3.2.4 (JSC Roles and Responsibilities) and in Section 3.3.2 (JPT Roles and Responsibilities) to be reviewed and discussed (as opposed to reviewed, discussed, and approved) do not require any agreement or decision by either Party and are not subject to the voting and decision-making procedures set forth in this Section 3.6 (Decision-Making) or in Section 3.7 (Resolution of JSC Disputes).

3.6.2 **Resolution of JPT and Working Group Disputes**. The JSC will [***] to resolve all disputes that arise within a JPT or any Working Group within [***] after any such matter is brought to the JSC for resolution.

3.6.3 **Decisions of the JSC**. The JSC will [***] to promptly resolve any such matter for which it has authority. If[***] the JSC is unable to resolve any such matter referred to it by the JPT or any Working Group or any matter that is within the scope of the JSC's authority or any other disagreement between the Parties that may be referred to the JSC, in each case, within a period of [***], then a Party may refer such matter for resolution in accordance with 3.7.1 (Referral to Executive Officers) to the Chief Executive Officer of Blueprint (or an executive officer of Blueprint designated by the Chief Executive Officer of Blueprint who has the power and authority to resolve such matter) and the Chief Executive Officer of CStone (or an executive officer of CStone designated by the Chief Executive Officer of CStone who has the power and authority to resolve such matter) (collectively, the "**Executive Officers**").

3.7 Resolution of JSC Disputes.

3.7.1 **Referral to Executive Officers**. If a Party makes an election under Section 3.6.3 (Decisions of the JSC) to refer a matter on which the JSC cannot reach a consensus decision for resolution by the Executive Officers, then the JSC will submit in writing the respective positions of the Parties to their respective Executive Officers. The Executive Officers will [***] resolve any such matter so referred to them [***], and any final decision that the Executive Officers agree to in writing will be conclusive and binding on the Parties.

3.7.2 **Final Decision-Making Authority**. If the Executive Officers are unable to reach agreement on any such matter referred to them [***] after such matter is so referred (or such longer period as the Executive Officers may agree upon), then:

(a) **No Change; Status Quo**. Neither Party will have final decision-making authority (i) over the allocation to CStone of any Development activities set forth in the Global Development Plan to be conducted by CStone outside of the Territory, (ii) over the following Territory-specific Development activities that are to be conducted by CStone under a Global Development Plan in the Territory: selection of Clinical Trial sites, principal investigators, CROs in the Territory, and compliance with any requirements of a Regulatory Authority to the extent necessary to obtain Regulatory Approval in the Territory from such Regulatory Authority, (iii) to require CStone to serve as the Territory Sponsor or regulatory agent of any Global Clinical Trial for a Collaboration Product for a New Indication, (iv) as to whether to conduct further Development of the BLU-554/CStone Checkpoint Combination or the BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication under BLU-554 Scenario 1 or BLU-554 Scenario 2, respectively, (v) as to whether to approve any Combination Regimen that includes a Proposed Additional Blueprint/CStone Combination (or any other Combination Regimen that includes the CStone Checkpoint Antibody other than the BLU-554/CStone Checkpoint Combination) as a Blueprint/CStone Combination under this Agreement, (vi) over the Manufacturing Technology Transfer Plan or the scope of Manufacturing activities that will be conducted by CStone, (vii) over the Development of Companion Diagnostics by CStone for use in connection with the Commercialization of any Collaboration Product in the Territory, (viii) over whether to extend the period during which Blueprint will supply to CStone any [***] Blueprint Products beyond [***] for such Blueprint Product, (ix) over any brand strategy for a Collaboration Product that is specific to the Territory (or any region therein) and that is inconsistent with the Global Brand Strategy for such Collaboration Product, (x) over any changes to then-current FTE Rates for a Party, (xii) as to whether to approve any Subcontractor as a Preapproved Subcontractor for purposes of this Agreement, or (xii) the CStone New Indication Share with respect to a New Indication for a Collaboration Product, and all such matters set forth in the foregoing clauses ((i) through (xii)) must be decided by unanimous agreement of the Parties in order to take any action or adopt any change from the then-current *status quo*.

(b) **CStone Decisions**. CStone will have final decision-making authority with respect to the Manufacture of a Blueprint Product in the Territory [***] for such Blueprint Product (but not with respect to determining the scope of the Manufacturing activities for any Blueprint Product that will be conducted by CStone, which changes in scope must be agreed unanimously). In addition, if the JSC is unable to reach agreement as to whether to conduct further Development of the BLU-

554/CStone Checkpoint Combination or the BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication under BLU-554 Scenario 1 or BLU-554 Scenario 2, respectively, then CStone will have final decision-making authority over whether to conduct, as a Territory-Specific Clinical Trial in the Territory, the Pivotal Trial for the BLU-554/CStone Checkpoint Combination as a first line therapy for the HCC Indication pursuant to BLU-554 Scenario 3, and if CStone elects to conduct such Pivotal Trial as a Territory-Specific Clinical Trial, then CStone will be solely responsible for the conduct of such trial at its cost and expense. CStone will also have final decision-making authority to create a Product Mark for a Collaboration Product for use in the Territory that deviates from Blueprint's Global Brand Elements if the JSC is unable to agree as to whether a Product Mark is appropriate for the Territory due to linguistic reasons or market research showing that such Product Mark is not appropriate for use in the Territory. Lastly, CStone will have the final decision-making authority with respect to any Territory-specific activities related to the Development (including regulatory strategy), performance of Medical Affairs, or Commercialization of the Blueprint Compounds and the Collaboration Products in the Territory, including any Territory-Specific Clinical Trials for a Collaboration Product or the initial Territory-Specific Development Plan and updates thereto (but not any Global Brand Strategy or Development activities in the Territory under any Global Development Plan); *provided that*:

(i) CStone's decision is, in each case, consistent with its obligations under this Agreement, including its obligations to use Commercially Reasonable Efforts to Develop and Commercialize the Blueprint Compounds and the Collaboration Products set forth under Section 5.1 (Development Diligence and Responsibilities) and Section 9.1 (Commercialization Diligence Obligations); and

(ii) CStone will not be permitted to exercise its final decision-making authority to make any decision that would reasonably be expected to: (A) result in a material quality, safety, toxicity, or side effect concern with respect to a Blueprint Compound or Collaboration Product; (B) materially adversely affect the continued Development, performance of Medical Affairs, or Commercialization of the Blueprint Compounds or the Collaboration Products outside of the Territory; (C) be inconsistent with Blueprint's Global Brand Strategy for any Collaboration Product; or (D) cause Blueprint to be in violation of Applicable Law as the Territory Sponsor or as the owner and holder of Regulatory Submissions, Regulatory Approvals, or any Reimbursement Approvals, as applicable, for the Collaboration Products in the Territory.

(c) **Blueprint Decisions**.

(i) Blueprint will have final decision-making authority with respect to Manufacturing of a Collaboration Product at all times prior to [***] for the applicable Blueprint Product (or the Blueprint Product included in any Combination Regimen, if applicable), and thereafter with respect to the Manufacture of the Active Ingredients in any Blueprint Product [***].

(ii) If the JSC is unable to reach agreement as to whether to conduct further Development of the Blueprint/CStone Checkpoint Combination or a BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication under either BLU-554 Scenario 1 or BLU-554 Scenario 2, respectively, then Blueprint will have final decision-making authority as to whether to conduct, as a Global Clinical Trial, the Pivotal Trial for a BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication pursuant to BLU-554 Scenario 3, and if Blueprint elects to conduct such Pivotal Trial as a Global Clinical Trial, then the Parties will be responsible for the costs and expenses of such trial in accordance with Section 5.4.6 (Scenario 3 Election).

(iii) If the JSC is unable to reach agreement as to whether to conduct the BLU-554/Other Checkpoint Combination POC Trial pursuant to the applicable Global Development Plan or as to which Party will be responsible for conducting such trial, then Blueprint will have the right to exercise final decision-making authority to determine whether to conduct such trial, and if Blueprint determines to conduct such trial, then Blueprint will be responsible for conducting the BLU-554/Other Checkpoint Combination POC Trial.

(iv) Blueprint will have final decision-making authority with respect to any Development outside of the Territory and Medical Affairs activities outside of the Territory and Blueprint will have final decision-making authority with respect to any Development inside of the Territory that (A), subject to Section 3.7.2(a) (No Change; Status Quo), is included in a Global Development Plan for a Collaboration Product, (B) in Blueprint's reasonable belief will materially adversely affect a global non-clinical or preclinical study, Clinical Trial, or other Development of a Blueprint Compound, Blueprint Product, or Blueprint Combination Product outside of the Territory, (C) is proposed in any New Development Proposal, or (D) in Blueprint's reasonable belief may adversely affect Blueprint's compliance with obligations under Applicable Law as the Territory Sponsor or as the owner and holder of Regulatory Submissions, Regulatory Approvals, Reimbursement Approvals, or other approvals or authorizations applicable to the Exploitation of Collaboration Products in the Territory, as applicable, for one or more Collaboration Products in the Territory.

3.7.3 **Limitations on Decision-Making**. Notwithstanding anything to the contrary set forth in this Agreement, without the other Party's prior written consent, no decision of the JSC or a Party's Executive Officer (in the exercise of a Party's final decision-making authority on any such matters), in each case, may (a) result in a [***] in the other Party's obligations, costs, or expenses under this Agreement, or any Global Development Plan or Territory-Specific Development Plan (including any budget set forth in a Global Development Plan or a Territory-Specific Development Plan), unless, in each case, such actions are necessary for Blueprint to comply with Applicable Law as the Territory Sponsor or as the owner and holder of any Regulatory Submission, Regulatory Approval, or Reimbursement Approval, as applicable, for a Collaboration Product in the Territory, (b) take or decline to take any action that would [***] result in a violation of any Applicable Law, the requirements of any Regulatory Authority, or any agreement with any Third Party (including any agreement

pursuant to which Blueprint Controls any Blueprint Technology or CStone Controls any CStone Product Technology or CStone General Collaboration Technology) or would [***] result in the infringement or misappropriation of intellectual property rights of any Third Party, (c) impose any obligation on either Party that would be in violation of such Party's written standard operating procedures, written business policies, or written compliance policies or procedures, or (d) conflict with this Agreement, any Clinical Supply Agreement, any Commercial Supply Agreement, any Safety Agreement, or any other agreement between the Parties related to the subject matter set forth herein.

3.8 **Discontinuation of JSC**. The JSC will continue to exist until the first to occur of (a) the Parties agreeing to disband the JSC, or (b) Blueprint providing written notice to CStone of its intention to disband and no longer participate in the JSC. Once the JSC is disbanded, the JSC will have no further obligations under this Agreement and, thereafter, the Alliance Managers will be the points of contact for the exchange of information between the Parties under this Agreement and any references in this Agreement to decisions of the JSC will automatically become references to decisions by and between the Parties in writing, subject to the other terms of this Agreement and consistent with the terms of Section 3.7.2 (Final Decision-Making Authority).

Article 4
TECHNOLOGY TRANSFERS

4.1 **Initial Know-How Transfer**. [***], Blueprint will provide and transfer to CStone copies of Blueprint Know-How (other than Blueprint Manufacturing Know-How, the transfer of which will be performed pursuant to Section 4.2 (Manufacturing Technology Transfer)) that exists on the Effective Date to the extent not previously provided to CStone, including data and results required for CStone to file an IND for the Blueprint Products, and, if applicable, Blueprint Combination Products, in each case, in the Territory (the "**Initial Know-How Transfer**"). Blueprint may make such Blueprint Know-How available in such reasonable form as Blueprint determines, including, if Blueprint so elects, in the form such Blueprint Know-How is maintained by Blueprint.

4.2 **Manufacturing Technology Transfer**. In addition to the Blueprint Know-How provided to CStone pursuant to the Initial Know-How Transfer, on a Blueprint Product-by-Blueprint Product basis commencing [***], Blueprint will develop a draft Manufacturing Technology Transfer Plan for such Blueprint Product and will submit each such plan to the JPT to review and discuss, and thereafter to the JSC to review, discuss, and determine whether to approve [***] following Blueprint's submission to the JPT of each such plan. Unless otherwise agreed by the JSC, each Manufacturing Technology Transfer Plan will contemplate the transfer to CStone of all activities necessary to Manufacture the applicable Blueprint Product starting from the applicable Active Ingredient [***]. Blueprint will supply to CStone each of such Active Ingredients [***]. Following approval by the JSC of the Manufacturing Technology Transfer Plan for each Blueprint Product, Blueprint will perform (or cause one or more applicable Third Parties (including any CMO engaged by Blueprint to Manufacture such Blueprint Product) to perform) a Manufacturing Technology Transfer for such Blueprint Product in accordance with such plan. The Parties will [***] following the approval of the applicable Manufacturing Technology Transfer Plan pursuant to the applicable Manufacturing Technology Transfer Plan, [***]. Thereafter during the Term, Blueprint will provide Blueprint Manufacturing Know-How as part of the Continuing Know-How Transfer in accordance with Section 4.3 (Continuing Know-How Transfer).

4.3 **Continuing Know-How Transfer**. Following the applicable Manufacturing Technology Transfer for each Blueprint Product and the Initial Know-How Transfer for each Collaboration Product, Blueprint will provide to the JPT in advance of its meeting each Calendar Quarter a

summary of any additional Blueprint Manufacturing Know-How and other Blueprint Know-How, in each case, developed by Blueprint or its Affiliates or licensees since the previous meeting of the JPT. Upon CStone's reasonable request during the Term, Blueprint will (a) make available to CStone all Blueprint Manufacturing Know-How and other Blueprint Know-How, in each case, in Blueprint's possession and not previously provided to CStone hereunder and that is necessary or useful for CStone's Exploitation of any Blueprint Product or Collaboration Product (as applicable) in accordance with this Agreement, (b) transfer any such Blueprint Know-How to CStone no later than [***] after CStone's request therefor, and (c) [***] after the Initial Know-How Transfer or Manufacturing Technology Transfer for a Blueprint Product or Collaboration Product (as applicable), provide CStone with reasonable access to Blueprint personnel involved in the Development or Manufacture of such Blueprint Product or Collaboration Product (as applicable) (and the corresponding Blueprint Compound), either in-person at Blueprint's facility or by teleconference (the "**Continuing Know-How Transfer**," and together with the Initial Know-How Transfer and the Manufacturing Technology Transfer, the "**Technology Transfer**"). CStone may only use the Blueprint Know-How to perform its obligations or exercise its rights under this Agreement and in accordance with the terms hereof. Notwithstanding anything to the contrary set forth in this Agreement, the terms of this Section 4.3 (Continuing Know-How Transfer) will not apply to (a) the BLU-554/Other Checkpoint Combination if the Parties elect to pursue further Development of a Combination Regimen including BLU-554 as a first line therapy for the HCC Indication pursuant to BLU-554 Scenario 3, unless [***] or (b) a New Indication for a Collaboration Product unless [***].

4.4 Conduct of Technology Transfer. At CStone's reasonable request with respect to each Blueprint Product, those qualified Blueprint personnel, as reasonably determined by Blueprint, will travel to CStone's facilities [***] to assist with the performance of activities under the Manufacturing Technology Transfer Plan for such Blueprint Product. Other than as set forth in the previous sentence, Blueprint personnel will not be obligated to travel to CStone's facilities in connection with the performance of any Technology Transfer. Any materials provided by Blueprint to CStone in connection with the transfer of Blueprint Know-How (including pursuant to any Technology Transfer) will remain the sole property of Blueprint.

4.5 Technology Transfer Costs. Blueprint will provide consultation and assistance with qualified personnel in connection with the Technology Transfer for each Blueprint Product as reasonably requested by CStone, subject to personnel availability. Blueprint will be responsible for the internal costs of up to [***] of such consultation and assistance for each Blueprint Product. CStone will reimburse Blueprint for (a) internal costs (at the FTE Rate) in excess of [***] of such consultation and assistance for each Blueprint Product and (b) all out-of-pocket costs [***] in accordance with Blueprint's travel policy), in each case ((a) and (b)), reasonably incurred by or on behalf of Blueprint in connection with such assistance within [***] after receiving Blueprint's invoice therefor. Time spent by Blueprint personnel at CStone's facilities providing such consultation and assistance (but not any travel time to reach such CStone facilities) will be included in the [***] of consultation and assistance the internal costs of which Blueprint is responsible in connection with the Technology Transfer for the applicable Blueprint Product.

Article 5
DEVELOPMENT PROGRAM

5.1 Development Diligence and Responsibilities.

5.1.1 **Development Diligence Obligations**. Subject to the terms of this Agreement, including Section 5.4.2 (Pivotal Trial for the HCC Indication), CStone will be responsible and will

use Commercially Reasonable Efforts to Develop and obtain Regulatory Approval for (which will be on Blueprint's behalf until [***]) each Collaboration Product with respect to which the JSC has approved a Territory-Specific Development Plan or, to the extent CStone is allocated Development responsibilities thereunder, Global Development Plan in the Field in the Territory. Without limiting the generality of the foregoing, CStone will use Commercially Reasonable Efforts to (a) perform the activities set forth in, and Develop each Collaboration Product in accordance with, the Territory-Specific Development Plan for such Collaboration Product and achieve the objectives set forth therein, and (b) subject to Section 3.7.2 (Final Decision-Making Authority), conduct the tasks assigned to CStone in each Global Development Plan for such Collaboration Product (including as set forth in such Global Development Plan), implement Global Clinical Trials for such Collaboration Product in the Territory (including engagement of principal investigators and support of the initiation of sites for Global Clinical Trials in the Territory that are specified in such Global Development Plan), and achieve the objectives set forth therein to support the global Development and registration of each applicable Collaboration Product.

5.1.2 **Performance Standards**. CStone will perform all obligations under this Agreement, including under each Territory-Specific Development Plan and each Global Development Plan, in a timely, professional manner and in compliance with such Territory-Specific Development Plan or Global Development Plan, as applicable, and all Applicable Law, including as applicable GLP, GCP, and cGMP.

5.1.3 **PRC Submission Estimated Timeline**.

(a) **BLU-554 as a Monotherapy**. [***] the Parties have agreed in writing to a PRC Submission Estimated Timeline for the BLU-554 Product as a monotherapy.

(b) **Other Collaboration Products**. [***], unless the Parties otherwise agree in writing to extend such timeline for any given Collaboration Product, the Parties will cooperate through the JPT to finalize the PRC Submission Estimated Timeline for the BLU-285 Product, the BLU-667 Product, and the BLU-554/CStone Checkpoint Combination. In addition, the JPT will develop a PRC Submission Estimated Timeline for additional Collaboration Products as contemplated under this Agreement or otherwise at the appropriate time. The JPT will submit each such PRC Submission Estimated Timeline to the JSC to review, discuss, and determine whether to approve.

(c) **Amendments and Obligations**. The JPT will update, and will provide to the JSC to review, discuss, and determine whether to approve, the PRC Submission Estimated Timeline for each Collaboration Product annually to include in detail the anticipated key regulatory activities for such Collaboration Product in [***] in the Territory and the dates on which such activities are estimated to occur. Without limiting the foregoing obligations set forth in this Section 5.1 (Development Diligence and Responsibilities), CStone will use Commercially Reasonable Efforts to: (i) make all Regulatory Submissions to the CNDA pursuant to and in accordance with Section 6.2.1 (Obtaining and Maintaining Regulatory Approvals) for each Collaboration Product and in accordance with the applicable PRC Submission Estimated Timeline (as may be amended by the JSC from time to time); *provided that* CStone will obtain Blueprint's prior written consent if CStone desires to submit the MAA to the CNDA earlier than the timeline for such

submission set forth in the applicable PRC Submission Estimated Timeline, and (ii) promptly obtain all approvals from the applicable Regulatory Authorities required to dose the first patient with each Collaboration Product in Clinical Trials in the Territory, including to obtain those approvals required for the initiation of the BLU-554 Monotherapy POC Trial in the Territory.

5.1.4 **Enrollment in Clinical Trials**.

(a) **BLU-554 Monotherapy Clinical Trials**. [***], CStone will submit in writing to the CNDA a written request, together with any Regulatory Submission required to be submitted in connection with such request, for the pre-IND meeting required in connection with the approval of the IND for the BLU-554 Product from the CNDA in the PRC no later than [***] following the transfer from Blueprint to CStone of those portions of the translated IND that are required for submission of such written request for such pre-IND meeting. From and after the date on which CStone receives all approvals from the applicable Regulatory Authorities required to dose the first patient in the BLU-554 Monotherapy POC Trial in the PRC, CStone will, in accordance with the applicable Global Development Plan for the BLU-554 Product as a monotherapy, use Commercially Reasonable Efforts to enroll and treat [***] (i) the number of patients [***], and (ii) [***], in each case (i) and (ii), from the Territory within the applicable timeframes for each such trial set forth in the Global Development Plan for such BLU-554 Product.

(b) **BLU-554 Combination Pivotal Trials**. With respect to either the BLU-554/CStone Checkpoint Combination Pivotal Trial or BLU-554/Other Checkpoint Combination Pivotal Trial (as applicable, depending on whether the JSC approves the further Development of a Combination Regimen including BLU-554 as a first line therapy for the HCC Indication pursuant to BLU-554 Scenario 1 or BLU-554 Scenario 2, respectively), CStone will, in accordance with the applicable Global Development Plan for the BLU-554/CStone Checkpoint Combination or BLU-554/Other Checkpoint Combination, as applicable, use Commercially Reasonable Efforts to enroll and treat [***].

(c) **CStone Coordination with CROs**. If Blueprint engages a contract research organization to conduct one or more Global Clinical Trials for a Collaboration Product pursuant to a Global Development Plan, then CStone will [***] such contract research organization to perform the tasks assigned to CStone under such Global Development Plan.

5.1.5 **Non-Clinical and Preclinical Studies**. Blueprint will be responsible for all non-clinical and preclinical studies for all Collaboration Products, which studies will be conducted under the Global Development Plan for each Collaboration Product, other than specific additional non-clinical or preclinical studies for any Collaboration Product that are required specifically in support of an IND filing for such Collaboration Product in the Territory, which additional studies will be included under the Territory-Specific Development Plan for such Collaboration Product and for which CStone will be responsible. Blueprint will provide support and cooperation as reasonably requested by CStone in connection with any such additional non-clinical or preclinical studies. In addition, CStone will provide support and cooperation as reasonably requested by Blueprint in connection with any non-clinical or preclinical studies for the BLU-554/CStone Checkpoint Combination or any other Blueprint/CStone Combination that are required to support an IND filing for such product

outside of the Territory. The Party generating data and results (or on whose behalf such data and results are generated) in the course of conducting such non-clinical or preclinical studies for any Collaboration Product will provide such data and results to the other Party in accordance with Section 5.14 (Data Exchange and Use).

5.2 **Territory-Specific Development Plans**. Except for the activities allocated to CStone under a Global Development Plan for a Collaboration Product pursuant to Section 5.3 (Global Development Plan), all Development of each Collaboration Product in the Territory under this Agreement (including the BLU-554/CStone Checkpoint Combination) will be conducted pursuant to a written development plan for each such Collaboration Product (each, as updated from time to time in accordance with this Section 5.2 (Territory-Specific Development Plans) and Section 3.2 (Joint Steering Committee), a "**Territory-Specific Development Plan**"). At least [***] prior to CStone's planned initiation of any Development activities for a Collaboration Product in the Territory, CStone will provide the applicable JPT with an initial draft of the Territory-Specific Development Plan for such Collaboration Product (other than any Blueprint/CStone Combination that is approved by the Executive Officers in accordance with Section 5.5.1 (Proposed Additional Blueprint/CStone Combinations) for which combination the initial Territory-Specific Development Plan will be the plan as approved by the JSC) for the JPT's review and comment. Each such Territory-Specific Development Plan will contain [***] (a) all major Development activities for such Collaboration Product (including all non-clinical and preclinical studies and Territory-Specific Clinical Trials and the trial design thereof) to be conducted solely in furtherance of obtaining Regulatory Approval of such Collaboration Product in the Territory (and not outside of the Territory), including, in the applicable plan, the BLU-554/CStone Checkpoint Combination POC Trial, (b) the estimated timelines for achieving such activities, and (c) an outline of the key elements involved in obtaining Regulatory Approval of such Collaboration Product from all applicable Regulatory Authorities throughout the Territory. In addition, the Territory-Specific Development Plan for the BLU-554/CStone Checkpoint Combination will include the BLU-554/CStone Checkpoint Combination POC Budget. [***] From time to time thereafter[***] to include any New Territory-Specific Development Activities, CStone will propose updates to each Territory-Specific Development Plan in consultation with Blueprint through the applicable JPT and submit such proposed updated Territory-Specific Development Plan to the JSC. The JSC will review, discuss, and determine whether to approve the Territory-Specific Development Plan for each Collaboration Product and each update thereto. Once approved by the JSC, each update to a Territory-Specific Development Plan for a Collaboration Product will become effective and supersede the then-current Territory-Specific Development Plan for such Collaboration Product.

5.3 **Global Development Plans**. Blueprint's global Development of each Collaboration Product inside and outside of the Territory will be conducted pursuant to a written plan (as updated from time to time in accordance with this Section 5.3 (Global Development Plans), the "**Global Development Plans**"). The Global Development Plan for the BLU-554 Product as a monotherapy has been agreed by the Parties in writing [***]. No later than [***], Blueprint will provide to the JSC for its review and discussion the initial Global Development Plan for the BLU-285 Product and the BLU-667 Product. In addition, prior to the Parties' planned initiation of the BLU-554/Other Checkpoint Combination POC Trial or, if applicable and not otherwise set forth in this Agreement, the first Global Clinical Trial for any other Collaboration Product, Blueprint will provide to the JSC for its review and discussion the initial Global Development Plan for the BLU-554/Other Checkpoint Combination or such other Collaboration Product. Each Global Development Plans for the applicable Collaboration Product will be consistent with the overall global development synopsis for each such Collaboration Product provided by Blueprint to CStone [***], and will include, as applicable to each Collaboration Product, the BLU-554 Monotherapy POC Trial, the BLU-554 Monotherapy Pivotal Trial, the BLU-554/Other Checkpoint Combination POC Trial, and

other Global Clinical Trials and global Development activities for each applicable Collaboration Product. In addition to CStone's Development activities for the Collaboration Products included in the Territory-Specific Development Plans, if agreed by the JSC (subject to Section 3.7.2 (Final Decision-Making Authority)), CStone will support the global Development of one or more Collaboration Products by using Commercially Reasonable Efforts to conduct certain Development activities in the Territory as set forth in, and in accordance with, the applicable Global Development Plans for such Collaboration Products. The Global Development Plan for each Collaboration Product will include (a) an outline of all major Development activities (including all non-clinical and preclinical studies and Global Clinical Trials and the trial design thereof) for such Collaboration Product to be conducted throughout the Territory by Blueprint, (b) details and estimated timelines of the Development activities in the Territory assigned to CStone to support Global Clinical Trials for such Collaboration Product, including the BLU-554 Monotherapy POC Trial, the BLU-554 Monotherapy Pivotal Trial, and the BLU-554/Other Checkpoint Combination POC Trial, (c) details and estimated timelines of any other Development activities (including non-clinical and preclinical studies and Global Clinical Trials) for such Collaboration Product inside or outside of the Territory assigned to CStone to support global Development of such Collaboration Product (subject to Section 3.7.2 (Final Decision-Making Authority)), and (d) unless otherwise agreed to by CStone and subject to Section 3.7.2 (Final Decision-Making Authority), the allocation to CStone of responsibility for any Development activities included within such Global Development Plan for such Collaboration Product that are to be conducted solely in the Territory. In addition, the Global Development Plan for the BLU-554/Other Checkpoint Combination will include the budget for the BLU-554/Other Checkpoint Combination POC Trial. From time to time, Blueprint (or the JPT, with respect to the BLU-554/CStone Checkpoint Combination Pivotal Trial or any other Blueprint/CStone Combination) may make and implement updates to the then-current Global Development Plan for any Collaboration Product, including to contemplate the conduct of the Development of any Collaboration Product for a New Indication, the BLU-554/Other Checkpoint Combination Pivotal Trial or the BLU-554/CStone Checkpoint Combination Pivotal Trial (if and as applicable). To the extent such amendments (i) are material, and (ii) include activities conducted in the Territory, Blueprint will submit such proposed updates to the JSC for review and discussion before adopting such updates. Notwithstanding that each Global Development Plan and update thereto will be provided to the JSC for review and discussion, all matters pertaining to a Global Development Plan (or any update thereto) that are contemplated in Section 3.7.2(a) (No Change; Status Quo), including the allocation to CStone of Development activities outside of the Territory or requiring CStone to serve as Territory Sponsor or regulatory agent for any New Indication will be subject to approval of the JSC.

5.4 Combination Regimens for BLU-554.

5.4.1 **POC Trials for the HCC Indication**. The Parties agree to conduct a POC Trial for a Combination Regimen that will be comprised of BLU-554 and the CStone Checkpoint Antibody (the "**BLU-554/CStone Checkpoint Combination**") as a first line therapy for the HCC Indication (the "**BLU-554/CStone Checkpoint Combination POC Trial**") following agreement by the Parties on (a) the PRC Submission Estimated Timeline for the BLU-554/CStone Checkpoint Combination pursuant to Section 5.1.3 (PRC Submission Estimated Timeline), (b) the regulatory strategy for receipt of approval from the CNDA with respect to the conduct of such BLU-554/CStone Checkpoint Combination POC Trial, and (c) the Territory-Specific Development Plan for the BLU-554/CStone Checkpoint Combination, which will include the trial design of such BLU-554/CStone Checkpoint Combination POC Trial and the BLU-554/CStone Checkpoint Combination POC Budget. CStone will be solely responsible for conducting the BLU-554/CStone Checkpoint Combination POC Trial pursuant to the applicable Territory-Specific

Development Plan (including using Commercially Reasonable Efforts in accordance with the timelines set forth therein) and in accordance with the budget for such BLU-554/CStone Checkpoint Combination POC Trial to be developed by the JPT in connection with the development of the initial Territory-Specific Development Plan for the BLU-554/CStone Checkpoint Combination and submitted to the JSC to review, discuss, and determine whether to approve no later than [***] (the "**BLU-554/CStone Checkpoint Combination POC Budget**"). In addition, the JSC may agree to conduct a second POC Trial for a Combination Regimen that will be comprised of BLU-554 and a Third Party biologic product that includes an antibody that binds to, targets, or otherwise recognizes [***] PD-L1 (such agreed Combination Regimen, the "**BLU-554/Other Checkpoint Combination**") as a first line therapy for the HCC Indication (the "**BLU-554/Other Checkpoint Combination POC Trial**") following approval by the JSC of (i) the PRC Submission Estimated Timeline for the BLU-554/Other Checkpoint Combination, (ii) the regulatory strategy for receipt of approval from the CNDA with respect to the conduct of such BLU-554/Other Checkpoint Combination POC Trial pursuant to Section 6.1 (Regulatory Strategy; Combination Regimens Including BLU-554), and (iii) the Global Development Plan for the BLU-554/Other Checkpoint Combination, which will include the trial design of such BLU-554/Other Checkpoint Combination POC Trial and the budget for such trial. If so agreed by the JSC, then Blueprint will be responsible for conducting the BLU-554/Other Checkpoint Combination POC Trial pursuant to the applicable Global Development Plan (including in accordance with the timelines set forth therein); *provided that* CStone may perform certain Development activities in furtherance of the BLU-554/Other Checkpoint Combination POC Trial inside or outside of the Territory if allocated to CStone in the applicable Global Development Plan (subject to Section 3.7.2(a) (No Change; Status Quo)).

5.4.2 **Pivotal Trials for the HCC Indication**. With respect to the BLU-554/CStone Checkpoint Combination POC Trial, and, if the JSC agrees to the conduct thereof as set forth in Section 5.4.1 (POC Trials for the HCC Indication), the BLU-554/Other Checkpoint Combination POC Trial, following the first acceptance of the data and results from each such POC Trial for publication or presentation by a conference, meeting, or publication (or on such other date as the JSC may otherwise determine), the JSC will review, discuss, and determine whether to approve (subject to Section 3.7.2(a) (No Change; Status Quo) and Section 3.7.2(b) (CStone Decisions)) one of the following three scenarios for the further Development of a Combination Regimen including BLU-554 as a first line therapy for the HCC Indication:

(a) the Parties will conduct the Pivotal Trial for the BLU-554/CStone Checkpoint Combination as a first line therapy for the HCC Indication (the "**BLU-554/CStone Checkpoint Combination Pivotal Trial**") as a Global Clinical Trial ("**BLU-554 Scenario 1**");

(b) the Parties will conduct the Pivotal Trial for the BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication (the "**BLU-554/Other Checkpoint Combination Pivotal Trial**") as a Global Clinical Trial (and, unless otherwise agreed by the Parties in writing, will not conduct any Pivotal Trial for the BLU-554/CStone Checkpoint Combination) ("**BLU-554 Scenario 2**"); or

(c) Blueprint will conduct the BLU-554/Other Checkpoint Combination Pivotal Trial as a Global Clinical Trial and CStone will conduct the BLU-554/CStone

Checkpoint Combination Pivotal Trial as a Territory-Specific Clinical Trial ("**BLU-554 Scenario 3**").

For clarity, if the JSC does not approve the further Development of the BLU-554/CStone Checkpoint Combination or the BLU-554/Other Checkpoint Combination pursuant to BLU-554 Scenario 1 or BLU-554 Scenario 2, respectively, then (i) if Blueprint elects in accordance with its final decision-making authority pursuant to Section 3.7.2(c) (Blueprint Decisions) not to conduct the BLU-554/Other Checkpoint Combination as a Global Clinical Trial, Blueprint will not have any obligation to conduct a Pivotal Trial for the BLU-554/Other Checkpoint Combination as a Global Clinical Trial and (ii) if CStone elects in accordance with its final decision-making authority pursuant to Section 3.7.2(b) (CStone Decisions) not to conduct the BLU-554/CStone Checkpoint Combination Pivotal Trial, then CStone will not have any obligation to conduct any Pivotal Trial for the BLU-554/CStone Checkpoint Combination as a Territory-Specific Clinical Trial.

5.4.3 **Development Milestones for BLU-554 Scenario 1 or 2**. If the JSC approves the further Development of either the BLU-554/CStone Checkpoint Combination or the BLU-554/Other Checkpoint Combination pursuant to BLU-554 Scenario 1 or BLU-554 Scenario 2, respectively, then CStone will pay to Blueprint the applicable Development Milestone Payments set forth in Table 10.2.1(b) upon achievement of the corresponding Development Milestone Event for the BLU-554/CStone Checkpoint Combination or the BLU-554/Other Checkpoint Combination, as applicable.

5.4.4 **Scenario 1 Election**. If the JSC approves the further Development of the BLU-554/CStone Checkpoint Combination pursuant to BLU-554 Scenario 1, then:

(a) the Parties will [***] for a period of [***] after the JSC so approves such conduct of further Development of the BLU-554/CStone Checkpoint Combination pursuant to BLU-554 Scenario 1 (or such other period of time as the JSC may otherwise agree), to enter into a separate written agreement setting forth a commercial arrangement relating to Blueprint's Commercialization of the BLU-554/CStone Checkpoint Combination as a first line therapy for the HCC Indication outside of the Territory, including the rights to be granted to Blueprint with respect to such BLU-554/CStone Checkpoint Combination in the event of termination of this Agreement;

(b) the Parties will [***] to reach agreement on such commercial arrangement prior to commencement of the BLU-554/CStone Checkpoint Combination Pivotal Trial or any further Development of the BLU-554/CStone Checkpoint Combination after completion of the BLU-554/CStone Checkpoint Combination POC Trial; and

(c) unless the Parties reach agreement on such commercial arrangement and enter into a written agreement reflecting the same within [***] after the JSC so approves the conduct further Development of the BLU-554/CStone Checkpoint Combination pursuant to BLU-554 Scenario 1 (or such other period of time as the JSC may otherwise agree), neither Party will conduct further Development or other Exploitation of the BLU-554/CStone Checkpoint Combination inside or outside of the Territory under BLU-554 Scenario 1 and any further Development of the BLU-554/CStone Checkpoint Combination as a first line therapy for the HCC Indication must be pursued under BLU-554 Scenario 3.

5.4.5 **Scenario 2 Election**. If the JSC approves the further Development of a BLU-554/Other Checkpoint Combination pursuant to BLU-554 Scenario 2, then Blueprint will conduct the BLU-554/Other Checkpoint Combination Pivotal Trial as a Global Clinical Trial in accordance with the Global Development Plan for the BLU-554/Other Checkpoint Combination (and CStone will conduct those Development activities in connection with such BLU-554/Other Checkpoint Combination Pivotal Trial that are allocated to CStone in such Global Development Plan).

5.4.6 **Scenario 3 Election**. If the JSC approves the further Development of the BLU-554/Other Checkpoint Combination as a Global Clinical Trial pursuant to BLU-554 Scenario 3, then:

(a) **Patient Recruitment Assistance**. CStone will provide reasonable assistance to Blueprint to recruit and enroll patients from the Territory in the BLU-554/Other Checkpoint Combination Pivotal Trial (to be conducted as a Global Clinical Trial). Blueprint will be responsible for all [***] costs, in each case reasonably incurred by CStone in connection with CStone's assistance to recruit patients for the BLU-554/Other Checkpoint Combination Pivotal Trial pursuant to this Section 5.4.6(a) (Patient Recruitment Assistance). CStone will invoice Blueprint quarterly for the foregoing costs incurred by or on behalf of CStone in such Calendar Quarter, and Blueprint will pay the undisputed amounts invoiced within [***] after the date of any such invoice.

(b) **Agreement to Share Development Costs**. As between the Parties, Blueprint will conduct the BLU-554/Other Checkpoint Combination as a Global Clinical Trial at its cost and expense, subject to the following:

(i) if CStone elects in accordance with its final decision-making authority pursuant to Section 3.7.2(b) (CStone Decisions) not to conduct the BLU-554/CStone Checkpoint Combination Pivotal Trial as a Territory-Specific Clinical Trial and if Blueprint conducts the BLU-554/Other Checkpoint Combination Pivotal Trial as a Global Clinical Trial, then (A) prior to the commencement of the BLU-554/Other Checkpoint Combination Pivotal Trial, CStone may agree in writing to bear [***] of the costs and expenses incurred by or on behalf of Blueprint in the conduct of the BLU-554/Other Checkpoint Combination Pivotal Trial, in accordance with the terms of Section 5.10 (Responsibility for Development Costs) on an ongoing basis, or (B) if CStone does not so agree to bear [***] of the costs and expenses of such Pivotal Trial, then upon the receipt of the first Regulatory Approval in any of the following: [***] for the BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication, CStone will reimburse Blueprint for [***] of such costs and expenses incurred by or on behalf of Blueprint in the conduct of the BLU-554/Other Checkpoint Combination Pivotal Trial, *[***]*, and CStone will (1) file the MAA throughout the Territory and (2) use Commercially Reasonable Efforts to obtain Regulatory Approval of the BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication in the Territory. In addition, the JPT will update the Territory-Specific Development Plan for the BLU-554/Other Checkpoint Combination to include those activities required to accomplish the tasks set forth in the foregoing clauses (1) and (2);

(ii) if CStone conducts the BLU-554/CStone Checkpoint Combination Pivotal Trial as a Territory-Specific Clinical Trial but fails to obtain Regulatory Approval in the PRC for the BLU-554/CStone Checkpoint Combination as a first line therapy for the HCC Indication, and if Blueprint conducts the BLU-554/Other Checkpoint Combination Pivotal Trial as a Global Clinical Trial and receives Regulatory Approval in any of the following: [***] for the BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication, then CStone will (1) file the MAA throughout the Territory, and (2) use Commercially Reasonable Efforts to obtain Regulatory Approval of the BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication in the Territory. In addition, the JPT will update the Territory-Specific Development Plan for the BLU-554/Other Checkpoint Combination to include those activities required to accomplish the tasks set forth in the foregoing clauses (1) and (2). Thereafter, upon the receipt of Regulatory Approval of the BLU-554/Other Checkpoint Combination as a first line therapy for the HCC Indication in the PRC, CStone will reimburse Blueprint for:

(A) [***] of such costs and expenses incurred by or on behalf of Blueprint in the conduct of the BLU-554/Other Checkpoint Combination Pivotal Trial, *[***]; plus*

(B) [***], *less*

(C) all costs and expenses incurred by CStone in the conduct of the BLU-554/CStone Checkpoint Combination Pivotal Trial as a Territory-Specific Clinical Trial.

(iii) Blueprint will invoice CStone for the costs and expenses set forth in the foregoing clauses (i) and (ii), and Blueprint will pay the undisputed invoiced amounts within [***] after the date of such invoice.

5.4.7 **Restrictions on Exploitation of the BLU-554/Other Checkpoint Combination**. CStone will not Exploit any BLU-554/Other Checkpoint Combination outside of the Territory (except to conduct any Development activities allocated to CStone in the Global Development Plan for the BLU-554/Other Checkpoint Combination).

5.5 Additional Blueprint/CStone Combinations.

5.5.1 **Proposed Additional Blueprint/CStone Combinations**. If the JPT wishes to include any pharmaceutical or biologic product with respect to which CStone or any of its Affiliates exclusively Control any Know-How or Patent Rights in a Combination Regimen that includes (a) BLU-285 or BLU-667, or (b) BLU-554 (other than a product that contains a CStone Checkpoint Antibody) (*i.e.*, other than the BLU-554/CStone Checkpoint Combination), in each case ((a) or (b)), to be Developed as a Blueprint/CStone Combination under the terms of this Agreement (each, a "**Proposed Additional Blueprint/CStone Combination**"), then the JPT will develop a Territory-Specific Development Plan (and, if the JPT proposes to Develop such Proposed Additional Blueprint/CStone Combination for purposes of seeking Regulatory Approval outside of the Territory, a Global Development Plan) for such Proposed Additional Blueprint/CStone Combination, which plans will include the conduct of a POC Trial for

such Proposed Additional Blueprint/CStone Combination and a regulatory strategy for the receipt of approval from the CNDA to conduct those Clinical Trials contemplated in such Territory-Specific Development Plan. Thereafter, the JPT will submit such plans to the JSC for its review, discussion, and approval. If the JSC approves the Development of such Proposed Additional Blueprint/CStone Combination and such Territory-Specific Development Plan and, if applicable, Global Development Plan, then the JSC will submit the same to the Executive Officers to review, discuss, and confirm their approval in writing pursuant to Section 5.5.2 (Executive Officer Decision Regarding Proposed Additional Blueprint/CStone Combination).

5.5.2 **Executive Officer Decision Regarding Proposed Additional Blueprint/CStone Combination**. Within [***] after submission by the JSC of the Territory-Specific Development Plan and, if applicable, Global Development Plan for each Proposed Additional Blueprint/CStone Combination approved by the JSC pursuant to Section 5.5.1 (Proposed Additional Blueprint/CStone Combinations), the Executive Officers will review, discuss, and confirm in writing (i) whether or not to Develop under this Agreement such Proposed Additional Blueprint/CStone Combination pursuant to such Territory-Specific Development Plan and, if applicable, Global Development Plan, and (ii) if the Parties will [***] all costs and expenses of each POC Trial to be conducted for such Proposed Additional Blueprint/CStone Combination [***].

(a) **Executive Officer Approval**. If the Executive Officers confirm the JSC's recommendation to Develop under this Agreement the applicable Proposed Additional Blueprint/CStone Combination, then (i) the Parties will enter into an amendment to this Agreement or a separate written agreement, in either case, governing the Parties' rights and obligations with respect to the Development of such approved Blueprint/CStone Combination, (ii) such Proposed Additional Blueprint/CStone Combination will be a Blueprint/CStone Combination and the pharmaceutical or biologic product with respect to which CStone or any of its Affiliates Controls any Know-How or Patent Rights included in such Proposed Additional Blueprint/CStone Combination will be a CStone Product, in each case, for all purposes of this Agreement, (iii) CStone or Blueprint (as set forth in the Territory-Specific Development Plan or Global Development Plan for such Proposed Additional Blueprint/CStone Combination) will conduct the POC Trial for such Blueprint/CStone Combination in accordance with the terms of this Agreement, including the Territory-Specific Development Plan or Global Development Plan (as applicable) in the form(s) approved by the JSC, and (iv) the Parties will [***] all costs and expenses of each POC Trial for such Blueprint/CStone Combination unless the Executive Officers determine as part of their confirmation of the approval of the Development of such Proposed Additional Blueprint/CStone Combination under this Agreement pursuant to this Section 5.5.2(a) (Executive Officer Approval) that the Party that is not conducting a POC Trial for such Blueprint/CStone Combination (the "**Non-Funding Party**") will not be responsible for [***] of the costs and expenses of such POC Trial. In such event, the Non-Funding Party will not have any rights with respect to any data or results generated from such a POC Trial for such Blueprint/CStone Combination, including pursuant to Section 5.14 (Data Exchange and Use) or pursuant to Section 6.4 (Right of Reference), unless and until the Non-Funding Party reimburses the other Party for [***] of the costs and expenses incurred by the other Party in connection with any such POC Trial for such Blueprint/CStone Combination *[***]* share of the costs and expenses incurred by the other Party in connection with any

such POC Trial for such Blueprint/CStone Combination, except as necessary for such Non-Funding Party to comply with Applicable Law or safety reporting requirements of the applicable Regulatory Authorities (A) if the Non-Funding Party is CStone, in the Territory after [***], or (B) if the Non-Funding Party is Blueprint, inside the Territory prior to [***] and at all times outside of the Territory.

(b) **No Executive Officer Approval**. If the Executive Officers do not agree to confirm the JSC's recommendation to Develop under this Agreement a Proposed Additional Blueprint/CStone Combination, then such Proposed Additional Blueprint/CStone Combination will not be a Blueprint/CStone Combination for purposes of this Agreement and the Parties may not Exploit such Proposed Additional Blueprint/CStone Combination under this Agreement unless and until the Executive Officers agree to so confirm the Development thereof hereunder.

5.5.3 **Further Exploitation of Proposed Additional Blueprint/CStone Combinations**. If the JSC determines to approve the conduct of a Pivotal Trial as a Global Clinical Trial for any Blueprint/CStone Combination that was a Proposed Additional Blueprint/CStone Combination approved by the Executive Officers pursuant to Section 5.5.2 (Executive Officer Decision Regarding Proposed Additional Blueprint/CStone Combination), then:

(a) the JSC will determine which Party will conduct such Pivotal Trial as a Global Clinical Trial;

(b) following completion of the POC Trial for such Blueprint/CStone Combination (or at such earlier time as may be determined by the JSC), the Parties will [***] to enter into a separate written agreement setting forth a commercial arrangement relating to Commercialization of such Blueprint/CStone Combination outside of the Territory, including the rights to be granted to Blueprint with respect to such Blueprint/CStone Combination in the event of termination of this Agreement;

(c) the Parties will [***] to reach agreement on such commercial arrangement prior to commencement of such Pivotal Trial or any further Development of such Blueprint/CStone Combination after completion of the POC Trial for such Blueprint/CStone Combination; and

(d) neither Party will conduct further Development or other Exploitation of the applicable Blueprint/CStone Combination outside of the Territory unless and until the Parties enter into a written agreement setting forth such terms.

5.6 **New Development by CStone**. Notwithstanding CStone's final decision-making authority with respect to Development activities for a Collaboration Product that are Territory-specific as set forth in Section 3.7.2(b) (CStone Decisions), if CStone proposes to Develop a Collaboration Product for a new Indication, different patient population, or different line of therapy (*i.e.*, on a Collaboration Product-by-Collaboration Product basis, any Indication other than (a) any of the Indications contemplated in Section 10.2 (Milestone Payments) for such Collaboration Product, or (b) any other Indication for which CStone or the Parties are Developing such Collaboration Product hereunder at such time) ("**New Indication**") for the Territory, then CStone will present to the JSC to review, discuss, and determine whether to approve, a proposal to add such Development activities for such New Indication to the Territory-Specific Development Plan for the applicable Collaboration Product, including the regions in the Territory in which such activities would be conducted (a "**New**

Development Proposal"). Each New Development Proposal will describe in reasonable detail the applicable non-clinical and preclinical studies and Clinical Trials that CStone desires to conduct with respect to such New Indication, including a synopsis of the trial or activities, the proposed enrollment criteria, the number of patients to be included, the endpoints to be measured, and the statistical design and powering (the "**New Development Activities**"), as well as a proposed timeline and budget and an analysis of the business opportunity and revenue potential anticipated to result from such New Development Activities.

5.6.1 **JSC Decision Regarding New Development Activities**. The JSC will review, discuss, and determine whether to approve a New Development Proposal within [***] after receipt thereof from CStone.

(a) **JSC Approval**. If the JSC approves a New Development Proposal, then upon such an approval, (i) the New Development Activities set forth in such New Development Proposal will be "**New Territory-Specific Development Activities**" for purposes of this Agreement, and (ii) the JPT will update the Territory-Specific Development Plan for such Collaboration Product to include such New Territory-Specific Development Activities for those regions in the Territory agreed by the JSC, including the proposed timelines and budget, in each case, for such New Development Activities set forth in such New Development Proposal (as may be amended by the JSC upon such approval). Any New Territory-Specific Development Activities included in a Territory-Specific Development Plan pursuant to this Section 5.6.1(a) (JSC Approval) will be Development activities for all purposes under Section 5.1.1 (Development Diligence Obligations).

(b) **No JSC Approval**. If the JSC fails to approve a New Development Proposal, then upon such a failure, the New Development Activities proposed in the New Development Proposal will not be included in any Territory-Specific Development Plan and CStone will not perform any such New Development Activities.

5.7 Standard of Conduct. CStone will perform, and will cause its Affiliates, Sublicensees, and Subcontractors to perform, all Development activities for the Collaboration Products (including New Territory-Specific Development Activities) in good scientific manner, in accordance with GLP, cGMP, and GCP, as applicable, and in compliance with Applicable Law. In addition, each Party will conduct its obligations with respect to any Global Clinical Trial under a Global Development Plan or (with respect to CStone) Territory-Specific Clinical Trial under a Territory-Specific Development Plan (as applicable) in strict adherence with the study design set forth in the applicable protocol therefor including the BLU-554 Monotherapy POC Trial, the BLU-554 Monotherapy Pivotal Trial, and each BLU-554 Combination POC Trial and as set forth in such Global Development Plan or such Territory-Specific Development Plan, each as may be amended from time to time, and will comply with each statistical analysis plan implemented by the other Party (as applicable) in connection therewith.

5.8 New Development by Blueprint. If CStone (either itself or through its Affiliate) does not agree to serve as the Territory Sponsor or regulatory agent in the Territory for the Global Clinical Trials for a Collaboration Product for a New Indication, then:

5.8.1 **Right to Develop**. CStone will not be obligated to implement such Global Clinical Trials in the Territory and, notwithstanding anything to the contrary set forth in this Agreement (including the terms of Section 2.1 (License Grant to CStone)), Blueprint will have the

right to implement such Global Clinical Trials for such Collaboration Product for such New Indication globally (including in the Territory) at Blueprint's cost and expense;

5.8.2 **CStone Assistance**. CStone will provide reasonable assistance to Blueprint to recruit and enroll patients from the Territory for such Global Clinical Trials and Blueprint will be responsible for [***] costs, in each case, reasonably incurred by or on behalf of CStone in connection with CStone's assistance to recruit patients for such Global Clinical Trials in the Territory (and CStone will invoice Blueprint quarterly for the foregoing costs incurred by or on behalf of CStone in such Calendar Quarter, and Blueprint will pay the undisputed invoiced amounts within [***] after the date of any such invoice);

5.8.3 **CStone New Indication Share**. [***], the JSC will review, discuss, and determine whether to approve the share of the total costs and expenses of the Global Clinical Trials for a Collaboration Product for a New Indication incurred by or on behalf of Blueprint in the conduct of the applicable Global Clinical Trials for which CStone will be responsible (for each such New Indication, the "**CStone New Indication Share**"); and

5.8.4 **CStone Sharing of Development Costs**. If CStone wishes to be granted rights with respect to any data or results generated in such Global Clinical Trials for such Collaboration Product for such New Indication, including pursuant to Section 5.14 (Data Exchange and Use) or Section 6.4 (Right of Reference), then either (a) [***] CStone will agree in writing to bear the applicable CStone New Indication Share of the costs and expenses incurred by or on behalf of Blueprint in the conduct of such Global Clinical Trials (and all subsequent Development of such Collaboration Product for such New Indication) in accordance with the terms of Section 5.10 (Responsibility for Development Costs) on an ongoing basis, (b) if CStone does not so agree to bear such CStone New Indication Share of the costs and expenses of such Global Clinical Trials for such Collaboration Product for such New Indication on an ongoing-basis [***], then [***] for such Collaboration Product in such New Indication, CStone will agree in writing to bear the applicable CStone New Indication Share of the costs and expenses incurred by or on behalf of Blueprint in the conduct of such Pivotal Trial in accordance with the terms of Section 5.10 (Responsibility for Development Costs) on an ongoing basis, and will reimburse Blueprint for the CStone New Indication Share of all costs and expenses incurred as of such date by or on behalf of Blueprint in the conduct of the Global Clinical Trials for such Collaboration Product for such New Indication in accordance with the terms of Section 5.10 (Responsibility for Development Costs) *[***]*, or (c) if CStone does not so agree to bear the applicable CStone New Indication Share for such Collaboration Product for such New Indication as set forth in the foregoing clauses (a) or (b), then upon the receipt of the first Regulatory Approval for such Collaboration Product for such New Indication in the any of the following: [***], CStone will reimburse Blueprint for the CStone New Indication Share of such costs and expenses incurred by or on behalf of Blueprint in the conduct of all Global Clinical Trials for such Collaboration Product for such New Indication in accordance with the terms of Section 5.10 (Responsibility for Development Costs) *[***]*. If CStone elects to bear the applicable CStone New Indication Share of the costs and expenses incurred by or on behalf of Blueprint in the conduct of the Global Clinical Trials for a Collaboration Product for a New Indication pursuant to the foregoing clause (a), then following completion of a Global Clinical Trial for such Collaboration Product for such New Indication, [***] CStone may elect to opt-out of its agreement to bear the applicable CStone New Indication Share of the costs and expenses of such Global Clinical Trials on an on-going basis upon [***] prior written notice prior to Blueprint, but if CStone elects to so opt-out, then if CStone wishes to be granted rights

with respect to any data or results generated in such Global Clinical Trials for such Collaboration Product for such New Indication, including pursuant to Section 5.14 (Data Exchange and Use) or Section 6.4 (Right of Reference), CStone will be required to reimburse Blueprint for the applicable CStone New Indication Share of all costs and expenses incurred by or on behalf of Blueprint after the date of such opt-out in the conduct of all Global Clinical Trials for such Collaboration Product for such New Indication in accordance with the terms of Section 5.10 (Responsibility for Development Costs) *[***]*. If CStone does not bear the applicable CStone New Indication Share of the costs and expenses of such Global Clinical Trials for such Collaboration Product for such New Indication as set forth in the foregoing sentence or as set forth in clauses (a), (b), or (c), then CStone will not have any rights with respect to any data or results generated in such Global Clinical Trials for such New Indication, including pursuant to Section 5.14 (Data Exchange and Use) or Section 6.4 (Right of Reference) except as necessary for CStone to comply with Applicable Law or safety reporting requirements to applicable Regulatory Authorities in the Territory after [***].

5.9 Development of Co-Formulated Products. Unless otherwise agreed by the Parties, in the course of performing their obligations and exercising their rights under this Agreement, neither Party will (independently or for or with any Third Party) Develop any co-formulated pharmaceutical or biologic product that includes a Blueprint Product together with any CStone Product.

5.10 Responsibility for Development Costs.

5.10.1 **Development Costs for Combination Regimens Including BLU-554**. Blueprint will reimburse CStone for [***] of all [***]expenses incurred by or on behalf of CStone in connection with the BLU-554/CStone Checkpoint Combination POC Trial, to the extent incurred in accordance with the BLU-554/CStone Checkpoint Combination POC Budget. Unless otherwise agreed by the Parties in writing, Blueprint will not be responsible for any costs and expenses incurred by or on behalf of CStone in connection with the BLU-554/CStone Checkpoint Combination POC Trial that exceed [***]. CStone will reimburse Blueprint for [***] of all [***] expenses incurred by or on behalf of Blueprint in connection with the BLU-554/Other Checkpoint Combination POC Trial (if conducted) (including the costs of supply of any antibody that binds to, targets, or otherwise recognizes [***] PD-L1 included in a BLU-554/Other Checkpoint Combination)[***]. Blueprint will be responsible for all costs and expenses incurred [***]. Each Party will invoice the other Party quarterly for the foregoing costs incurred by or on behalf of such Party in such Calendar Quarter, and the other Party will pay the undisputed invoiced amounts within [***] after the date of any such invoice.

5.10.2 **Other Territory-Specific Development Costs**. Except as otherwise set forth in this Agreement, and otherwise subject to Section 5.3 (Global Development Plans) and Section 5.4.6 (Scenario 3 Election) (with respect to Blueprint's responsibility to reimburse CStone's costs), CStone will be solely responsible for all costs and expenses incurred by or on behalf of CStone in connection with the Development of each Collaboration Product in the Territory, including the performance of Development activities for the Collaboration Products under each Territory-Specific Development Plan.

5.10.3 **Other Global Development Costs**. Except as otherwise set forth in this Agreement, and otherwise subject to Section 5.3 (Global Development Plans) and Section 5.4.6 (Scenario 3 Election) (with respect to Blueprint's responsibility to bear costs and expenses), CStone

will be responsible for and will pay (a) all Third Party out-of-pocket costs [***], (b) all other costs and expenses [***], and (c) the internal costs (at the FTE Rate) of Blueprint personnel incurred [***]. Blueprint will invoice CStone quarterly for the foregoing costs incurred by or on behalf of Blueprint in such Calendar Quarter, and CStone will pay the undisputed invoiced amounts within [***] after the date of any such invoice.

5.11 Clinical Trial Audit Rights.

5.11.1 **Conduct of Audits**. Upon reasonable notification by Blueprint [***] and based on an audit scope agreed upon by the Parties, Blueprint or its representatives may conduct an audit of CStone, its Affiliates, or any Sublicensees, Subcontractors, and all Clinical Trial sites engaged by CStone or its Affiliates or Sublicensees to perform CStone's obligations under any Global Development Plan or Territory-Specific Development Plan, in each case, to ensure that the applicable Global Clinical Trials and Territory-Specific Clinical Trials are conducted in compliance with the applicable Global Development Plan or Territory-Specific Development Plan, GCP, and Applicable Law and meet Blueprint's global Clinical Trial standards provided by Blueprint from time to time during the Term. [***], Blueprint will provide CStone with a written summary of Blueprint's findings of any deficiencies or other areas of remediation that Blueprint identifies during any such audit. CStone will use Commercially Reasonable Efforts to remediate any such deficiencies within [***] following CStone's receipt of such report[***]. Without limiting the foregoing, CStone will have the right to be present at any such audit conducted by Blueprint pursuant to this Section 5.11.1 (Conduct of Audits) of any Sublicensees, Subcontractors, or Clinical Trial sites.

5.11.2 **Deficient Sites and Replacement**. With respect to any Global Clinical Trial or Territory-Specific Clinical Trial, if either Party reasonably determines that any deficiencies with respect to a Clinical Trial site identified pursuant to Section 5.11.1 (Conduct of Audits) (each, a "**Deficient Site**") may cause a Regulatory Authority to reject or otherwise deem deficient the Clinical Trial data from the conduct of any such Global Clinical Trial or Territory-Specific Clinical Trial (as applicable) at such Deficient Site, then such Party will notify the other Party of such Deficient Site and the Parties will discuss and attempt to agree upon a remediation plan for such Deficient Site. If the Parties cannot agree to such a remediation plan for a Deficient Site that is participating in a Global Clinical Trial, then CStone will promptly remove such Deficient Site from the applicable Global Clinical Trial or Territory-Specific Clinical Trial and replace such Deficient Site with a new Clinical Trial site (a "**Replacement Site**") within the Territory, and the Parties will [***] costs of such replacement (unless not permitted by Applicable Law or for ethical reasons). Any such Replacement Site will be compliant in all respects with Applicable Law and Blueprint's global Clinical Trial standards. CStone will invoice Blueprint quarterly for [***] of the foregoing costs incurred by or on behalf of Blueprint in such Calendar Quarter and provide Blueprint with reasonable documentation of such costs, and Blueprint will pay any undisputed invoiced amounts within [***] after the date of any such invoice.

5.11.3 **CStone Audits**. CStone will provide Blueprint with copies of all quality oversight or audit reports prepared in connection with any audit that CStone or its Affiliates or Sublicensees conduct of any Sublicensee, Subcontractor, or Clinical Trial site that CStone or its Affiliates or Sublicensees have engaged or are evaluating to potentially engage to fulfill CStone's obligations under a Global Development Plan or a Territory-Specific Development Plan no later than [***] after receiving or preparing any such report (as applicable). If Blueprint believes in good faith that any such quality oversight or audit

report may be necessary in connection with obtaining, supporting, or maintaining one or more Regulatory Approvals for a Collaboration Product or for other communications with Regulatory Authorities outside of the Territory, then upon Blueprint's request, CStone will provide a certified translation thereof [***].

5.12 Development Records. CStone will, and will cause its Affiliates, Sublicensees, and Subcontractors to, maintain reasonably complete, current, and accurate records of all Development activities conducted by or on behalf of CStone, and its Affiliates, Sublicensees, and Subcontractors, respectively, pursuant to this Agreement and all data and other information resulting from such activities consistent with its usual practices, in validated computer systems that are compliant with 21 C.F.R. §11 and in accordance with Applicable Law of both the United States and the Territory. CStone will maintain all such records relating to the Development of Collaboration Products for a period of [***]. Such records will fully and properly reflect all work done and results achieved in the performance of the Development activities for the Collaboration Products in good scientific manner appropriate for regulatory and patent purposes. CStone will document all non-clinical and preclinical studies and Clinical Trials in formal written study reports in accordance with GLP, cGMP, and GCP, as applicable, and in compliance with Applicable Law. Upon Blueprint's reasonable request, not more frequently than [***] during which CStone or its Affiliates, Sublicensees, or Subcontractors are performing or having performed Development activities for any Collaboration Product, CStone will, and will cause its Affiliates, Sublicensees, and Subcontractors to, allow Blueprint to access, review, and copy such records (including access to relevant databases). Subject to Section 5.4.4 (Scenario 1 Election), Section 5.4.5 (Scenario 2 Election), and Section 5.4.7 (Restrictions on Exploitation of the BLU-554/Other Checkpoint Combination), Blueprint will have the right to use the data and results generated by or on behalf of CStone and its Affiliates, Sublicensees, and Subcontractors hereunder to Exploit the Blueprint Compounds, Blueprint Products, and Blueprint Combination Products outside of the Territory and to perform Development activities under a Global Development Plan that are allocated to Blueprint thereunder. Each Party will ensure that all records or other documents that it transmits to the other Party electronically under this Agreement are transmitted over secure systems that include adequate encryption safeguards to prevent unauthorized access and maintain data security.

5.13 Development Reports. No later than [***] during which CStone is performing, or having performed, Development activities for any Collaboration Product, CStone will provide Blueprint[***] with reasonably detailed written reports summarizing the Development activities performed during the period since the preceding report, the Development activities in process, and the future activities that CStone or its Sublicensees or Subcontractors expect to initiate, including a summary of the data, timelines, and results of such Development activities. Such reports will be in English. CStone will also establish a secure link that includes adequate encryption safeguards to provide Blueprint with electronic access to such information. Without limiting the foregoing, such reports will contain sufficient detail to enable Blueprint to assess CStone's compliance with its Development diligence obligations set forth in Section 5.1 (Development Diligence and Responsibilities). CStone will promptly respond to Blueprint's reasonable requests from time to time for additional information regarding significant Development activities for any Collaboration Product performed by or on behalf of CStone or its Affiliates, Sublicensees, or Subcontractors. The Parties will discuss the status, progress, and results of all Development activities at each JSC meeting. Such reports will be the Confidential Information of CStone and subject to the terms of Article 11 (Confidentiality; Publication).

5.14 Data Exchange and Use. In addition to its adverse event and safety data reporting obligations set forth in Section 6.5 (Adverse Events Reporting), each Party will [***] provide the other Party with copies of all data and results and all supporting documentation (*e.g.*, protocols, Investigator's

Brochures, case report forms, analysis plans) Controlled by such Party that are generated by or on behalf of such Party or its Affiliates, Sublicensees, or Subcontractors, if applicable, in the Development of each Collaboration Product. Subject to Section 5.4.4 (Scenario 1 Election), Section 5.4.5 (Scenario 2 Election), and Section 5.4.7 (Restrictions on Exploitation of the BLU-554/Other Checkpoint Combination), CStone will have the right to use and reference such data and results provided by Blueprint for the purpose of obtaining, supporting, and maintaining Local Manufacturing Approvals, Regulatory Approvals, and any Reimbursement Approval, as applicable, of the Collaboration Products in the Territory, without additional consideration. Subject to Section 5.4.4 (Scenario 1 Election), Section 5.4.5 (Scenario 2 Election), and Section 5.4.7 (Restrictions on Exploitation of the BLU-554/Other Checkpoint Combination), Blueprint and its designees will have the right to use and reference such data and results provided by CStone for the purpose of obtaining, supporting, or maintaining Regulatory Approval or any Reimbursement Approval, as applicable, of any Blueprint Product or Blueprint Combination Product outside of the Territory, without additional consideration.

5.15 **Development of Companion Diagnostics**. In connection with the Commercialization of any Collaboration Product for which the JSC has approved a Territory-Specific Development Plan (as applicable) contemplating the Development of one or more companion diagnostic products to be used in connection with such Collaboration Product (each a "**Companion Diagnostic**"), CStone may elect to Develop one or more Companion Diagnostics solely in the Territory. Unless otherwise allocated to CStone under a Global Development Plan for a Collaboration Product, Blueprint will be responsible for Developing Companion Diagnostics for Collaboration Products if such Companion Diagnostics are to be used with one or more Collaboration Products inside and outside of the Territory. If JSC determines that CStone will Develop a Companion Diagnostic for use with the Commercialization of any Collaboration Product in the Territory, then CStone will be responsible for [***]. Without limiting CStone's reimbursement obligations under Section 5.10 (Responsibility for Development Costs) (which obligations pertain to the Development of each Collaboration Product, including the cost to purchase Companion Diagnostics [***] to screen patients in connection with the Development of such Collaboration Products), Blueprint will be responsible for [***]. Notwithstanding Blueprint's responsibility for [***], if CStone wishes to use any Companion Diagnostic Developed by Blueprint in connection with CStone's Commercialization of any Collaboration Product in the Territory, then CStone will reimburse Blueprint for: (a) [***] that are related to the Development of Companion Diagnostics for use with a Collaboration Product solely in the Territory [***]; and (b) with respect to [***] that are related to the Development of Companion Diagnostics for use both inside and outside of the Territory [***] (i) [***], and (ii) [***].

Article 6
REGULATORY

6.1 **Regulatory Strategy; Combination Regimens Including BLU-554**. The JPT will discuss and develop a regulatory strategy for each Collaboration Product and will submit the same to the JSC to review, discuss, and determine whether to approve. Without limiting the generality of the foregoing, the JPT will discuss and develop, and submit the same to the JSC to review, discuss, and determine whether to approve, a regulatory strategy for receipt of approval from the CNDA with respect to the conduct of (a) the BLU-554/CStone Checkpoint Combination POC Trial [***], and (b) if the JSC approves the conduct thereof, the BLU-554/Other Checkpoint Combination POC Trial, [***]. In addition, if the JSC approves the further Development of the BLU-554/CStone Checkpoint Combination or the BLU-554/Other Checkpoint Combination beyond the applicable BLU-554 Combination POC Trials (including any BLU-554 Combination Pivotal Trial), then the JPT will discuss any changes to the applicable JSC-approved regulatory strategy required for such

further Development and submit the same to the JSC to review, discuss, and determine whether to approve. From time to time the JPT may update the regulatory strategy for any Collaboration Product and submit the same to the JSC to review, discuss, and determine whether to approve. Once approved by the JSC, each update to a regulatory strategy for such a Collaboration Product will become effective and supersede the then-current regulatory strategy for such Collaboration Product.

6.2 CStone's Responsibilities.

6.2.1 **Obtaining and Maintaining Regulatory Approvals**. Each Party will keep the other Party informed of regulatory developments related to the Collaboration Products in each region in the Territory and will promptly notify the other Party in writing of any decision by any Regulatory Authority in the Territory regarding any Collaboration Product.

(a) **In the PRC**. Prior to [***] CStone or one of its Affiliates will be responsible for undertaking all regulatory activities and interactions with Regulatory Authorities in the PRC for such Blueprint Product (and any Combination Regimen of which such Blueprint Product is a part) in Blueprint's name as the express and authorized regulatory agent of record for Blueprint in the Territory and will take such actions on behalf of and for the benefit of Blueprint in the PRC in accordance with the applicable regulatory strategy approved by the JSC (including performing any and all regulatory activities assigned to CStone in this Agreement or by the JSC during the Term in connection with the Development or Commercialization of a Collaboration Product in the Territory). Following (i) [***] and (ii) [***], CStone or one of its Affiliates will be responsible for all regulatory activities and interactions with Regulatory Authorities in the PRC leading up to and including obtaining (to the extent not already obtained) and thereafter maintaining, Local Manufacturing Approvals, Regulatory Approvals, and any Reimbursement Approvals, as applicable, for such locally-Manufactured Blueprint Product (and any Combination Regimen of which such locally-Manufactured Blueprint Product is a part) in the PRC in CStone's or its Affiliate's own name in accordance with the applicable regulatory strategy approved by the JSC. Prior to undertaking any such activities and interactions relating to obtaining and maintaining Local Manufacturing Approvals, Regulatory Approvals, or Reimbursement Approvals for any Collaboration Product in the PRC, whether prior to or after [***] for the applicable Blueprint Product, CStone will submit a reasonably detailed plan for undertaking the same to the JSC for review and discussion. Following [***] for a Blueprint Product, CStone or one of its Affiliates will continue to be responsible for all regulatory activities and interactions with Regulatory Authorities in the PRC with respect to any imported version of such Blueprint Product (and any Combination Regimen of which such imported Blueprint Product is a part) as the express and authorized regulatory agent of record for Blueprint in the PRC and will continue to take such actions with respect to the imported Blueprint Product on behalf of and for the benefit of Blueprint in the PRC in accordance with the applicable regulatory strategy approved by the JSC. For clarity, if [***] does not occur for a Blueprint Product because the applicable Manufacturing Technology Transfer Plan approved by the JSC for such Blueprint Product does not contemplate the transfer of Manufacturing activities to CStone sufficient for CStone to obtain all applicable Regulatory Approvals required to market and sell a locally-Manufactured version of such Blueprint Product in the PRC in the name of CStone or its Affiliate, then CStone or one of its Affiliates will continue to act

as Blueprint's regulatory agent of record in the Territory with respect to such Blueprint Product (and any Combination Regimen of which such Blueprint Product is a part), in each case, as set forth in this Section 6.2.1 (Obtaining and Maintaining Regulatory Approvals), and neither CStone nor any of its Affiliates will be obligated to obtain Regulatory Approval for such Blueprint Product in the PRC in the name of CStone or any of its Affiliates.

(b) **Obtaining and Maintaining Regulatory Approvals outside the PRC**. CStone will be responsible for all regulatory activities leading up to and including obtaining, and thereafter maintaining, Regulatory Approvals and any Reimbursement Approvals in all regions of the Territory other than the PRC in its own name or in the name of its Affiliate, Sublicensee, or Third Party Distributor.

6.2.2 **Consultation with CNDA**. Following receipt of the IND for each Collaboration Product, if the Parties determine to pursue any Development of the applicable Collaboration Product that is not included in the scope of the protocols submitted with the initial IND (*e.g.*, to add the performance of Clinical Trials for any Combination Regimen), then at Blueprint's reasonable request CStone will request a consultation meeting with the CNDA to discuss such additional Development in advance of implementing such additional or revised Clinical Trial protocols.

6.2.3 **Review of Regulatory Submissions**. CStone will provide to Blueprint for review and comment drafts of all Regulatory Submissions in the Territory for the Collaboration Products, other than the pre-IND meeting request referred to in Section 5.1.4(a) (BLU-554 Monotherapy Clinical Trials). CStone will incorporate any comments received from Blueprint on such Regulatory Submissions where required under Applicable Law and will consider [***] and incorporate [***] any other comments received from Blueprint on such Regulatory Submissions. In addition, each Party will notify the other Party of any Regulatory Submissions for the Collaboration Products and any comments or other correspondences related thereto submitted to or received from any Regulatory Authority in the Territory and will provide the other Party with copies thereof as soon as reasonably practicable, but in all events within [***] after submission or receipt thereof (or such longer time period as may be necessary to obtain translations thereof). If any such Regulatory Submission, comment, or correspondence is not in English, then CStone will also provide Blueprint with a certified English translation as soon as practicable after receipt of such Regulatory Submission, comment, or correspondence[***]. Blueprint will have the right to review and comment on all such Regulatory Submissions, and CStone will [***] and incorporate such comments [***].

6.2.4 **Notice of Meetings**. Each Party will provide the other Party with notice of any meeting or discussion with any Regulatory Authority in the Territory related to any Collaboration Product no later than [***] after receiving notice thereof [***]. CStone will lead any such meeting or discussion and Blueprint or its designee will have the right, but not the obligation, to attend and participate in any such meeting or discussion unless prohibited or restricted by Applicable Law or Regulatory Authority, *provided that* to the extent such meeting or discussion relates solely to any locally-Manufactured version of Blueprint Products after [***] for such Blueprint Product, Blueprint or its designee will have the right to [***] such meeting or discussion. At CStone's request, Blueprint will reasonably cooperate with CStone in preparing for any such meeting or discussion. If Blueprint elects not to attend such meeting or discussion, then CStone will provide to Blueprint a written summary thereof in English promptly following such meeting or discussion. For clarity,

the terms of this Section 6.2.4 (Notice of Meetings) do not apply to any meeting or discussion relating solely to any CStone Product.

6.2.5 **CStone Responsibility for Costs and Expenses**. CStone will be responsible for all costs and expenses incurred in connection with the performance of all regulatory activities leading up to and including obtaining and thereafter maintaining, Local Manufacturing Approvals, Regulatory Approvals, and any Reimbursement Approvals, as applicable, for each Collaboration Product from Regulatory Authorities in the Territory.

6.3 Blueprint's Responsibilities. Other than with respect to a locally-Manufactured version of a Blueprint Product following [***] therefor (if applicable), Blueprint will own and hold all Regulatory Submissions, Regulatory Approvals, and Reimbursement Approvals, as applicable, for all Collaboration Products in the PRC, and upon CStone's reasonable request Blueprint will provide CStone with access to and copies of the applicable Regulatory Submissions, Regulatory Approvals, and Reimbursement Approvals for such Collaboration Products in the PRC. Following [***] with respect a locally-Manufactured version of a Blueprint Product (if applicable), CStone will own and hold the Local Manufacturing Approvals, Regulatory Submissions, Regulatory Approvals, and Reimbursement Approvals, as applicable, for such locally-Manufactured version of such Blueprint Product (and any Combination Regimen of which such Blueprint Product is a part) in the PRC, and upon Blueprint's reasonable request CStone will provide Blueprint with access to and copies of the applicable Local Manufacturing Approvals, Regulatory Submissions, Regulatory Approvals, and Reimbursement Approvals for such locally-Manufactured version of such Blueprint Product (and each Combination Regimen of which it is a part) in the PRC. For clarity, following [***], Blueprint will continue to own and hold the IDL and other Regulatory Submissions, Regulatory Approvals, and other approvals and authorizations in the PRC, as applicable, with respect to imported Blueprint Products. Blueprint will reasonably cooperate with CStone in obtaining any Regulatory Approvals and any Reimbursement Approvals, as applicable, for each Collaboration Product in the Territory by providing access to Regulatory Approvals, Regulatory Submissions, clinical data, and other data, information, and documentation for the Collaboration Products, both inside and outside of the Territory, in each case, to the extent Controlled by Blueprint. CStone [***] in connection with providing any such access or further assistance to CStone.

6.4 Right of Reference. Each Party will grant, and hereby does grant, to the other Party a right of reference to all Regulatory Submissions pertaining to the Collaboration Products in the Field submitted by or on behalf of such Party or its Affiliates, including any CStone Product as necessary in relation to any Blueprint/CStone Combination. Subject to Section 5.4.4 (Scenario 1 Election), Section 5.4.5 (Scenario 2 Election), Section 5.4.7 (Restrictions on Exploitation of the BLU-554/Other Checkpoint Combination), Section 5.5.2 (Executive Officer Decision Regarding Proposed Additional Blueprint/CStone Combination), Section 5.5.3 (Further Exploitation of Proposed Additional Blueprint/CStone Combinations that are Blueprint/CStone Combinations), and Section 5.8 (New Development by Blueprint), CStone may use such right of reference to Blueprint's Regulatory Submissions solely for the purpose of seeking, obtaining, supporting, and maintaining Local Manufacturing Approvals, Regulatory Approvals, and any Reimbursement Approvals, as applicable, for the applicable Collaboration Product in the Field in the Territory, as Blueprint's authorized regulatory agent of record, or on its own behalf for a locally-Manufactured version of a Blueprint Product following [***] for such Blueprint Product. Subject to Section 5.4.4 (Scenario 1 Election), Section 5.4.5 (Scenario 2 Election), Section 5.4.7 (Restrictions on Exploitation of the BLU-554/Other Checkpoint Combination), Section 5.5.2 (Executive Officer Decision Regarding Proposed Additional Blueprint/CStone Combination), Section 5.5.3 (Further Exploitation of Proposed Additional Blueprint/CStone Combinations that are Blueprint/CStone Combinations), and Section 5.8 (New Development by Blueprint), Blueprint may use such right of

reference to CStone's Regulatory Submissions, if any, solely for the purpose of seeking, obtaining, supporting, and maintaining Regulatory Approval and any Reimbursement Approvals of the Blueprint Products and Blueprint Combination Products outside of the Territory. Each Party will bear its own costs and expenses associated with providing the other Party with the right of reference pursuant to this Section 6.4 (Right of Reference). Each Party will take such actions as may be reasonably requested by the other Party to give effect to the intent of this Section 6.4 (Right of Reference) and to give the other Party the benefit of the granting Party's Regulatory Submissions in the other Party's territory as provided herein. Such actions may include (a) providing to the other Party copies of correspondence and communications received from the applicable Regulatory Authorities related to such Party's application for Regulatory Approval of the Collaboration Products in the Territory (if CStone is the Party seeking Regulatory Approval) and of the Blueprint Products and Blueprint Combination Products outside of the Territory (if Blueprint is the Party seeking Regulatory Approval), or (b) providing the other Party with any underlying raw data or information submitted by the granting Party to the Regulatory Authority with respect to any Regulatory Submissions Controlled by such granting Party or its Affiliates that relates to any Collaboration Product (with respect to the grant to CStone) or any Blueprint Product or Blueprint Combination Product (with respect to the grant to Blueprint).

6.5 Adverse Events Reporting.

6.5.1 **Safety Agreements**. [***] the Parties will enter into one or more written agreements setting forth worldwide safety and pharmacovigilance procedures for the Parties with respect to each Collaboration Product (a "**Safety Agreement**"). Each Safety Agreement will describe the obligations of both Parties with respect to the coordination of collection, investigation, reporting, and exchange of information between the Parties concerning any adverse event experienced by a subject or, in the case of non-clinical studies, an animal in a toxicology study, and the seriousness thereof, whether or not determined to be attributable to any Blueprint Compound or Collaboration Product, including any such information received by either Party from a Third Party (subject to receipt of any required consents from such Third Party) and will be sufficient to permit each Party and its Affiliates, licensees, or Sublicensees (as applicable) to comply with its legal obligations with respect thereto, including each Party's obligations as the owner or holder of Regulatory Approvals and Regulatory Submissions for such Collaboration Product in the Territory, as applicable. Each Safety Agreement will also detail each Party's responsibilities with respect to recalls and withdrawals of the applicable Collaboration Product inside and outside of the Territory. If required by changes in Applicable Law, then the Parties will make appropriate updates to the applicable Safety Agreements. Each Party will comply with its respective obligations under each Safety Agreement and cause its Affiliates, licensees, and Sublicensees to comply with such obligations. Each Party will notify the other Party of any new planned Clinical Trials for any Collaboration Product and the Parties will update the Safety Agreement to the extent necessary to comply with any applicable requirements set forth under Applicable Law or of any Regulatory Authorities related to adverse event reporting, drug safety, patient safety, pharmacovigilance, and risk management. Notwithstanding anything to the contrary in this Agreement or the Safety Agreement, each Party and its Affiliates, licensees, and Sublicensees will have the right to disclose information related to the safety of one or more Blueprint Compounds or Collaboration Products to the extent that such disclosure is required for such Party to comply with its obligations under Applicable Law or the safety requirements of the applicable Regulatory Authorities. To the extent that there is a conflict between the terms of this Agreement and the terms of any Safety Agreement, the

terms of the applicable Safety Agreement will govern with respect to the subject matter set forth therein.

6.5.2 **Safety Databases**. CStone will maintain a safety database in English for Clinical Trials for the Collaboration Products conducted in the Territory under a Territory-Specific Development Plan, at its sole cost and expense. During such time that Blueprint is the holder of Regulatory Approvals and Regulatory Submissions for a Collaboration Product in the Territory, CStone will be responsible for, on Blueprint's behalf: (a) reporting to the applicable Regulatory Authorities in the Territory all quality complaints, adverse events, and safety data related to such Collaboration Product for all Territory-Specific Clinical Trials or Global Clinical Trials conducted in the Territory; and (b) responding to safety issues and to all requests of Regulatory Authorities related to such Collaboration Product in the Territory. CStone will provide Blueprint (i) real-time access to CStone's safety database for the Collaboration Products in the Territory, and (ii) upon Blueprint's request, query results from CStone's worldwide safety database for each CStone Product solely for the purpose of Developing Blueprint/CStone Combinations. Blueprint will maintain a global safety database for Global Clinical Trials for the Collaboration Products conducted under each Global Development Plan at Blueprint's cost and expense[***].

6.6 Regulatory Audits. In addition to its rights to conduct audits pursuant to Section 5.11 (Clinical Trial Audit Rights), upon reasonable notification, Blueprint or its representatives will be entitled to conduct audits of safety and regulatory systems, procedures, or practices of CStone or its Affiliates or Sublicensees (including Clinical Trial sites) relating to any Collaboration Product. With respect to any inspection of CStone or its Affiliates or Sublicensees (including Clinical Trial sites) by any Governmental Authority relating to any Collaboration Product, CStone will notify Blueprint of such inspection (a) no later than [***] after CStone receives notice of such inspection [***] or (b) within [***] after the completion of any such inspection of which CStone did not receive prior notice. CStone will promptly provide Blueprint with all information related to any such inspection. CStone will also permit Governmental Authorities outside of the Territory to conduct inspections of CStone or its Affiliates or Sublicensees (including Clinical Trial sites) relating to any Collaboration Product, and will ensure that all such Affiliates or Sublicensees permit such inspections. Blueprint will have the right, but not the obligation (unless required by Applicable Law or any Governmental Authority), to be present at any such inspection. Following any such regulatory inspection related to one or more Collaboration Products, CStone will provide Blueprint with (i) an unredacted copy of any findings, notice, or report provided by any Governmental Authority related to such inspection (to the extent related to a Collaboration Product) within [***] of CStone receiving the same, and (ii) a written summary in English of any findings, notice, or report of a Governmental Authority related to such inspection (to the extent related to a Collaboration Product) within [***] after receiving the same.

6.7 No Harmful Actions. If either Party believes that the other Party is taking or intends to take any action with respect to a Collaboration Product in such other Party's territory that could [***] of any Collaboration Product in such Party's territory, then such Party will have the right to bring the matter to the attention of the JSC and the JSC will [***]. Without limiting the foregoing, unless the Parties otherwise agree (or unless otherwise set forth in this Agreement or in the applicable Global Development Plan), neither Party will communicate with any Regulatory Authority having jurisdiction outside of its respective territory with respect to any Collaboration Product, unless for the purpose of seeking Regulatory Approval or so ordered by such Regulatory Authority, in which case, such Party will immediately notify the other Party of such order.

6.8 **Notice of Regulatory Action**. If any Regulatory Authority takes or gives notice of its intent to take any regulatory action with respect to any activity of CStone relating to any Collaboration Product, then CStone will notify Blueprint of such contact, inspection, or notice or action within [***] after receipt of such notice (or, if action is taken without notice, within [***] of CStone becoming aware of such action). Blueprint will have the final decision-making authority with respect to the content of any responses to Regulatory Authorities that solely relate to a Collaboration Product approved under an IDL in the Territory (excluding any CStone Product that is part of any Blueprint/CStone Combination) and will consider CStone's reasonable comments to such responses. Blueprint will have the right to review and comment on any other responses to Regulatory Authorities that pertain to a Collaboration Product in the Territory. CStone will have the final decision-making authority with respect to such responses to the extent relating solely to a locally-Manufactured Collaboration Product if CStone is the holder of Regulatory Approvals and Regulatory Submissions for such locally-Manufactured Collaboration Product in the Territory (and relating to any CStone Product that is part of any Blueprint/CStone Combination at any time) and will incorporate Blueprint's reasonable comments to any such responses (except with respect to any CStone Product). The costs and expenses of any regulatory action in the Territory will be borne by the Party that has the final decision-making authority with respect to the same.

6.9 **Notice of Other Actions**. In addition, each Party will promptly notify the other of any information that it receives regarding any threatened or pending action, inspection, or communication by or from a Third Party that would reasonably be expected to materially affect the Development of the Collaboration Products.

Article 7
MANUFACTURING

7.1 **Supply by Blueprint**.

7.1.1 **Development Supply**. [***] the Parties will enter into a clinical supply agreement for the supply to CStone of each Blueprint Product and Blueprint Combination Product (together with the corresponding quality agreement, the "**Clinical Supply Agreement**") pursuant to which CStone will purchase from Blueprint its requirements of each Blueprint Product and (if applicable) Blueprint Combination Product (as vialed drug product, labeled or unlabeled) as necessary for CStone to fulfill its obligations under this Agreement related to the Development of Collaboration Products; *provided that* CStone may purchase from a Third Party some or all of its requirements for any Third Party pharmaceutical or biologic product (other than the Blueprint Product) included in a Blueprint Combination Product. [***] Pursuant to each Clinical Supply Agreement:

(a) **Sole Supply**. Blueprint will, either by itself or through a CMO, Manufacture and supply to CStone all Blueprint Compounds, Blueprint Products, and (if applicable) Blueprint Combination Products required by CStone for Development use in the Territory as set forth in a Territory-Specific Development Plan and to perform CStone's Development responsibilities under a Global Development Plan. [***]

(b) **Supply Price**. Blueprint will supply the Blueprint Compounds, Blueprint Products, and Blueprint Combination Products to CStone pursuant to this Section 7.1.1 (Development Supply) at a transfer price equal to [***]. Blueprint will invoice CStone for the Blueprint Compounds, Blueprint Products, and Blueprint Combination Products upon shipment thereof in accordance with Section 7.1.3 (Shipment and Delivery) and subject to the terms of the Clinical Supply

Agreement, CStone will pay the undisputed invoiced amounts within [***] after the date of the invoice.

7.1.2 **Commercial Supply**. [***] the Parties will enter into a commercial supply agreement (together with the corresponding quality agreement, the "**Commercial Supply Agreement**"), for the supply to CStone of (i) the Active Ingredient of each Blueprint Product (or such other form of such Blueprint Product as the JSC may agree), and (ii) until [***] for a Blueprint Product or such later date as the JSC may otherwise agree for a Blueprint Product, [***] Blueprint Product, pursuant to which CStone will purchase from Blueprint its requirements of the same as necessary for CStone to fulfill its obligations under this Agreement related to the Manufacture and Commercialization of each Blueprint Product in the Territory. The Parties may also elect to amend the terms of a Commercial Supply Agreement into which the Parties have entered to contemplate the commercial supply to CStone of one or more additional Blueprint Products in lieu of entering into a separate Commercial Supply Agreement for such Blueprint Product. [***] Pursuant to all Commercial Supply Agreements for all Blueprint Products in the Territory:

(a) **Sole Supply**. Blueprint will, either by itself or through a CMO, Manufacture and supply to CStone all such Blueprint Products (in the applicable form described in the Manufacturing Technology Transfer Plan, *e.g.*, as Active Ingredient) as required by CStone for Commercialization in the Territory in accordance with this Agreement. The Commercial Supply Agreement will [***].

(b) **Supply Price**. Blueprint will supply to CStone pursuant to this Section 7.1.2 (Commercial Supply) (i) Active Ingredient for each Blueprint Product at a transfer price equal to [***] for such Blueprint Product, and (ii) drug product of any applicable Blueprint Product at a transfer price equal to [***]. Blueprint will invoice CStone for such Blueprint Products upon shipment thereof in accordance with Section 7.1.3 (Shipment and Delivery) and, subject to the terms of the Commercial Supply Agreement, CStone will pay the undisputed invoiced amounts within [***] after the date of the invoice.

7.1.3 **Shipment and Delivery**. Delivery of all Blueprint Compounds and Blueprint Products supplied by Blueprint under any Clinical Supply Agreement or Commercial Supply Agreement will take place [***]. CStone will be responsible for obtaining all licenses or other authorizations for the importation of all Blueprint Compounds and Collaboration Products, and Blueprint will contract for shipment and insurance from Blueprint's or its CMO's facility to the named terminal in the Territory.

7.2 Supply by CStone.

7.2.1 **Restriction on Manufacturing by CStone**. Notwithstanding the license to Manufacture the Collaboration Products granted to CStone in Section 2.1 (License Grants to CStone), CStone will not Manufacture or have Manufactured any Blueprint Product until the completion of the Manufacturing Technology Transfer for the applicable Blueprint Product in accordance with Section 4.2 (Manufacturing Technology Transfer). Notwithstanding anything to the contrary in this Agreement, unless otherwise subsequently agreed by Blueprint in a Clinical Supply Agreement or Commercial Supply Agreement, or otherwise in writing, in no event will CStone Manufacture Active Ingredient for any Blueprint Product [***].

7.2.2 **Commercial Supply**. Following [***] for a Blueprint Product pursuant to Section 4.2 (Manufacturing Technology Transfer), CStone will Manufacture locally-Manufactured Blueprint Product in the Territory for commercial use in the Territory at CStone's sole cost and expense. CStone agrees that CStone's Manufacturing process with respect to each locally-Manufactured Blueprint Product will at all times be in accordance with the CStone Specifications for such Blueprint Product approved by Blueprint pursuant to Section 7.2.3 (Specifications) and cGMP and ICH Guidelines, and in compliance with Applicable Law. In addition, Blueprint will have the right at any time during the Term to request that CStone serve as a back-up supplier of one or more Blueprint Products for use by Blueprint inside or outside of the Territory. Following any such request by Blueprint, the Parties will discuss the terms on which CStone would, if CStone agrees, supply such Blueprint Products to Blueprint, and if and upon agreement by the Parties with respect to such terms, reflect the same in a Clinical Supply Agreement or Commercial Supply Agreement (as applicable), or other separate written agreement into which the Parties agree to enter. For clarity, CStone will have no obligation to serve as a back-up supplier of any Blueprint Products and CStone's agreement to serve as a back-up supplier will be contingent on pricing and other terms acceptable to CStone.

7.2.3 **Specifications**. Unless the JSC determines that CStone will be granted rights only to package and label, but not otherwise Manufacture, a particular Blueprint Product for Commercial purposes in the Territory, as part of the Manufacturing Technology Transfer for each Blueprint Product, Blueprint will provide CStone with Blueprint's written process and quality specifications for the Manufacturing drug product of such Blueprint Product (the "**Blueprint Specifications**"). CStone will prepare written process and quality specifications for the Manufacture of drug product of such Blueprint Products applicable to CStone's Manufacturing facilities, systems, processes, and capabilities, including how the foregoing relate to drug substance, drug product, in-process intermediates, raw materials, and reference material (the "**CStone Specifications**"), which CStone Specifications will be consistent in all respects with the Blueprint Specifications for such Blueprint Product, unless the requirements of any Regulatory Authority or Applicable Law in the Territory necessitate any deviations from such Blueprint Specifications. CStone will provide to Blueprint all such CStone Specifications (and any subsequent changes thereto) for Blueprint's review and comment. In addition, CStone will promptly provide to Blueprint for its review and approval any changes to the CStone Specifications for any Blueprint Product at any time following Blueprint's approval of the CStone Specifications for such Blueprint Product, and will provide such proposed amendment to Blueprint for Blueprint's review, comment and approval in accordance with the procedure described above. [***] Blueprint will either (a) approve the CStone Specifications for such Blueprint Product (or any changes thereto), or (b) provide CStone with a written response to the CStone Specifications for such Blueprint Product (or such changes thereto) that includes a description of any deficiencies or limitations that Blueprint has identified with respect thereto, and the Parties will cooperate to develop a plan for remediation with respect to any such deficiencies or limitations within a reasonable period of time thereafter. Following CStone's remediation of all deficiencies, CStone will provide Blueprint with a revised draft of the CStone Specifications for the applicable Blueprint Product (or any subsequent changes to any CStone Specifications) for Blueprint's review and approval. Thereafter, and on a continuing basis for so long as CStone Manufactures a particular Blueprint Product, CStone will (i) Manufacture and require its Affiliates and CMOs to Manufacture such Blueprint Product is at all times in accordance with the Blueprint-approved CStone Specifications for such Collaboration Product and cGMP and ICH Guidelines, and (ii) complete any additional studies or testing required to maintain

any qualifications and Regulatory Approvals (including manufacturing licenses) from any Regulatory Authorities or other Governmental Authorities necessary to continue to Manufacture such Blueprint Product in the Territory and provide to Blueprint copies of reports from any such additional studies or testing in English, at CStone's sole cost and expense.

7.3 **Product Tracking in the Territory**. CStone will, and will ensure that its Affiliates and Sublicensees, maintain adequate records to permit the Parties to trace the distribution, sale, and use of all Collaboration Products in the Territory.

Article 8
MEDICAL AFFAIRS

8.1 **Medical Affairs Plans**. [***] CStone will develop and provide an initial draft of the Medical Affairs Plan for such Collaboration Product to the JPT for its review and discussion. The Medical Affairs Plan for a Collaboration Product will contain a [***] of the major Medical Affairs activities to be undertaken for such Collaboration Product in the Territory and the estimated timelines for performing such activities. The JPT will have the right to comment on each such Medical Affairs Plan and each update thereto, and CStone will consider such comments [***] and incorporate such comments [***] prior to finalizing each such Medical Affairs Plan (or any update thereto). Thereafter, from time to time[***] CStone will propose updates to the Medical Affairs Plan for each Collaboration Product in consultation with the JPT to reflect changes in such plans, including to account for relevant factors that may influence such plan and the Medical Affairs activities set forth therein.

8.2 **Medical Affairs Reports**. For each Calendar Year following the first Regulatory Approval for a Collaboration Product in the Territory, [***] CStone will provide to Blueprint a report (by means of a slide presentation or otherwise) summarizing the Medical Affairs activities performed by or on behalf of CStone and its Affiliates and Sublicensees in the Territory for each Collaboration Product in each region in the Territory since the prior report provided by CStone. Such reports will be Confidential Information of CStone and subject to the terms of Article 11 (Confidentiality; Publication). CStone will provide updates to any such report at each meeting of the JSC, JPT, and any Working Group established by the JSC to oversee Medical Affairs activities under this Agreement.

8.3 **Coordination of Medical Affairs Activities**. The Parties recognize that each Party may benefit from the coordination of certain Medical Affairs activities for the Collaboration Products inside and outside of the Territory. Accordingly, the Parties will coordinate such activities through the JPT where appropriate. Blueprint will support CStone's Medical Affairs of the Collaboration Products in the Territory as reasonably requested by CStone and as agreed by the JPT.

Article 9
COMMERCIALIZATION

9.1 **Commercialization Diligence Obligations**. CStone will be responsible for and will use Commercially Reasonable Efforts to Commercialize throughout the Territory each Collaboration Product for which the CNDA grants Regulatory Approval in the Territory. CStone will conduct all Commercialization of each Collaboration Product in the Territory in accordance with the Commercialization Plan for such Collaboration Product, at its sole cost and expense, and subject to the terms of this Agreement and any other written agreement between the Parties with respect to the subject matter set forth herein, will have full control and discretion over all aspects of

Commercialization of the Collaboration Products in the Territory. Without limiting the foregoing, [***].

9.2 Commercialization Plans. [***] CStone will develop and provide an initial draft of the Commercialization Plan for such Collaboration Product to the JPT for its review and discussion. The Commercialization Plan for a Collaboration Product will contain a [***] the major Commercialization activities to be undertaken (including revenue targets) for such Collaboration Product in the Territory and the estimated timelines for achieving such activities. The JPT will have the right to comment on each such Commercialization Plan and CStone will consider such comments [***] and incorporate such comments [***] prior to finalizing each such Commercialization Plan. Thereafter, from time to time[***] CStone will propose updates to the Commercialization Plan for each Collaboration Product in consultation with the JPT to reflect changes in such plans, including those in response to changes in the marketplace, relative commercial success of the applicable Collaboration Product, and other relevant factors that may influence such plan and the Commercialization activities set forth therein. CStone will submit each proposed updated Commercialization Plan for a Collaboration Product to the JPT for review and discussion and will consider [***] and incorporate [***] any comments thereon provided by the JPT before adopting any such update. Each Commercialization Plan for a Collaboration Product (including each update thereto) must be consistent with Blueprint's global brand strategy and global key messaging for such Collaboration Product (each, a "**Global Brand Strategy**"), if and as provided to CStone by Blueprint from time to time during the Term; *provided*, *however*, that if the JSC agrees upon brand strategy for a Collaboration Product that is specific to the Territory (or any region therein) and that is inconsistent with the Global Brand Strategy for such Collaboration Product (including any product positioning or messaging for the Territory or any region therein), then CStone will have the right to implement such Territory-specific brand strategy within the Territory and to incorporate such inconsistent strategies in the Commercialization Plan for such Collaboration Product.

9.3 Commercialization Reports. For each Calendar Year following the first Regulatory Approval for a Collaboration Product in the Territory, [***] CStone will provide to Blueprint a report (by means of a slide presentation or otherwise) summarizing the Commercialization activities performed by or on behalf of CStone and its Affiliates and Sublicensees in the Territory for each Collaboration Product in each region in the Territory since the prior report provided by CStone. Each such report will contain sufficient detail to enable Blueprint to assess CStone's compliance with its Commercialization diligence obligations set forth in Section 9.1 (Commercialization Diligence Obligations). Such reports will be Confidential Information of CStone and subject to the terms of Article 11 (Confidentiality; Publication). CStone will provide updates to any such report at each meeting of the JSC, JPT, and any Working Group established by the JSC to oversee Commercialization activities under this Agreement.

9.4 Coordination of Commercialization Activities; Blueprint Support. The Parties recognize that each Party may benefit from the coordination of certain Commercialization activities for the Collaboration Products inside and outside of the Territory (other than pricing for the Collaboration Products inside and outside of the Territory, the responsibilities for which are set forth in Section 9.5 (Pricing; Reimbursement Approvals)). Accordingly, the Parties will coordinate such activities through the JPT where appropriate, which coordination may include communications regarding product positioning. Blueprint will support CStone's Commercialization of the Collaboration Products in the Territory as reasonably requested by CStone and as agreed by the JPT, including by providing CStone with copies of promotional and other materials used by Blueprint to Commercialize Collaboration Products outside of the Territory

and by providing Blueprint with access and introductions to key opinion leaders outside of the Territory.

9.5 **Pricing; Reimbursement Approvals**. Each Party will have the right to determine the price of the Collaboration Products sold in its territory (excluding any Blueprint/CStone Combination outside of the Territory) and neither Party will have the right to direct, control, or approve the pricing of the Collaboration Products in the other Party's territory. CStone will keep Blueprint timely informed on (a) any changes to the high-level pricing strategies with respect to any Collaboration Product in the Territory, and (b) the status of any application for Reimbursement Approval for a Collaboration Product in the Territory, including any discussion with any Regulatory Authority with respect thereto.

9.6 **Diversion**. Each Party agrees that it will not, and will ensure that its Affiliates and Sublicensees and Subcontractors will not, either directly or indirectly, promote, market, distribute, import, sell, or have sold any Collaboration Products to any Third Party or to any address or Internet Protocol address or the like in the other Party's territory, including via the Internet or mail order. Notwithstanding anything to the contrary set forth in this Agreement, each Party will have the right to attend conferences and meetings of congresses in the other Party's territory and to promote and market the Collaboration Products to Third Party attendees at such conferences and meetings, subject to this Section 9.6 (Diversion), and in coordination with Blueprint through the JPT, CStone will have the right to engage key opinion leaders from outside the Territory to participate in education, advisory, and other activities relating to Collaboration Products in the Territory. Neither Party will engage, nor permit its Affiliates or Sublicensees to engage, in any advertising or promotional activities relating to any Collaboration Products for use directed primarily to customers or other buyers or users of the Collaboration Products located in any country or jurisdiction in the other Party's territory, or solicit orders from any prospective purchaser located in any country or jurisdiction in the other Party's territory. If a Party or its Affiliates or Sublicensees receive any order for any Collaboration Products from a prospective purchaser located in a country or jurisdiction in the other Party's territory, then such Party will immediately refer that order to such other Party and will not accept any such orders. Neither Party will, nor permit its Affiliates or Sublicensees to, deliver or tender (or cause to be delivered or tendered) any Collaboration Products to Third Parties for use in the other Party's territory except in accordance with a Global Development Plan or Territory-Specific Development Plan, or except in connection with a Manufacturing Technology Transfer pursuant to Article 7 (Manufacturing).

Article 10
PAYMENTS

10.1 **Upfront Payment**. Within [***] after the Effective Date, CStone will pay to Blueprint by wire transfer of immediately available funds an upfront payment of $40,000,000 in U.S. Dollars (the "**Upfront Payment**").

10.2 **Milestone Payments**.

10.2.1 **Development Milestone Events and Payments**. No later than [***] after the earliest achievement of each development milestone event set forth below for a particular Collaboration Product, CStone will pay to Blueprint the corresponding development milestone payment set forth below (the development milestone events set forth in Table 10.2.1(a), Table 10.2.1(b), and Table 10.2.1(c) the "**Development Milestone Events**" and the development milestone payments set forth in Table 10.2.1(a), Table 10.2.1(b), and Table 10.2.1(c) the "**Development Milestone Payments**").

Table 10.2.1(a) – BLU-285 PRODUCT DEVELOPMENT MILESTONES		
	Development Milestone Events	***Development Milestone Event Payment (in U.S. Dollars)***
1.	[***]	[***]
2.	[***]	[***]
3.	[***]	[***]
4.	[***]	[***]
5.	[***]	[***]
6.	[***]	[***]

Table 10.2.1(b) – BLU-554 PRODUCT DEVELOPMENT MILESTONES		
	Development Milestone Event	***Development Milestone Payment (in U.S. Dollars)***
BLU-554 Product as a Monotherapy		
1.	[***]	
	[***]	[***]
	[***]	[***]
	[***]	[***]
2.	[***]	[***]
BLU-554 as Part of a Combination Regimen		
3.	[***]	[***]
BLU-554 as Part of a Combination Regimen – BLU-554 Scenario 1 or BLU-554 Scenario 2		
4.	[***]	
	[***]	[***]
	[***]	[***]

	[***]	[***]
5.	[***]	[***]
BLU-554 as Part of a Combination Regimen – BLU-554 Scenario 3		
6.	[***]	[***]
7.	[***]	[***]

Table 10.2.1(c) – BLU-667 PRODUCT DEVELOPMENT MILESTONES		
	Development Milestone Events	***Development Milestone Payment (in U.S. Dollars)***
1.	[***]	[***]
2.	[***]	[***]
3.	[***]	[***]
4.	[***]	[***]
5.	[***]	[***]
6.	[***]	[***]
7.	[***]	[***]
8.	[***]	[***]

10.2.2 **Sales Milestone Events and Payments**. No later than [***] after the earliest achievement of each sales milestone event set forth below for a particular Collaboration Product, CStone will pay to Blueprint the corresponding sales milestone payment set forth below (the sales milestone events set forth in Table 10.2.2(a), Table 10.2.2(b), and Table 10.2.2(c) the "**Sales Milestone Events**" and the sales milestone payments set forth in Table 10.2.2(a), Table 10.2.2(b), and Table 10.2.2(c), the "**Sales Milestone Payments**"). If in a given Calendar Year during the Term more than one of the Sales Milestone Events set forth in Table 10.2.2(a), Table 10.2.2(b), and Table 10.2.2(c) (as applicable) below is achieved, then CStone will pay to Blueprint a separate Sales Milestone Payment with respect to each such Sales Milestone Payment that is achieved for the first time in such Calendar Year.

Table 10.2.2(a) – BLU-285 PRODUCT SALES MILESTONES		
	Sales Milestone Event	***Sales Milestone Payment (in U.S. Dollars)***
1.	[***]	[***]
2.	[***]	[***]
3.	[***]	[***]
4.	[***]	[***]

Table 10.2.2(b) – BLU-554 PRODUCT SALES MILESTONES		
	Sales Milestone Event	***Sales Milestone Payment (in U.S. Dollars)***
1.	[***]	[***]
2.	[***]	[***]
3.	[***]	[***]
4.	[***]	[***]
5.	[***]	[***]

Table 10.2.2(b) – BLU-667 PRODUCT SALES MILESTONES		
	Sales Milestone Event	***Sales Milestone Payment (in U.S. Dollars)***
1.	[***]	[***]
2.	[***]	[***]
3.	[***]	[***]
4.	[***]	[***]

10.2.3 **Milestone Conditions**.

(a) **Notification of Milestone Events**. CStone will promptly notify Blueprint in writing, but in no event later than (i) [***] after the achievement of each Development Milestone Event and (ii) [***] after the end of the Calendar Quarter in which each Sales Milestone Event is achieved (together with the Development Milestone Events, the "**Milestone Events**"). However, in no event will a failure by CStone to deliver such notice of achievement of a Milestone Event relieve CStone of its obligation to pay Blueprint the corresponding Development Milestone Payment or Sales Milestone Payment (collectively, the "**Milestone Payments**").

(b) **One Payment per Collaboration Product; Maximum Payments**. Each Milestone Payment will be payable only once upon the first achievement of the applicable Milestone Event, even if such Milestone Event is achieved multiple times for a single Collaboration Product or for multiple Collaboration Products or for multiple Clinical Trials. The following are the maximum aggregate Development Milestone Payments payable for each of the Collaboration Products under this Agreement:

(i) BLU-285 Product [***]

(ii) BLU-554 Product [***]

(iii) BLU-667 Product [***]

(c) **Skipped Milestone Events**.

(i) If CStone achieves any of the Development Milestone Events for a particular Collaboration Product [***] but without the prior achievement of any corresponding earlier listed Milestone Events for such Collaboration Product [***], then CStone will pay to Blueprint the applicable Milestone Payment to be made with respect to such earlier Milestone Events for such Collaboration Product [***] at the same time as CStone pays the applicable Milestone Payment due upon achievement of such Development Milestone Event. For example, if Development Milestone Event #2 in Table 10.2.1 (a) has not been achieved at the time Development Milestone Event #5 in Table 10.2.1 (a) is achieved, then CStone will pay to Blueprint the Development Milestone Payment to be made with respect to such Development Milestone Event #2 at the same time as CStone pays the Development Milestone Payment due upon achievement of such Development Milestone Event #5.

(ii) Furthermore, if CStone achieves [***] CStone will pay to Blueprint the Development Milestone Payment set forth in Table 10.2.1(c) due upon achievement of [***], (B) [***], then, if not previously paid, CStone will pay to Blueprint the Development Milestone Payment set forth in Table 10.2.1(c) due upon achievement of [***] at the same time as CStone pays the Development Milestone Payment due upon achievement of [***], or (C) [***], then, if not previously paid, CStone will pay to Blueprint the Development Milestone Payment set forth in Table 10.2.1(c) due upon achievement of [***] at the same time as CStone pays the Development Milestone Payment due upon achievement of [***].

10.3 Royalty Payments to Blueprint.

10.3.1 **Royalty Rates**. Subject to the remainder of this Section 10.3 (Royalty Payments to Blueprint), CStone will make royalty payments to Blueprint for (a) BLU-285 Products sold in the Territory, calculated by multiplying the applicable royalty rate set forth below in Table 10.3.1(a) by [***], (b) BLU-554 Products sold in the Territory, calculated by multiplying the applicable royalty rate set forth below in Table 10.3.1(b) by [***][***], and (c) BLU-667 Products sold in the Territory, calculated by multiplying the applicable royalty rate set forth below in Table 10.3.1(c) by the [***]. The royalty payments due with respect to Net Sales of each Collaboration Product pursuant to this Section 10.3 (Royalty Payments to Blueprint), collectively the "**Royalty Payments**."

Table 10.3.1(a) – BLU-285 PRODUCT ROYALTY PAYMENTS	
Portion of Aggregate Calendar Year Net Sales of BLU-285 Products in the Territory (in U.S. Dollars)	***Royalty Rate***
[***]	[***]
[***]	[***]
[***]	[***]

Table 10.3.1(b) – BLU-554 PRODUCT ROYALTY PAYMENTS	
Portion of Aggregate Calendar Year Net Sales of BLU-554 Products in the Territory (in U.S. Dollars)	***Royalty Rate***
[***]	[***]
[***]	[***]
[***]	[***]

Table 10.3.1(c) – BLU-667 PRODUCT ROYALTY PAYMENTS	
Portion of Aggregate Calendar Year Net Sales of BLU-667 Products in the Territory (in U.S. Dollars)	***Royalty Rate***
[***]	[***]
[***]	[***]
[***]	[***]

For example, if there is [***] in aggregate annual Net Sales of the BLU-667 Product in the Territory a given Calendar Year, after conversion to U.S. Dollars of the Net Sales in each region in the Territory, then CStone would owe a Royalty Payment of [***] + [***] + [***] = [***].

10.3.2 **Royalty Term**. CStone will pay to Blueprint the Royalty Payments on a Collaboration Product-by-Collaboration Product and region-by-region basis until the later of: (a) [***]; and (b) [***] ("**Royalty Term**").

10.3.3 **Royalty Reductions**.

(a) **[***] Reduction**. Subject to Section 10.3.3(c) (Cumulative Reductions Floor), on a Collaboration Product-by-Collaboration Product and region-by-region basis, if during any Calendar Quarter, there is [***] for such Collaboration Product in such region, then the royalty rate applicable to Net Sales of such Collaboration Product in such region in such [***] will be reduced by [***] of the applicable royalty rate that would otherwise be owed on such Net Sales of such Collaboration Product in such region under Section 10.3.1 (Royalty Payments to Blueprint)[***]. CStone will promptly notify Blueprint of the occurrence of [***].

(b) **Expiration of Valid Claims.** Subject to Section 10.3.3(c) (Cumulative Reductions Floor), on a Collaboration Product-by-Collaboration Product and region-by-region basis, if there is no Valid Claim of a Royalty Patent Right that Covers [***] of such Collaboration Product in such region, then, commencing the [***] after the date on which this Section 10.3.3(b) (Expiration of Valid Claims) applies and for all [***] thereafter during which this Section 10.3.3(b) (Expiration of Valid Claims) applies, the applicable royalty rate that would otherwise be owed on such Net Sales of such Collaboration Product in such region under Section 10.3.1 (Royalty Payments to Blueprint) will be [***]; *provided that* if [***] of such Collaboration Product subsequently becomes Covered by a Valid Claim within the Royalty Patent Rights in such region prior to the [***], then the applicable royalty rate that would otherwise be owed on such Net Sales of such Collaboration Product in such region will no longer be subject to the aforementioned reduction beginning at the commencement of the [***] after the date on which the relevant patent issues.

(c) **Cumulative Reductions Floor**. In no event will the aggregate amount of Royalty Payments due to Blueprint for a Collaboration Product in a region in the Territory in any given [***] during the Royalty Term for such Collaboration Product in such region be reduced to less than [***] of the amount that otherwise would have been due and payable to Blueprint in such [***] for such Collaboration Product in such region but for the reductions set forth in Section 10.3.3(a) ([***] Reduction) and Section 10.3.3(b) (Expiration of Valid Claims).

10.3.4 **Royalty Reports and Payments**. Commencing with the [***] during which the First Commercial Sale of a Collaboration Product is made anywhere in the Territory, [***], CStone will provide Blueprint with a detailed report that contains the following information for the applicable Calendar Quarter, on a Collaboration Product-by-Collaboration Product and region-by-region basis (each, a "**Royalty Report**"): (a) the amount of gross sales and Net Sales of each Collaboration Product sold by CStone and its Affiliates and Sublicensees in each region and all deductions used to determine such Net Sales of each such Collaboration Products for such [***], (b) a calculation of the Royalty Payment due on such Net Sales of each Collaboration Product in each region, including any royalty reduction made in accordance with Section 10.3.3(a) ([***] Reduction) and Section 10.3.3(b) (Expiration of Valid Claims), (c) the exchange rate used for converting any Net Sales recorded in a currency other than Dollars, (d) any withholding taxes required

to be made from such Royalty Payments, and (e) the quantity and description of each Collaboration Product sold by CStone or its Affiliate or Sublicensee in each region in the Territory during such [***] comprising such Net Sales, including detailed sales reports for each Collaboration Product for [***] in each region in the Territory. Concurrent with the delivery of the applicable Royalty Report, [***] CStone will pay such the amount of the Royalty Payments set forth in the applicable Royalty Report to Blueprint in Dollars. If requested by Blueprint, the Parties will seek to resolve any questions or issues related to a Royalty Report within [***] following receipt by Blueprint of each Royalty Report.

10.4 Payments to Third Parties. Subject to Section 2.5 (Third Party In-Licenses), each Party will be solely responsible for any payments due to Third Parties under any agreement entered into by such Party prior to or after the Effective Date.

10.5 Other Amounts Payable. With respect to any amounts owed under this Agreement by one Party to the other for which no other invoicing and payment procedure is specified hereunder, within [***] after the end of each [***], each Party will provide an invoice, together with reasonable supporting documentation, to the other Party for such amounts owed in respect of such [***]. The owing Party will pay any undisputed amounts within [***] of receipt after the invoice, and any disputed amounts owed by a Party will be paid within [***] after resolution of the dispute.

10.6 No Refunds. Except as expressly provided herein, all payments under this Agreement will be irrevocable, non-refundable, and non-creditable.

10.7 Accounting Standards. If a Party changes its general accounting principles from the then-current standard (*e.g.*, from GAAP to IFRS) at any time during the Term, then at least [***] prior to adopting such change in principles, such Party will provide written notice to the other Party of such change.

10.8 Currency; Exchange Rate. All payments to be made by CStone to Blueprint or Blueprint to CStone under this Agreement will be made in Dollars by electronic funds transfer in immediately available funds to a bank account designated in writing by Blueprint or CStone, as applicable. Conversion of Net Sales recorded in local currencies will be converted to Dollars at the exchange rate set forth in *The Wall Street Journal* or any successor thereto for [***].

10.9 Blocked Payments. If by reason of Applicable Law in any country or region, it becomes impossible or illegal for a Party to transfer, or have transferred on its behalf, payments owed the other Party hereunder, then such Party will promptly notify the other Party of the conditions preventing such transfer and such payments will be deposited in local currency in the relevant country or region to the credit of the other Party in a recognized banking institution designated by the other Party or, if none is designated by the other Party within a period of [***], in a recognized banking institution selected by the transferring Party, as the case may be, and identified in a written notice given to the other Party.

10.10 Late Payments. Any payments or portions thereof due hereunder that are not paid on the date such payments are due under this Agreement will bear interest at a rate equal to the lesser of: (a) [***] as published by *The Wall Street Journal* or any successor thereto on the [***] in which such payments are overdue; or (b) the maximum rate permitted by Applicable Law; in each case, calculated on the number of days such payment is delinquent, compounded monthly.

10.11 Financial Records and Audits. Each Party will maintain complete and accurate records in sufficient detail to permit the other Party to confirm the accuracy of the amount of royalty payments and other amounts payable under this Agreement. Upon reasonable prior notice, such records will be open during regular business hours for a period of [***] from the creation of individual records for examination by an independent certified public accountant selected by the examining Party and reasonably acceptable to the other Party for the sole purpose of verifying for the examining Party the accuracy of the financial reports furnished by the other Party (the "**Examined Party**") pursuant to this Agreement or of any payments made, or required to be made, by such Examined Party pursuant to this Agreement; *provided that* such independent accounting firm is subject to written obligations of confidentiality and non-use applicable to each Party's Confidential Information that are at least as stringent as those set forth in Article 11 (Confidentiality; Publication). Such audit will not be (a) performed more frequently than [***] during the Term or [***] after the expiration or termination of this Agreement, (b) conducted for any Calendar Year [***] after the end of such year, or (c) repeated for any Calendar Year or with respect to the same set of records (unless a material discrepancy with respect to such records is discovered during a prior audit). Such auditor will not disclose the Examined Party's Confidential Information to the examining Party or to any Third Party, except to the extent such disclosure is necessary to verify the accuracy of the financial reports furnished by the Examined Party or the amount of payments by the Examined Party under this Agreement. The Examined Party will pay any amounts shown to be owed to the examining Party but unpaid within [***] after the accountant's report, *plus* interest (as set forth in Section 10.10 (Late Payments)) from the original due date. The examining Party will bear the full cost of such audit unless such audit reveals an underpayment by the Examined Party of [***], in which case the Examined Party will reimburse the examining Party for the reasonable audit fees for such examination.

10.12 Taxes.

10.12.1 **Taxes on Income**. Except as set forth in this Section 10.12 (Taxes) or Section 10.13 (VAT Credits), each Party will be solely responsible for the payment of any and all Taxes levied on account of all payments it receives under this Agreement.

10.12.2 **Tax Cooperation**. The Parties agree to cooperate with one another in accordance with Applicable Law and use reasonable efforts to minimize Tax withholding or similar obligations in respect of royalties, milestone payments, and other payments made by each Party to the other Party under this Agreement. To the extent either Party (the "**Paying Party**") is required to deduct and withhold Taxes on any payment to the other Party (the "**Recipient**"), the Paying Party will (a) pay the amount of such Taxes to the proper Governmental Authority in a timely manner, and (b) promptly transmit to the Recipient an official tax certificate or other evidence of such payment sufficient to enable the Recipient to claim such payment of Taxes on the Recipient's applicable tax returns. The Paying Party will provide the Recipient with advance notice prior to withholding any Taxes from payments payable to the Recipient and will provide the Recipient with a commercially reasonable period of time to claim an exemption or reduction in otherwise applicable Taxes. The Recipient will provide the Paying Party any tax forms that may be reasonably necessary in order for the Paying Party to not withhold Tax or to withhold Tax at a reduced rate under an applicable bilateral income tax treaty, to the extent the Paying Party is legally able to do so. The Recipient will use reasonable efforts to provide any such tax forms to the Paying Party in advance of the due date. Each Party will provide the other with reasonable assistance to enable the recovery, as permitted by Applicable Law, of withholding Taxes or similar obligations resulting from payments made under this Agreement, such recovery to be for the benefit of the Paying Party if the Paying Party

is the Party bearing such withholding Tax under this Section 10.12 (Taxes). In addition, the Parties will cooperate in accordance with Applicable Law to minimize indirect Taxes (such as VAT, sales tax, consumption tax, and other similar Taxes) in connection with this Agreement. In the event of any inconsistency between this Section 10.12 (Taxes) and Section 10.13 (VAT Credits), Section 10.13 (VAT Credits) will take precedence.

10.12.3 **Changes in Domicile**. Notwithstanding anything to the contrary in this Agreement, if the Paying Party assigns, transfers or otherwise disposes of some or all of its rights and obligations to any Person and if, as a result of such action, the withholding or deduction of Tax required by Applicable Law with respect to payments under this Agreement is increased, then any amount payable to the Recipient under this Agreement will be increased to take into account such withheld Taxes as may be necessary so that, after making all required withholdings (including withholdings on the withheld amounts), the Recipient receives an amount equal to the sum it would have received had no such withholding been made.

10.12.4 **Returns**. All transfer, documentary, sales, use, stamp, registration, and other such Taxes, and any conveyance fees, recording charges, and other fees and charges (including any penalties and interest) incurred in connection with consummation of the transactions contemplated hereby, if any, will be borne and paid by the Paying Party. The Paying Party will prepare and timely file all tax returns required to be filed in respect of any such Taxes. The Parties will reasonably cooperate in accordance with Applicable Law to minimize transfer Taxes in connection with this Agreement.

10.13 VAT Credits. All payments due to Blueprint from CStone pursuant to this Agreement will be paid without any deduction for any VAT that CStone may be required to pay to any tax authorities in the Territory. Blueprint will use Commercially Reasonable Efforts to assist CStone to minimize and obtain all available exemptions from such VAT or other taxes, but if applicable, CStone will pay any such VAT to the proper taxing authorities upon receipt of a valid VAT invoice (where such invoice is required under local VAT laws). If CStone is required to pay or Blueprint is required to report, any such VAT, then [***]. CStone will promptly provide to Blueprint applicable receipts evidencing payment of such VAT and other documentation reasonably requested by CStone.

Article 11
CONFIDENTIALITY; PUBLICATION

11.1 Duty of Confidence. Subject to the other provisions of this Article 11 (Confidentiality; Publication):

11.1.1 except to the extent expressly authorized by this Agreement, all Confidential Information of a Party (the "**Disclosing Party**") will be maintained in confidence and otherwise safeguarded, and not published or otherwise disclosed, by the other Party (the "**Receiving Party**") and its Affiliates for the Term and for 10 years thereafter;

11.1.2 the Receiving Party will treat all Confidential Information provided by the Disclosing Party with the same degree of care as the Receiving Party uses for its own similar information, but in no event less than a reasonable degree of care;

11.1.3 the Receiving Party may only use any Confidential Information of the Disclosing Party for the purposes of performing its obligations or exercising its rights under this Agreement;

11.1.4 a Receiving Party may disclose Confidential Information of the Disclosing Party to: (a) such Receiving Party's Affiliates, licensees and Sublicensees; and (b) employees, directors, officers, agents, contractors, consultants, attorneys, accountants, banks, investors, and advisors of the Receiving Party and its Affiliates, licensees, and Sublicensees, in each case ((a) and (b)), to the extent reasonably necessary for the purposes of, and for those matters undertaken pursuant to, this Agreement; *provided that* such Persons are bound by legally enforceable obligations of confidentiality and non-use with respect to the Disclosing Party's Confidential Information no less stringent than the confidentiality and non-use obligations set forth in this Agreement. Each Party will remain responsible for any failure by its Affiliates, licensees, and Sublicensees, and its and its Affiliates', licensees', and Sublicensees' respective employees, directors, officers, agents, consultants, attorneys, accountants, banks, investors, advisors, and contractors, in each case, to treat such Confidential Information as required under this Section 11.1 (Duty of Confidence) (as if such Affiliates, licensees, Sublicensees, employees, directors, officers agents, consultants, advisors, attorneys, accountants, banks, investors, and contractors were Parties directly bound to the requirements of this Section 11.1 (Duty of Confidence)); and

11.1.5 each Party will promptly notify the other Party of any misuse or unauthorized disclosure of the other Party's Confidential Information.

11.2 Confidential Information. The Blueprint Know-How will be the Confidential Information of Blueprint notwithstanding the fact that such information may be developed or invented and disclosed to Blueprint by CStone. The Joint Collaboration Know-How and the terms of this Agreement will be the Confidential Information of both Parties. The CStone Know-How will be the Confidential Information of CStone. Except as provided in Section 11.4 (Authorized Disclosures) and Section 11.9 (Publicity; Use of Names), neither Party nor its Affiliates may disclose the existence or the terms of this Agreement.

11.3 Exemptions. Information of a Disclosing Party will not be Confidential Information of such Disclosing Party to the extent that the Receiving Party can demonstrate through competent evidence that such information:

11.3.1 is known by the Receiving Party or any of its Affiliates without an obligation of confidentiality at the time of its receipt from the Disclosing Party, and not through a prior disclosure by or on behalf of the Disclosing Party, as documented by the Receiving Party's business records;

11.3.2 is generally available to the public before its receipt from the Disclosing Party;

11.3.3 became generally available to the public or otherwise part of the public domain after its disclosure by the Disclosing Party and other than through any act or omission of the Receiving Party or any of its Affiliates or disclosees in breach of this Agreement;

11.3.4 is subsequently disclosed to the Receiving Party or any of its Affiliates without obligation of confidentiality by a Third Party who may rightfully do so and is not under a conflicting obligation of confidentiality to the Disclosing Party; or

11.3.5 is developed by the Receiving Party or any of its Affiliates independently and without use of or reference to any Confidential Information received from the Disclosing Party, as documented by the Receiving Party's business records.

No combination of features or disclosures will be deemed to fall within the foregoing exclusions merely because individual features are published or available to the general public or in the rightful possession of the Receiving Party unless the combination itself and principle of operation are published or available to the general public or in the rightful possession of the Receiving Party.

11.4 Authorized Disclosures.

11.4.1 **Permitted Circumstances**. Notwithstanding the obligations set forth in Section 11.1 (Duty of Confidence) and Section 11.8 (Publication and Listing of Clinical Trials), a Party may disclose the other Party's Confidential Information (including this Agreement and the terms herein) to the extent such disclosure is reasonably necessary in the following situations:

(a) (i) the Patent Prosecution of Blueprint Patent Rights, Joint Collaboration Patent Rights, or CStone General Collaboration Patent Rights, in each case, as contemplated by this Agreement; or (ii) regulatory filings and other filings with Governmental Authorities (including Regulatory Authorities), as necessary for the Exploitation of a Collaboration Product;

(b) disclosure of this Agreement, its terms, and the status and results of Exploitation of one or more Collaboration Products to actual or *bona fide* potential investors, acquirors, (sub)licensees, lenders, and other financial or commercial partners (including in connection with any royalty factoring transaction), and their respective attorneys, accountants, banks, investors, and advisors, solely for the purpose of evaluating or carrying out an actual or potential investment, acquisition, (sub)license, debt transaction, or collaboration; *provided that*, in each such case, on the condition that such Persons are bound by obligations of confidentiality and non-use at least as stringent as those set forth Article 11 (Confidentiality; Publication) or otherwise customary for such type and scope of disclosure any such disclosure is limited to the maximum extent practicable for the particular context in which it is being disclosed;

(c) such disclosure is required to comply with Applicable Law (whether generally or in pursuit of an application for listing of securities) including the United States Securities and Exchange Commission, the Stock Exchange of Hong Kong Limited, or equivalent foreign agency or regulatory body, or otherwise required by judicial or administrative process, *provided that* in each such event, as promptly as reasonably practicable and to the extent not prohibited by Applicable Law or judicial or administrative process, such Party will notify the other Party of such required disclosure and provide a draft of the disclosure to the other Party reasonably in advance of such filing or disclosure for the other Party's review and comment. The non-disclosing Party will provide any comments as soon as practicable, and the disclosing Party will consider [***] comments provided by the non-disclosing Party; *provided that* [***]. Confidential Information that is disclosed in order to comply with Applicable Law or by judicial or administrative process pursuant to this Section 11.4.1(c), in each case, will remain otherwise subject to the confidentiality and non-use provisions of this Article 11 (Confidentiality; Publication) with respect to the Party disclosing such Confidential Information, and such Party will take all steps reasonably necessary, including seeking of confidential treatment or a protective order for a period of at least 10 years (to the extent permitted by Applicable Law or Governmental

Authority), to ensure the continued confidential treatment of such Confidential Information, and each Party will be responsible for its own legal and other external costs in connection with any such filing or disclosure pursuant to this Section 11.4.1(c) (Permitted Circumstances); or

(d) disclosure pursuant to Section 11.8 (Publication and Listing of Clinical Trials) and Section 11.9 (Publicity; Use of Name).

11.4.2 **Confidential Treatment**. Notwithstanding anything to the contrary set forth in this Agreement, if a Party is required or permitted to make a disclosure of the other Party's Confidential Information pursuant to Section 11.4.1 (Permitted Circumstances), then it will, to the extent not prohibited by Applicable Law or judicial or administrative process, except where impracticable, give reasonable advance notice to the other Party of such proposed disclosure and use reasonable efforts to secure confidential treatment of such information and will only disclose that portion of Confidential Information that is legally required to be disclosed as advised by its legal counsel. In any event, each Party agrees to take all reasonable action to avoid disclosure of Confidential Information of the other Party hereunder.

11.5 [***]

11.5.1 **[***]**

11.5.2 **[***]**

11.6 Tax Treatment. Nothing in Section 11.1 (Duty of Confidence) or 11.4 (Authorized Disclosures) will limit either Party in any way from disclosing to any Third Party such Party's U.S. or foreign income Tax treatment and the U.S. or foreign income Tax structure of the transactions relating to such Party that are based on or derived from this Agreement, or materials of any kind (including opinions or other Tax analyses) relating to such Tax treatment or Tax structure, except to the extent that nondisclosure of such matters is reasonably necessary in order to comply with applicable securities laws.

11.7 Publications. CStone will not publicly present or publish any Clinical Trial data, non-clinical or preclinical data, or any associated results or conclusions generated by or on behalf of CStone pursuant to this Agreement (each such proposed presentation or publication, a "**Publication**"), except in accordance with Blueprint's global publication strategy with respect to the applicable Collaboration Product as provided to CStone from time to time during the Term upon CStone's request therefor, and subject to the additional limitations set forth in this Section 11.7 (Publications) and Section 11.8 (Publication and Listing of Clinical Trials). CStone will have the right to present or publish any Publication in the Territory containing data, results, or conclusions arising from Clinical Trials for one or more Collaboration Products conducted solely in the Territory, including such data, results, or conclusions relating to patients or subjects located in the Territory. If CStone desires to publicly present or publish a Publication in accordance with the foregoing sentence, then CStone will provide Blueprint (including the Alliance Manager and all Blueprint members of the JSC) with a copy of such proposed Publication at least [***] prior to the earlier of its presentation or intended submission for publication (such applicable period, the "**Review Period**"). CStone agrees that it will not submit or present any Publication until (a) Blueprint has provided written comments during such Review Period on the material in such Publication, or (b) the applicable Review Period has elapsed without written comments from Blueprint, in which case CStone may proceed and the Publication will be considered approved in its entirety. If CStone receives written

comments from Blueprint on any Publication during the applicable Review Period, then it will consider Blueprint's comments [***] and incorporate such comments [***], but will retain the sole authority to submit the manuscript for Publication. Notwithstanding anything to contrary set forth in this Agreement, CStone will (i) delete any Confidential Information of Blueprint that Blueprint identifies for deletion in Blueprint's written comments, (ii) delete any Clinical Trial data, results, conclusions, or other related information for a Collaboration Product, the publication of which Blueprint determines, in its sole discretion, would conflict with Blueprint's global publication strategy with respect to the applicable Collaboration Product, and (iii) delay such Publication for a period of up to an additional [***] after the end of the applicable Review Period to enable Blueprint to draft and file one or more patent applications with respect to any subject matter to be made public in such Publication. CStone will provide Blueprint a copy of the Publication at the time of the submission or presentation thereof. CStone agrees to acknowledge the contributions of Blueprint and the employees of Blueprint, in each case, in all Publications as scientifically appropriate. In addition, Blueprint agrees to acknowledge the contributions of CStone and the employees of CStone, in each case, in all presentations and publications as scientifically appropriate to the extent related to any Global Clinical Trials in which CStone assists in the enrollment of patients from the PRC. CStone will require its Affiliates and Sublicensees to comply with the obligations of this Section 11.7 (Publications) as if they were CStone, and CStone will be liable for any non-compliance of such Persons.

11.8 Publication and Listing of Clinical Trials. With respect to the listing of Clinical Trials or the publication of Clinical Trial results for the Collaboration Products and to the extent applicable to a Party's activities conducted under this Agreement, each Party will comply with (a) the Pharmaceutical Research and Manufacturers of America (PhRMA) Guidelines on the listing of Clinical Trials and the Publication of Clinical Trial results, and (b) any Applicable Law or applicable court order, stipulations, consent agreements, and settlements entered into by such Party. The Parties agree that any such listings or publications made pursuant to this Section 11.8 (Publication and Listing of Clinical Trials) will be considered a Publication for purposes of this Agreement and will be subject to Section 11.7 (Publications).

11.9 Publicity; Use of Names.

11.9.1 **Press Release**. The Parties have agreed on a joint press release announcing this Agreement, set forth on Schedule 11.9.1 (Press Release), to be issued by the Parties on such date and time as may be agreed by the Parties. Other than the press release set forth on Schedule 11.9.1 (Press Release) and the public disclosures permitted by this Section 11.9 (Publicity; Use of Names), and Section 11.4 (Authorized Disclosures), the Parties agree that the portions of any other news release or other public announcement relating to this Agreement or the performance hereunder that would disclose information other than that already in the public domain will first be reviewed and approved by both Parties (with such approval not to be unreasonably withheld, conditioned, or delayed). However, the Parties agree that after (a) a disclosure pursuant to Section 11.9 (Publicity; Use of Names) or Section 11.4 (Authorized Disclosures) or (b) the issuance of a press release (including the initial press release) or other public announcement pursuant to this Section 11.9.1 (Press Release) that has been reviewed and approved by the other Party, the disclosing Party may make subsequent public disclosures reiterating such information without having to obtain the other Party's prior consent and approval so long as the information in such press release or other public announcement remains true, correct, and the most current information with respect to the subject matters set forth therein. Similarly, after a Publication has been made available to the public, each Party may post such Publication or a link to it on its corporate web site (or any website managed by such Party in connection with a Clinical Trial for a

Collaboration Product, as appropriate) without the prior written consent of the other Party, so long as the information in such Publication remains true, correct, and the most current information with respect to the subject matters set forth therein.

11.9.2 **Disclosures by Blueprint**. Notwithstanding anything to the contrary set forth in this Agreement, Blueprint has the right to publicly disclose (in written, oral, or other form): (a) the achievement of Milestone Events under this Agreement (including the amount, payment, and timing of any such Milestone Event); (b) the commencement, completion, material data, or key results of any Territory-Specific Clinical Trials for the Collaboration Products; (*provided that*; subject to Section 11.4.1(c) (Authorized Disclosures; Permitted Circumstances), Blueprint will obtain CStone's prior written approval (not to be unreasonably withheld, conditioned, or delayed) with respect to any such disclosure to the extent it relates to a Blueprint/CStone Combination); (c) any information relating to any Global Clinical Trial, including the commencement, completion, material data, or key results of any such Global Clinical Trial; and (d) the achievement of Regulatory Approval for any Collaboration Product; *provided that*, subject to Section 11.4.1(c) (Authorized Disclosures; Permitted Circumstances), Blueprint will obtain CStone's prior written approval (not to be unreasonably withheld, conditioned, or delayed) with respect to any such disclosure to the extent it is solely related to the receipt of Regulatory Approval for a Collaboration Product in the Territory.

11.9.3 **Use of Names**. Each Party will have the right to use the other Party's name and logo in presentations, its website, collateral materials, and corporate overviews to describe the collaboration relationship, as well as in taglines of press releases issued pursuant to this Section 11.9 (Publicity; Use of Names); *provided that* neither Party will use the other Party's corporate name in such manner that the distinctiveness, reputation, and validity of any trademarks and corporate or trade names of such other Party will not be impaired, and consistent with best practices used by such other Party for its other collaborators. Except as permitted under this Section 11.9 (Publicity; Use of Names) or with the prior express written permission of the other Party, neither Party will use the name, trademark, trade name, or logo of the other Party or its Affiliates or their respective employees in any publicity, promotion, news release, or disclosure relating to this Agreement or its subject matter except as may be required by Applicable Law. Each Party will use the other Party's corporate name in all publicity relating to this Agreement, including the initial press release and all subsequent press releases. CStone will include explanatory text such as (a) "*Discovered by Blueprint Medicines Corporation*" in all publicity, promotion, news releases, or disclosures relating to the Collaboration Products that are not Blueprint/CStone Combinations, and (b) "*Discovered in Collaboration by Blueprint Medicines Corporation and CStone Pharmaceuticals*" in all publicity, promotion, news releases, or disclosures relating to any Blueprint/CStone Combinations, in each case ((a) and (b)), or such other similar text provided by Blueprint and reasonably acceptable to CStone.

11.10 Attorney-Client Privilege. Neither Party is waiving, nor will be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges or the like as a result of disclosing information pursuant to this Agreement, or any of its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party, regardless of whether the Disclosing Party has asserted, such privileges and protections. The Parties: (a) share a common legal and commercial interest in such disclosure that is subject to such privileges and protections; (b) are or may become joint defendants in proceedings to which the information covered by such protections and privileges relates; (c) intend that such privileges and protections remain intact should either Party become

subject to any actual or threatened proceeding to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; and (d) intend that after the Effective Date both the Receiving Party and the Disclosing Party will have the right to assert such protections and privileges. Notwithstanding the foregoing, nothing in this Section 11.10 (Attorney-Client Privilege) will apply with respect to a Dispute between the Parties (including their respective Affiliates).

Article 12
REPRESENTATIONS, WARRANTIES, AND COVENANTS

12.1 Representations and Warranties of Each Party. Each Party represents and warrants to the other Party as of the Effective Date as follows:

12.1.1 It is a corporation or limited company duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and it has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder.

12.1.2 It has not been Debarred/Excluded and no proceeding that could result it in being Debarred/Excluded is pending, and neither it nor any of its Affiliates has used, in any capacity in the performance of obligations relating to the Collaboration Products, any employee, Subcontractor, consultant, agent, representative, or other Person who has been Debarred/Excluded.

12.1.3 All consents, approvals and authorizations from all Governmental Authorities or other Third Parties required to be obtained by such Party in connection with this Agreement have been obtained.

12.1.4 This Agreement has been duly executed by it and is legally binding upon it, enforceable in accordance with its terms, and does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material Applicable Law or regulation of any court, governmental body, or administrative or other agency having jurisdiction over it.

12.2 Representations and Warranties of Blueprint. Blueprint represents and warrants to CStone as of the Effective Date as follows:

12.2.1 It has the right under the Blueprint Technology to grant to CStone the licenses set forth in this Agreement, and it has not granted any license or other right under the Blueprint Technology that is inconsistent with the licenses granted to CStone hereunder.

12.2.2 There is no pending or, to Blueprint's Knowledge, threatened (in writing) litigation, nor has Blueprint received any written notice from any Third Party, asserting or alleging that the Exploitation of the Blueprint Compounds or the Collaboration Products prior to the Effective Date infringed or misappropriated the intellectual property rights of such Third Party or that the Exploitation of the Blueprint Compounds or the Collaboration Products as contemplated under this Agreement will infringe or misappropriate the intellectual property rights of such Third Party.

12.2.3 There are no pending or, to Blueprint's Knowledge, no threatened (in writing), adverse actions, suits, or proceedings against Blueprint involving the Blueprint Technology or any

of the Collaboration Products as contemplated to be used as a monotherapy or otherwise under this Agreement.

12.2.4 The Blueprint Technology includes all Know-How owned by or licensed to Blueprint or its Affiliates that is necessary or useful to Exploit each Collaboration Product in the Field in the Territory as such Exploitation is currently being conducted by Blueprint or contemplated to be conducted by the Parties hereunder, and all Patent Rights in the Territory that are owned by or licensed to Blueprint or its Affiliates that Cover a Collaboration Product for use as a monotherapy (including composition of matter and methods of using, making, or detecting such Collaboration Product).

12.2.5 [***]

12.2.6 There are no legal claims, judgments, or settlements against or owed by Blueprint or any of its Affiliates, or pending or, to Blueprint's Knowledge, threatened, legal claims or litigation, in each case, relating to antitrust, anti-competition, or Anti-Corruption Law violations.

12.2.7 To its Knowledge, neither Blueprint nor any of its Affiliates, or its or their directors, officers, employees, distributors, agents, representatives, sales intermediaries, or other Third Parties acting on behalf of Blueprint or any of its Affiliates:

(a) has taken any action in violation of any applicable Anti-Corruption Laws;

(b) has corruptly offered, paid, given, promised to pay or give, or authorized the payment or gift of anything of value, directly or indirectly, to any Public Official, for the purposes of:

(i) influencing any act or decision of any Public Official in his or her official capacity;

(ii) inducing such Public Official to do or omit to do any act in violation of his or her lawful duty;

(iii) securing any improper advantage; or

(c) inducing such Public Official to use his or her influence with a government, governmental entity, or commercial enterprise owned or controlled by any government (including state-owned or controlled veterinary, laboratory or medical facilities) in obtaining or retaining any business whatsoever.

12.2.8 None of the officers, directors, or employees of Blueprint or of any of its Affiliates or agents acting on behalf of Blueprint or any of its Affiliates, in each case, that are employed or reside outside the United States, is a Public Official.

12.3 Representations and Warranties of CStone. CStone represents and warrants to Blueprint as follows (a) [***], and (b) [***]:

12.3.1 It has the right under the CStone Technology to grant to Blueprint the licenses set forth in this Agreement, and it has not granted any license or other right under the CStone Technology that is inconsistent with the licenses granted to Blueprint hereunder. The

Notification of Passing Examination of Formalities between WuXi Biologics (Shanghai) Co. Ltd. and CStone relating to patent number CN 201610638134.5 has been recorded with the State Intellectual Property Office of the PRC.

12.3.2 Schedule 12.3.2 sets forth a complete and accurate list of all written agreements pursuant to which CStone Controls any Patent Rights that Cover CS1001 or product that includes CS1001. CStone has fully and accurately disclosed to Blueprint the terms of each agreement set forth on Schedule 12.3.2 that are relevant to CS1001.

12.3.3 There is no pending or, to CStone's Knowledge, threatened (in writing) litigation, nor has CStone received any written notice from any Third Party, asserting or alleging that the Exploitation of any CStone Product as part of any Blueprint/CStone Combination in the Territory as contemplated under this Agreement will infringe or misappropriate the intellectual property rights of such Third Party.

12.3.4 There are no pending or, to CStone's Knowledge, no threatened (in writing), adverse actions, suits, or proceedings against CStone involving the CStone Technology or any CStone Product as part of any Blueprint/CStone Combination in the Territory as contemplated under this Agreement.

12.3.5 The CStone Technology includes all Know-How owned by or licensed to CStone or its Affiliates that is necessary or useful to Exploit the any CStone Product as part of any Blueprint/CStone Combination in the Territory as contemplated under this Agreement, and all Patent Rights in the Territory that are owned by or licensed to CStone or its Affiliates that Cover a CStone Product (including composition of matter and methods of using, making, or detecting such CStone Product).

12.3.6 There are no legal claims, judgments, or settlements against or owed by CStone or any of its Affiliates, or pending or, to CStone's Knowledge, threatened, legal claims or litigation, in each case, relating to antitrust, anti-competition, or Anti-Corruption Law violations.

12.3.7 CStone has sufficient financial wherewithal to (a) perform all of its obligations set forth under this Agreement, and (b) meet all of its obligations that come due in the ordinary course of business.

12.3.8 CStone has, or can readily obtain, sufficient technical, clinical, and regulatory expertise to perform all of its obligations pursuant to this Agreement, including its obligations relating to Development, Manufacturing, Medical Affairs, Commercialization, and obtaining Regulatory Approvals, in each case, of the Blueprint Compounds and Collaboration Products as contemplated under this Agreement.

12.3.9 To its Knowledge, neither CStone nor any of its Affiliates, or its or their directors, officers, employees, distributors, agents, representatives, sales intermediaries, or other Third Parties acting on behalf of CStone or any of its Affiliates:

(a) has taken any action in violation of any applicable Anti-Corruption Laws; or

(b) has corruptly offered, paid, given, promised to pay or give, or authorized the payment or gift of anything of value, directly or indirectly, to any Public Official, for the purposes of:

(i) influencing any act or decision of any Public Official in his or her official capacity;

(ii) inducing such Public Official to do or omit to do any act in violation of his or her lawful duty;

(iii) securing any improper advantage; or

(iv) inducing such Public Official to use his or her influence with a government, governmental entity, or commercial enterprise owned or controlled by any government (including state-owned or controlled veterinary, laboratory or medical facilities) in obtaining or retaining any business whatsoever.

12.3.10 None of the officers, directors, or employees of CStone or of any of its Affiliates or agents acting on behalf of CStone or any of its Affiliates, in each case, that are employed or reside outside the United States, is a Public Official.

12.3.11 CStone or its Affiliate that will serve as Blueprint's regulatory agent (as applicable) in the PRC as contemplated by this Agreement has met all qualification requirements required under Applicable Law to be Blueprint's regulatory agent in the PRC as contemplated by this Agreement.

12.4 Covenants of the Parties. Each Party covenants to the other Party that:

12.4.1 In the course of performing its obligations or exercising its rights under this Agreement, it will comply with all Applicable Law, including, as applicable, cGMP, GCP, and GLP standards, and will not employ or engage, and if so employed and engaged, will thereafter terminate any Person who has been Debarred/Excluded, or is the subject of any proceedings that could result in such Person being Debarred/Excluded.

12.4.2 Notwithstanding anything to the contrary in this Agreement, each Party agrees as follows:

(a) It will not, in the performance of this Agreement, perform any actions that are prohibited by local and other anti-corruption laws (including the provisions of the United States Foreign Corrupt Practices Act, collectively "**Anti-Corruption Laws**") that may be applicable to one or both Parties.

(b) It will not, in the performance of this Agreement, directly or indirectly, make any payment, or offer or transfer anything of value, or agree or promise to make any payment or offer or transfer anything of value, to a government official or government employee, to any political party or any candidate for political office or to any other Third Party with the purpose of influencing decisions related to either Party or its business in a manner that would violate Anti-Corruption Laws.

(c) At the request of the other Party, not more than once each Calendar Year, it will verify in writing to the other Party that to its Knowledge, there have been no violations of Anti-Corruption Laws by it or its Affiliates or Sublicensees, or persons employed by or Subcontractors used by it or its Affiliates or Sublicensees in the performance of this Agreement, or will provide details of any exception to the foregoing.

(d) It will maintain records (financial and otherwise) and supporting documentation related to the subject matter of this Section 12.4.2 (Covenants of the Parties) in order to document or verify compliance with the provisions of this Section 12.4 (Covenants of the Parties), and upon request of the other Party upon reasonable advance notice, will provide the other Party or its representative with access to such records for purposes of verifying compliance with the provisions of this Section 12.4 (Covenants of the Parties).

12.5 Covenant of CStone.

12.5.1 Throughout the Term, CStone or its Affiliate who will serve as Blueprint's regulatory agent in the PRC will at all times meet all qualification requirements required under Applicable Law to be Blueprint's regulatory agent in the PRC as contemplated by this Agreement. CStone will promptly notify Blueprint of any significant change to these qualification requirements and upon receiving any notice from any Third Party indicating, or otherwise becoming aware, that CStone or its Affiliate may not meet these requirements.

12.5.2 CStone will (a) maintain Control of all Know-How that relate to and Patent Rights that Cover CS1001 (including by maintaining in full force and effect all CStone Checkpoint Product Agreements); (b) not breach or be in default under any CStone Checkpoint Product Agreement in a manner that would give rise to a right of termination under any such agreement; and (c) not terminate or amend any CStone Checkpoint Product Agreement in a manner that adversely affects Blueprint's rights under this Agreement with respect to the BLU-554/CStone Checkpoint Combination without Blueprint's prior written consent. If CStone receives notice of any alleged material breach by CStone or its Affiliates under any such CStone Checkpoint Product Agreement, then CStone will promptly, but in no event less than [***] thereafter, provide written notice thereof to Blueprint and grant Blueprint the right (but not the obligation) to cure any such alleged breach.

12.6 NO OTHER WARRANTIES. EXCEPT AS EXPRESSLY STATED IN THIS Article 12 (REPRESENTATIONS, WARRANTIES, AND COVENANTS), (A) NO REPRESENTATION, CONDITION, OR WARRANTY WHATSOEVER IS MADE OR GIVEN BY OR ON BEHALF OF BLUEPRINT OR CSTONE; AND (B) ALL OTHER CONDITIONS AND WARRANTIES WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE ARE EXPRESSLY EXCLUDED, INCLUDING ANY CONDITIONS AND WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT. ANY INFORMATION PROVIDED BY BLUEPRINT OR ITS AFFILIATES IS MADE AVAILABLE ON AN "AS IS" BASIS WITHOUT WARRANTY WITH RESPECT TO COMPLETENESS, COMPLIANCE WITH REGULATORY STANDARDS OR REGULATIONS, OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER KIND OF WARRANTY WHETHER EXPRESS OR IMPLIED.

12.7 Time for Claims. Except in the case of any fraud or intentional misrepresentation by a Party: (a) the representations and warranties of the Parties contained in Section 12.1 (Representations and Warranties of Each Party), Section 12.2 (Representations and Warranties of Blueprint), and Section 12.3 (Representations and Warranties of CStone) will survive until the date that is [***] with respect to representations and warranties made as of the Effective Date and until the date that is [***], and (b) after such [***] period, no Party may bring any claim against the other Party arising from or relating to such other Party's breach of such representations and warranties.

Article 13
INDEMNIFICATION

13.1 By CStone. CStone will indemnify and hold harmless Blueprint and its Affiliates, and their respective directors, officers, employees, successors, heirs and assigns, and agents (individually and collectively, the "**Blueprint Indemnitee(s)**") from and against all Losses incurred in connection with any Third Party Claims to the extent arising from or relating to (a) the Exploitation of the Blueprint Compounds or the Collaboration Products by or on behalf of CStone or any of its Affiliates, Sublicensees, or Subcontractors, including product liability claims arising from such Exploitation, (b) CStone's actions (or omissions) in the performance of its obligations with respect to Regulatory Submissions or interactions with Regulatory Authorities, in each case as the authorized regulatory agent of record for Blueprint in the PRC, (c) the negligence or willful misconduct of CStone or any of its Affiliates, Sublicensees, or Subcontractors, (d) CStone's breach of any of its representations, warranties, covenants, or obligations set forth in or entered into pursuant to this Agreement, (e) the failure of CStone or any of its Affiliates, Sublicensees, or Subcontractors to abide by any Applicable Law, or (f) any claim or demand from any employee or contractor of CStone or its Affiliate who is an inventor of any Assigned Collaboration Technology or Joint Collaboration Technology with respect to the ownership thereof, in each case of clauses (a) through (f) above, except to the extent such Third Party Claims arise out of a Blueprint Indemnitee's negligence or willful misconduct, breach of this Agreement, or failure to abide by any Applicable Law.

13.2 By Blueprint. Blueprint will indemnify and hold harmless CStone, its Affiliates, and their directors, officers, employees, successors, heirs and assigns, and agents (individually and collectively, the "**CStone Indemnitee(s)**") from and against all Losses incurred in connection with any Third Party Claims to the extent from or relating to (a) the Exploitation of the Blueprint Compounds or the Collaboration Products, by or on behalf of Blueprint or any of its Affiliates, licensees (not including CStone or its Affiliates, Sublicensees, or its Subcontractors), Sublicensees, or Subcontractors, including product liability claims arising from such Exploitation, and including such Exploitation after the effective date of termination of this Agreement (including when acting as an exclusive distributor pursuant to Section 15.3.2 (Appointment as Exclusive Distributor), if applicable), (b) the negligence or willful misconduct of Blueprint or any of its Affiliates, licensees (not including CStone or its Affiliates, Sublicensees, or its Subcontractors), Sublicensees, or Subcontractors, (c) Blueprint's breach of any of its representations, warranties, covenants, or obligations set forth in or entered into pursuant to this Agreement, (d) the failure of Blueprint or any of its Affiliates, licensees (not including CStone or its Affiliates, Sublicensees, or Subcontractors), Sublicensees, or Subcontractors to abide by any Applicable Law, or (e) any claim or demand from any employee or contractor of Blueprint or its Affiliate who is an inventor of any Joint Collaboration Technology with respect to the ownership thereof, in each case of clauses (a) through (e) above, except to the extent such Third Party Claims arise out of any of a CStone Indemnitee's negligence or willful misconduct, breach of this Agreement or failure to abide by any Applicable Law.

13.3 Indemnification Procedure. If either Party is seeking indemnification under Section 13.1 (By CStone) or Section 13.2 (By Blueprint) (the "**Indemnified Party**"), it will inform the other Party (the "**Indemnifying Party**") of the Third Party Claim giving rise to such indemnification obligations within [***] after receiving written notice of the Third Party Claim (it being understood and agreed, however, that the failure or delay by an Indemnified Party to give such notice of a Third Party Claim will not affect the Indemnifying Party's indemnification obligations hereunder except to the extent the Indemnifying Party will have been actually and materially prejudiced as a result of such failure or delay to give notice). The Indemnifying Party will have the right to assume the

defense of any such Third Party Claim for which it is obligated to indemnify the Indemnified Party. The Indemnified Party will cooperate with the Indemnifying Party and the Indemnifying Party's insurer as the Indemnifying Party may reasonably request, and at the Indemnifying Party's cost and expense. The Indemnified Party will have the right to participate, at its own expense and with counsel of its choice, in the defense of any Third Party that has been assumed by the Indemnifying Party. Neither Party will have the obligation to indemnify the other Party in connection with any settlement made without the Indemnifying Party's written consent, which consent will not be unreasonably withheld, conditioned, or delayed. The Indemnifying Party will not admit liability of the Indemnified Party without the Indemnified Party's prior written consent, which consent will not be unreasonably withheld, conditioned, or delayed. If the Parties cannot agree as to the application of Section 13.1 (By CStone) or Section 13.2 (By Blueprint) as to any Third Party Claim, pending resolution of the Dispute pursuant to Article 16 (Dispute Resolution), the Parties may conduct separate defenses of such Third Party Claims, with each Party retaining the right to claim indemnification from the other Party in accordance with Section 13.1 (By CStone) or Section 13.2 (By Blueprint), as applicable, upon resolution of the underlying Third Party Claim.

13.4 Insurance. Each Party will procure and maintain during the Term of this Agreement and for three years after termination or expiration of this Agreement, commercial general liability insurance from a minimum of "A-" AM Bests rated insurance company or insurer reasonably acceptable to Blueprint, including contractual liability and product liability or clinical trials, if applicable, with coverage limits of not less than [***] per occurrence for Development and [***] per occurrence for Commercialization. Such policies will name the other Party and its Affiliates as additional insureds and provide a waiver of subrogation in favor of the other Party and its Affiliates. Such insurance policies will be primary and non-contributing with respect to any other similar insurance policies available to the other Party or its Affiliates. Any deductibles for such insurance will be assumed by insured Party. Each Party will provide the other Party with evidence of such insurance upon the other Party's request and prior to expiration of any one coverage. Each Party will provide the other Party with written notice at least [***] prior to the cancellation or non-renewal of, or material changes in, such insurance except for cancellation due to non-payment of premiums, in which case notice will be provided at least [***] prior to such cancellation. Such insurance will not be construed to create a limit of the insured Party's liability with respect to its indemnification obligations under this Article 13 (Indemnification).

Article 14
INTELLECTUAL PROPERTY

14.1 Inventions.

14.1.1 **Ownership**. As between the Parties, (a) Blueprint will solely own all Blueprint Technology, including Assigned Collaboration Technology, but excluding Joint Collaboration Technology, (b) CStone will solely own all CStone Product Technology and CStone General Collaboration Technology, excluding Joint Collaboration Technology, and (c) the Parties will jointly own all Blueprint/CStone Combination Technology and other Joint Collaboration Technology.

14.1.2 **Disclosure**. Each Party will promptly disclose to the other Party all Inventions within the Collaboration Know-How that it develops or invents, whether solely or jointly with others (in any event, prior to the filing of any patent application with respect to such Inventions), including all invention disclosures or other similar documents submitted to such Party by its or its Affiliates' employees, agents, or independent contractors relating thereto. Each

Party will also promptly respond to reasonable requests from the other Party for additional information relating thereto.

14.1.3 **Assignment; Ownership of Joint Collaboration Technology**.

(a) **Assigned Collaboration Technology**. CStone will and hereby does assign to Blueprint all of its rights, title, and interests in and to all Assigned Collaboration Technology, and Blueprint hereby accepts such assignment. CStone will take (and cause its Affiliates and Sublicensees, and their respective employees, agents, and contractors to take) such further actions reasonably requested by Blueprint to evidence such assignment and to assist Blueprint in obtaining patent and other intellectual property rights protection for Inventions within the Assigned Collaboration Know-How including executing further assignments, consents, releases, and other commercially reasonable documentation and providing good faith testimony by affidavit, declaration, in-person, or other proper means in support of any effort by Blueprint to establish, perfect, defend, or enforce its rights in any Assigned Collaboration Technology through prosecution of governmental filings, regulatory proceedings, litigation, and other means, including through the filing, prosecution, maintenance, and enforcement of the Assigned Collaboration Technology. CStone will obligate its Affiliates, Sublicensees, and Subcontractors to assign all Assigned Collaboration Technology to CStone (or directly to Blueprint) so that CStone can comply with its obligations under this Section 14.1 (Inventions), and CStone will promptly obtain such assignment. Without limitation, CStone will cooperate with Blueprint if Blueprint applies for U.S. or foreign patent protection for such Assigned Collaboration Technology and will obtain the cooperation of the individual inventors of any such Assigned Collaboration Technology. If CStone is unable to assign any Assigned Collaboration Technology, then CStone hereby grants and agrees to grant to Blueprint a royalty-free, fully paid-up, exclusive (even as to CStone, subject to the terms of this Agreement, including the licenses granted to CStone pursuant to Section 2.1 (License Grants to CStone)), perpetual, irrevocable license (with the right to grant sublicenses through multiple tiers) under such Assigned Collaboration Technology for any and all purposes.

(b) **Ownership of Joint Collaboration Technology**. The Parties will jointly own all Blueprint/CStone Combination Technology and all other Joint Collaboration Technology[***] (subject to the terms of this Agreement, including the licenses granted under Article 2 (Licenses)). Each Party will and hereby does assign to the other Party a joint interest in and to all Blueprint/CStone Combination Technology, and the other Party hereby accepts such assignment. Each Party will take (and cause its Affiliates and Sublicensees, and their respective employees, agents, and contractors to take) such further actions reasonably requested by the other Party to evidence such assignment and to assist the Parties in obtaining jointly-owned patent and other intellectual property rights protection for Inventions within the Blueprint/CStone Combination Know-How including executing further assignments, consents, releases, and other commercially reasonable documentation and providing good faith testimony by affidavit, declaration, in-person, or other proper means in support of any effort by the Parties to establish, perfect, defend, or enforce their rights in any Blueprint/CStone Combination Technology through prosecution of governmental filings, regulatory proceedings, litigation, and other means, including through the filing, prosecution, maintenance,

and enforcement of the Blueprint/CStone Combination Technology. Each Party will obligate its Affiliates, Sublicensees, and Third Party contractors (including all Subcontractors) to assign all Blueprint/CStone Combination Technology to such Party so that each Party can comply with its obligations under this Section 14.1 (Inventions), and each Party will promptly obtain such assignment. Without limitation, each Party will cooperate with the other Party if the Parties determine to apply for U.S. or foreign patent protection for such Blueprint/CStone Combination Technology and will obtain the cooperation of the individual inventors of any such Blueprint/CStone Combination Technology. If either Party is unable to assign a joint interest in any Blueprint/CStone Combination Technology, then such Party hereby grants and agrees to grant to the other Party a royalty-free, fully paid-up, non-exclusive (subject to the terms of this Agreement, including the licenses granted to CStone pursuant to Section 2.1 (License Grants to CStone)), perpetual, irrevocable license (with the right to grant sublicenses through multiple tiers) under such Blueprint/CStone Combination Technology for any and all purposes.

(c) **Practice Under and other Use of Joint Collaboration Technology**. Subject to the rights granted under and the restrictions set forth in this Agreement (including Section 2.6.1 (Exclusivity Covenant)), neither Party will have any obligation to account to the other Party for profits, or to obtain any approval of the other Party to license, assign, or otherwise exploit any Joint Collaboration Technology by reason of joint ownership thereof, and each Party hereby waives any right it may have under the Applicable Law of any jurisdiction to require any such approval or accounting. To the extent any further consent is required to enable a Party to so license or exploit its interest in the Joint Collaboration Technology, the other Party will grant consent promptly upon request.

(d) **Employee Assignment**. CStone and its Affiliates performing activities under this Agreement will enter into with each of their respective employees legally binding and sufficient agreements or employment policies providing for the payment by CStone or its Affiliate of any reward or remuneration required under Applicable Law in a particular region in the Territory in consideration for the development of Inventions by such employees. Without limiting the generality of the foregoing, CStone and its Affiliates will, and will cause its Sublicensees to, enter into an agreement or employment policy with each of its employees performing activities under this Agreement that (a) compels prompt disclosure to CStone (or its Sublicensee, as applicable) of all Collaboration Technology developed, invented, or filed by such employee during any performance under this Agreement; (b) automatically assigns to CStone (or its Sublicensee, as applicable) all rights, title, and interests in and to all Collaboration Technology, and requires each employee to execute all documents and take such other actions as may be necessary to effectuate such assignment; (c) includes an invention and patent reward and remuneration policy providing for the payment by CStone of any reward or remuneration required under Applicable Law in such region in consideration for the development of Inventions by such employees that is legally sufficient under Applicable Law; and (d) includes a waiver of pre-emption rights under any Applicable Law in such region, including in the case of an employee in the PRC, Article 326 of the Contract Law of the PRC to the effect that the employee will confirm that he/she will not have any right or claim with respect to any Collaboration Technology derived from his/her work, except for the reward and

remuneration he/she is entitled to under the invention and patent reward and remuneration policy. [***]

(e) **Payments in Consideration of Assignments of Intellectual Property**.

(i) **Payment by Blueprint**. In consideration of the assignment by CStone to Blueprint of all Assigned Collaboration Technology and a joint ownership interest in all Blueprint/CStone Combination Technology, Blueprint will pay to CStone a one-time payment of [***], which payment will be payment in-full for the assignment of all Assigned Collaboration Technology and Blueprint/CStone Combination Technology hereunder regardless of how many patent applications are filed or patents are issued Covering the Assigned Collaboration Know-How or Blueprint/CStone Combination Know-How. Blueprint will notify CStone of Blueprint's filing of the first patent application claiming any Assigned Collaboration Know-How or Blueprint/CStone Combination Know-How with respect to which an employee of CStone is an inventor. Promptly thereafter, CStone will invoice Blueprint for the foregoing amount, and Blueprint will pay the undisputed invoiced amounts within [***] after the date of such invoice. The Parties expressly acknowledge that the foregoing amount is [***] and is [***].

(ii) **Reward and Remuneration Payments to CStone Employees**. As between the Parties, CStone will be solely responsible for the payment of, and CStone will pay, any rewards and remuneration for inventions and technical achievements required by Applicable Law to be paid to its employees for the development or invention of any Collaboration Technology.

14.2 CREATE Act. Notwithstanding anything to the contrary set forth in this Agreement, CStone may not invoke the Cooperative Research and Technology Enhancement Act, 35 U.S.C. § 102(c) (the "**CREATE Act**") when exercising its rights under this Agreement without the prior written approval of Blueprint. If CStone intends to invoke the CREATE Act, then it will notify Blueprint and if agreed by the Parties, then Blueprint will cooperate and coordinate its activities with CStone with respect to any filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in the CREATE Act.

14.3 Patent Prosecution.

14.3.1 **Blueprint Patent Rights**.

(a) **Right to Prosecute**. Subject to Section 14.3.3 (Joint Collaboration Technology), as between the Parties, Blueprint will have the right to control the Patent Prosecution of all Blueprint Patent Rights, including any Assigned Collaboration Patent Rights throughout the world. CStone will obtain any necessary assignment documents for Blueprint with respect to the Patent Prosecution of such Patent Rights, to render all signatures that will be necessary for such patent filings, and to assist Blueprint in all other reasonably ways that are necessary for the issuance of such Patent Rights as well as for the Patent Prosecution of such Patent Rights. CStone will be responsible for [***] of the reasonable out-of-pocket costs incurred by or on behalf of Blueprint with respect to the Patent Prosecution of such Patent

Rights in the Territory, and will reimburse Blueprint for such costs within [***] of receiving an invoice with reasonable supporting documentation for such costs.

(b) **Review and Consult**. Blueprint will consult with CStone and keep CStone reasonably informed of the Patent Prosecution of the Blueprint Patent Rights in the Territory and will provide CStone with all material correspondence received from any patent authority in the Territory in connection therewith. In addition, Blueprint will provide CStone with drafts of all proposed material filings in the Territory and correspondence to any patent authority in the Territory in connection with the Patent Prosecution of the Blueprint Patent Rights in the Territory for CStone's review and comment prior to the submission of such proposed filings and correspondence. Further, Blueprint will notify CStone of any decision to cease Patent Prosecution of any Blueprint Patent Rights in the Territory. Blueprint will consider CStone's comments on Patent Prosecution [***] and will incorporate such comments [***].

(c) **Abandonment**. If Blueprint decides that it is no longer interested in the Patent Prosecution of a particular Blueprint Patent Right in the Territory during the Term, then it will promptly provide written notice to CStone of such decision. CStone may, upon written notice to Blueprint, assume the Patent Prosecution of such Patent Right in Blueprint's name [***]. In such event, (i) such patent or patent application will no longer be considered a Royalty Patent Right, (ii) CStone will be responsible for [***] of the costs and expenses of the Patent Prosecution of such Patent Right, and (iii) Blueprint will have the rights to review and consult set forth in Section 14.3.1(b) (Review and Consult) *mutatis mutandis*.

14.3.2 **CStone General Collaboration Patent Rights**.

(a) **Right to Prosecute**. As between the Parties, CStone will have the right to control the Patent Prosecution of all CStone General Collaboration Patent Rights throughout the world. CStone will be responsible for [***] of the costs and expenses incurred with respect to the Patent Prosecution of such Patent Rights throughout the world.

(b) **Review and Consult**. CStone will consult with Blueprint and keep Blueprint reasonably informed of the Patent Prosecution of the CStone General Collaboration Patent Rights and will provide Blueprint with all material correspondence received from any patent authority in connection therewith. In addition, CStone will provide Blueprint with drafts of all proposed material filings and correspondence to any patent authority in connection with the Patent Prosecution of the CStone General Collaboration Patent Rights for Blueprint's review and comment prior to the submission of such proposed filings and correspondence. Further, CStone will notify Blueprint of any decision to cease Patent Prosecution of any CStone General Collaboration Patent Rights. CStone will consider Blueprint's comments on Patent Prosecution [***] and will incorporate such comments [***].

(c) **Abandonment**. If CStone decides that it is no longer interested in continuing the Patent Prosecution of a particular CStone General Collaboration Patent Right during the Term, then it will promptly provide written notice to Blueprint of such decision. Blueprint may, upon written notice to CStone, assume such Patent

Prosecution of such CStone General Collaboration Patent Right [***]. In such event, (i) Blueprint will be responsible for [***] of the costs and expenses of the Patent Prosecution of such Patent Right, and (ii) CStone will have the rights to review and consult set forth in Section 14.3.2(b) (Review and Consult) *mutatis mutandis*.

14.3.3 **Joint Collaboration Technology**.

(a) **Blueprint/CStone Combination Technology**. Blueprint will control the Patent Prosecution of any Joint Collaboration Patent Rights outside of the Territory, and CStone will control the Patent Prosecution of any Joint Collaboration Patent Right inside of the Territory. The Parties will use [***] to agree on a mutually acceptable strategy for the Patent Prosecution of the Joint Collaboration Patent Rights and will ensure that the external counsels engaged by each Party for the Patent Prosecution of such Joint Collaboration Patent Rights coordinate with each other with respect to such Patent Prosecution of the Joint Collaboration Patent Rights inside and outside of the Territory (including with respect to the timing of the filing of patent applications inside and outside of the Territory). The Party with the right to control the Patent Prosecution of any Joint Collaboration Patent Right pursuant to this Section 14.3.3(a) (Blueprint/CStone Combination Technology) (the "**Prosecuting Party**") will be responsible for [***] of the reasonable out-of-pocket costs incurred with respect to the Patent Prosecution of such Patent Rights in their respective territory, and the other Party will be responsible for [***] of such out-of-packet costs (*i.e.*, CStone will be responsible for [***] of the out-of-pocket costs incurred by or on behalf of Blueprint in connection with the Patent Prosecution of the Joint Collaboration Patent Rights outside of the Territory and Blueprint will be responsible for [***] of the out-of-pocket costs incurred by or on behalf of CStone in connection with the Patent Prosecution of the Joint Collaboration Patent Rights inside of the Territory). The other Party will reimburse the Prosecuting Party for such out-of-pocket costs within [***] of receiving an invoice with reasonable supporting documentation for such costs.

(b) **Review and Consult**. The Prosecuting Party will consult with the other Party and keep the other Party reasonably informed of the Patent Prosecution of the Joint Collaboration Patent Rights in its respective territory and will provide the other Party with all material correspondence received from any patent authority in such territory in connection therewith. In addition, the Prosecuting Party will provide the other Party with drafts of all proposed material filings and correspondence to any patent authority in its respective territory in connection with the Patent Prosecution of the Joint Collaboration Patent Rights for the other Party's review and comment prior to the submission of such proposed filings and correspondence. Further, the Prosecuting Party will notify the other Party of any decision to cease Patent Prosecution of any of the Joint Collaboration Patent Rights in its respective territory. The Prosecuting Party will consider the other Party's comments on Patent Prosecution but will have final decision-making authority under this Section 14.3.3(b) (Review and Consult).

(c) **Abandonment**. If the Prosecuting Party decides that it is no longer interested in the Patent Prosecution of a particular Joint Collaboration Patent Right in its respective territory during the Term, then it will promptly provide written notice to the other Party of such decision. The other Party may, upon written notice to

the Prosecuting Party, assume the Patent Prosecution of such Patent Right in the applicable territory. In such event, (i) the other Party will become the Prosecuting Party with respect to such Joint Collaboration Patent Rights in the applicable territory, (ii) the other Party will be continue to be responsible for [***] of the out-of-pocket costs incurred by the Prosecuting Party as set forth under Section 14.3.3(a) (Blueprint/CStone Combination Technology), and (iii) the other Party (that is no longer the Prosecuting Party) will retain the rights to review and consult set forth in Section 14.3.3(b) (Review and Consult).

14.3.4 **Cooperation**. Each Party will provide the other Party all reasonable assistance and cooperation in the Patent Prosecution efforts under this Section 14.3 (Patent Prosecution), including providing any necessary powers of attorney and executing any other required documents or instruments for such prosecution.

14.4 Patent Enforcement.

14.4.1 **Notice**. Each Party will notify the other within [***] of becoming aware of any alleged or threatened infringement by a Third Party of any of the (a) Blueprint Patent Rights in the Territory, (b) CStone General Collaboration Patent Rights in the Territory, or (c) Blueprint/CStone Combination Patent Rights or other Joint Collaboration Patent Rights in the Territory, and, in each case, any related declaratory judgment or equivalent action alleging the invalidity, unenforceability, or non-infringement of such Patent Rights (collectively "**Product Infringement**"). Each Party will also notify the other within [***] of becoming aware of any alleged or threatened infringement by a Third Party of any CStone General Collaboration Patent Right that adversely affects or is expected to adversely affect any Collaboration Product outside of the Territory, including any related declaratory judgment or equivalent action alleging the invalidity, unenforceability or non-infringement of any such Patent Rights (an "**Ex-Territory Infringement**"). For clarity, Product Infringement and Ex-Territory Infringement each exclude any adversarial Patent Prosecution proceedings.

14.4.2 **Enforcement Rights**.

(a) **First Right; Step-In**.

(i) **Blueprint First Right**. Blueprint will have the first right to bring and control any legal action to enforce Blueprint Patent Rights and Joint Collaboration Patent Rights other than the Blueprint/CStone Combination Patent Rights against any Product Infringement in the Territory as it reasonably determines appropriate, and Blueprint will consider [***] the interests of CStone in such enforcement of the Blueprint Patent Rights and such Joint Collaboration Patent Rights.

(ii) **CStone First Right**. CStone will have the first right to bring and control any legal action to enforce the Blueprint/CStone Combination Patent Rights against any Product Infringement in the Territory as it reasonably determines appropriate, and CStone will consider [***] the interests of Blueprint in such enforcement of the Blueprint/CStone Combination Patent Rights. The Party with the first right to bring and control any legal action to enforce the Blueprint Patent Rights, Blueprint/CStone

Combination Patent Rights, or other Joint Collaboration Patent Rights, as applicable, will be referred to herein as the "**Controlling Party**."

(iii) **Step-In Rights**. If the Controlling Party or its designee fails to abate such Product Infringement in the Territory or to file an action to abate such Product Infringement in the Territory within [***] after a written request from the other Party to do so, or if the Controlling Party discontinues the prosecution of any such action after filing without abating such infringement, then, in either case, the other Party will have the right to enforce the applicable Patent Rights against such Product Infringement in the Territory as it reasonably determines appropriate *provided that* (A) the Controlling Party does not provide reasonable rationale for not doing so or continuing to do so (including a substantive concern regarding counter-claims by the infringing Third Party), and (B) the other Party will not enter into any settlement admitting the invalidity of, or otherwise impairing, of any such Patent Rights without the prior written consent of the Controlling Party.

(iv) **CStone's Patent Rights**. CStone will have the sole right to bring and control any legal action to enforce CStone General Collaboration Patent Rights and CStone Product Patent Rights against any Product Infringement in the Territory at its own expense as it reasonably determines appropriate. CStone will not have the right to enforce any Blueprint Patent Rights, Blueprint/CStone Combination Patent Rights, or other Joint Collaboration Patent Rights outside of the Territory. Notwithstanding the foregoing, CStone will have the sole right and authority to enforce Patent Rights Controlled by CStone or its Affiliates that Cover a CStone Product (other than a Blueprint/CStone Combination) inside and outside of the Territory.

(b) **Control of Ex-Territory Infringements**. CStone will have the first right to bring and control any legal action that it reasonably determines appropriate to enforce any CStone General Collaboration Patent Rights against any Ex-Territory Infringement outside of the Territory at its own expense, and CStone will consider [***] the interests of Blueprint in such enforcement of the CStone General Collaboration Patent Rights. If CStone or its designee fails to abate such Ex-Territory Infringement outside of the Territory or to file an action to abate such Ex-Territory Infringement outside of the Territory within [***] after a written request from Blueprint to do so, or if CStone discontinues the prosecution of any such action after filing without abating such infringement, then, in either case, Blueprint will have the right to enforce such CStone General Collaboration Patent Rights against such Ex-Territory Infringement outside of the Territory as it reasonably determines appropriate *provided that* (i) CStone does not provide reasonable rationale for not doing so or continuing to do so (including a substantive concern regarding counter-claims by the infringing Third Party), and (ii) Blueprint will not enter into any settlement admitting the invalidity of, or otherwise impairing, any CStone General Collaboration Patent Rights without the prior written consent of CStone.

14.4.3 **Cooperation**. At the request of the Party bringing an action related to a Product Infringement or Ex-Territory Infringement, the other Party will provide reasonable

assistance in connection therewith, including by executing reasonably appropriate documents, cooperating in discovery, and joining as a party to the action if required by Applicable Law to pursue such action.

14.4.4 **Recoveries**. Any recoveries resulting from an enforcement action relating to a claim of Product Infringement in the Territory or Ex-Territory Infringement outside of the Territory will be first applied against payment of each Party's costs and expenses in connection therewith. Any such recoveries in excess of such costs and expenses will be split as follows: (a) [***] will be paid to the Party initiating such suit, action or proceeding and (b) [***] will be paid to the non-initiating Party.

14.4.5 **Continuing Infringement**. With respect to any continuing Product Infringement of the Blueprint Patent Rights or the Joint Collaboration Patent Rights (other than Blueprint/CStone Combination Patent Rights) in a region in the Territory, if (a) Blueprint or its designee fails to abate such infringement or file an action to abate such infringement within [***] after receiving CStone's written request pursuant to Section 14.4.2(a) (First Right; Step-In), or if Blueprint discontinues the prosecution of any such action after filing without abating such infringement, and (b) CStone notifies Blueprint that it wishes to exercise its right to enforce the applicable Patent Rights against such Product Infringement pursuant to Section 14.4.2(a) (First Right; Step-In), and Blueprint provides notice to CStone that Blueprint has a reasonable rationale for denying such exercise in accordance with Section 14.4.2(a)(i) (Blueprint First Right) (which notice must be provided to CStone within [***] from the date of CStone's notice to Blueprint pursuant to Section 14.4.2(a) (First Right; Step-In)), then, from the date of such notice from Blueprint pursuant to Section 14.4.2(a)(i) (Blueprint First Right) until such time as such Product Infringement is abated such Patent Right will cease to be a Royalty Patent Right for purposes of this Agreement.

14.5 Infringement of Third Party Rights.

14.5.1 **Notice**. If any Collaboration Product used or sold by CStone or its Affiliates or Sublicensees becomes the subject of a Third Party's claim or assertion of infringement of a Patent Right or other rights in the Territory that are owned or controlled by such Third Party, then CStone will promptly notify Blueprint within [***] after receipt of such claim or assertion and will include in such notice a copy of any summons or complaint (or the equivalent thereof) received regarding the foregoing. Thereafter, the Parties will promptly meet to consider the claim or assertion and the appropriate course of action and may, if appropriate, agree on and enter into a "common interest agreement" wherein the Parties agree to their shared, mutual interest in the outcome of such potential dispute. The Parties will assert and not waive the joint defense privilege with respect to any communications between the Parties in connection with the defense of such claim or assertion.

14.5.2 **Defense**. CStone will be solely responsible for the defense of any such infringement claims brought against CStone, at CStone's cost and expense; *provided that* CStone will not agree to any settlement, consent to judgment, or other voluntary final disposition in connection with such defense action without Blueprint's prior written consent if such settlement, consent to judgment, or other voluntary final disposition would (a) result in the admission of any liability or fault on behalf of Blueprint, (b) result in or impose any payment obligations upon Blueprint, or (c) subject Blueprint to an injunction or otherwise limit Blueprint's ability to take any actions or refrain from taking any actions under this Agreement or with respect to any Blueprint Compound or Blueprint Product. CStone will

keep Blueprint informed on the status of such defense action, and Blueprint will have the right, but not the obligation, to participate and be separately represented in such defense action at its sole option and at its own expense.

14.6 Patents Licensed from Third Parties. Each Party's rights under this Article 14 (Intellectual Property) with respect to the Patent Prosecution and enforcement of any Blueprint Patent Right that is in-licensed by Blueprint from a Third Party will be subject to the rights of such Third party to prosecute, enforce, and defend such Patent Right.

14.7 Patent Listings. With respect to patent listings in any patent listing system established by any applicable Regulatory Authority in a region in the Territory during the Term that is similar to the FDA Orange Book, for issued patents for any Collaboration Product, the Parties will agree which patents to list in such patent listing (a) prior to the submission of the first and any subsequent MAA for such Collaboration Product in such region to such applicable Regulatory Authority, and (b) within [***] after the receipt of the first and any subsequent Regulatory Approval in such region for such Collaboration Product from such Regulatory Authority.

14.8 Patent Term Extensions. With respect to any system for extending the term of Patent Rights in the Territory established by any applicable Regulatory Authority in any region in the Territory during the Term that is similar to the patent term extension system in the U.S., CStone will be solely responsible for making all decisions regarding patent term extensions in the Territory, including supplementary protection certificates and any other extensions that are now or become available in the future, that are applicable to Blueprint Patent Rights or Joint Collaboration Patent Rights licensed hereunder and that become available directly as a result of the Regulatory Approval of a Collaboration Product in the Territory; *provided that* CStone will consult with Blueprint with respect to such decisions and implement the reasonable comments and concerns of Blueprint.

14.9 Product Trademarks.

14.9.1 **Global Brand Elements**. CStone acknowledges that Blueprint may decide to develop and adopt certain distinctive colors, logos, images, symbols, and trademarks to be used in connection with the Commercialization of each Collaboration Product on a global basis (such branding elements, collectively, the "**Global Brand Elements**"). Blueprint will and hereby does grant CStone the exclusive right to use such Global Brand Elements in connection with the Commercialization of each Collaboration Product in the Territory.

14.9.2 **Product Marks in the Territory**. CStone will have the right to brand the Collaboration Products in the Territory using trademarks, logos, and trade names that it determines appropriate for such Collaboration Products, which may vary by region or within a region, and that are consistent with Blueprint's Global Brand Elements (the "**Product Marks**"); *provided, however*, a Product Mark may deviate from Blueprint's Global Brand Elements if (a) the JSC determines such Product Mark is not appropriate for the Territory due to linguistic reasons or market research showing that such Product Mark is not appropriate, or (b) in CStone's reasonable discretion if a Governmental Authority rejects or refuses such Product Mark for use in the Territory. CStone will provide Blueprint with a reasonable opportunity to review and provide comments on each proposed Product Mark, and CStone will consider [***] and incorporate [***] Blueprint's comments before selecting any Product Mark. CStone will not use any trademarks of Blueprint (including Blueprint's corporate name) or any trademark confusingly similar thereto without Blueprint's prior written consent.

14.9.3 **Ownership**. Blueprint will be the sole and exclusive owner of all Product Marks and Global Brand Elements, including all trademark registrations and applications therefor and all goodwill associated therewith. To the extent CStone acquires any rights, title, or interests in or to any Product Mark or Global Brand Element (including any trademark registration or application therefore or goodwill associated with any Product Mark), CStone will, and hereby does, assign the same to Blueprint. Blueprint will and hereby does grant CStone the exclusive right to use such Product Marks in connection with the Commercialization of the applicable Collaboration Product in the Territory. CStone will register and maintain the Product Marks in the Territory that it determines reasonably necessary in Blueprint's name, at CStone's cost and expense.

14.9.4 **Use**. CStone agrees that it and its Affiliates and Sublicensees will Commercialize each of the Collaboration Products in the Territory in a manner consistent with the Global Brand Elements and will: (a) ensure that all Collaboration Products that are sold bearing the Product Marks and Global Brand Elements are of a high quality consistent with industry standards for global pharmaceutical and biologic therapeutic products; (b) ensure that each use of the Global Brand Elements and Product Marks by CStone and its Affiliates and Sublicensees is accompanied by an acknowledgement that such Global Brand Elements and Product Marks are owned by Blueprint; (c) not use such Global Brand Elements or Product Marks in a way that might materially prejudice their distinctiveness or validity or the goodwill of Blueprint therein and includes the trademark registration symbol ® or ™ as appropriate; (d) not use any trademarks or trade names so resembling any of such Global Brand Elements or Product Marks as to be likely to cause confusion or deception; and (e) place and display the Global Brand Elements and the Product Marks on and in connection with the Collaboration Products in a way that acknowledges Blueprint's role in discovering the Collaboration Products and that such Collaboration Product is under license from Blueprint. To the extent permitted by Applicable Law, CStone will include the words (a) "*Discovered by Blueprint Medicines Corporation*" on all packaging and labeling for any Collaboration Product that is not a Blueprint/CStone Combination and in relevant scientific, medical, and other Collaboration Product-related communications to the extent such communications address the Development or Commercialization of such a Collaboration Product (that is not a Blueprint/CStone Combination), and (b) "*Discovered in Collaboration by Blueprint Medicines Corporation and CStone Pharmaceuticals*" on all packaging and labeling for any Blueprint/CStone Combination (to the extent feasible, for example, if the CStone Product and the Blueprint Product are co-packaged) and in relevant scientific, medical, and other Blueprint/CStone Combination-related communications to the extent such communications address the Development or Commercialization of a Blueprint/CStone Combination, in each case ((a) and (b)), or such other similar text provided by Blueprint and reasonably acceptable to CStone.

14.10 Patent Marking. CStone will mark all Collaboration Products in accordance with the applicable patent marking laws, and will require all of its Affiliates and Sublicensees to do the same. To the extent permitted by Applicable Law, CStone will indicate on the product packaging, advertisement and promotional materials that such Collaboration Product is in-licensed from Blueprint.

Article 15
TERM AND TERMINATION

15.1 Term. This Agreement will be effective as of the Effective Date, and will continue, on a Collaboration Product-by-Collaboration Product and region-by-region basis, in effect until the expiration of the Royalty Term applicable to such Collaboration Product and such region (the

"**Term**"). On a Collaboration Product-by-Collaboration Product and region-by-region basis, upon the natural expiration of this Agreement as contemplated in this Section 15.1 (Term), (a) the license granted to CStone under Section 2.1.1 (In the Territory) will become fully paid-up, perpetual and irrevocable, (b) the license granted to CStone under Section 2.1.2(b) (Outside the Territory) will convert to a worldwide license and will survive as a fully paid-up, perpetual, and irrevocable license, in each case ((a) and (b)), so long as at such time CStone has paid to Blueprint all amounts due under this Agreement in accordance with the terms hereof and is not at such time in breach of any obligation under this Agreement; and (c) the license granted to Blueprint under Section 2.3.2 (Outside the Territory) will convert to a worldwide license and will survive as a fully paid-up, perpetual, and irrevocable license.

15.2 Termination.

15.2.1 **Termination by CStone for Convenience**. CStone may terminate this Agreement in its entirety or with respect to one or more Blueprint Products and all Collaboration Products that are Combination Regimens that include such Blueprint Product, in each case, by providing a written notice of termination to Blueprint after the first anniversary of the Effective Date that includes an effective date of termination [***]; *provided*, *however*, CStone may terminate this Agreement with respect to a particular Collaboration Product at any time after the Effective Date by providing a written notice of termination to Blueprint [***].

15.2.2 **Termination for Material Breach**.

(a) **Notice and Cure Period**. If either Party believes in good faith that the other is in material breach of its material obligations hereunder, then the non-breaching Party may deliver notice of such breach to the other Party stating the cause and proposed remedy ("**Breach Notification**"). For any breach arising from a failure to make a payment set forth in this Agreement, the allegedly breaching Party will have [***] from the receipt of the applicable Breach Notice to dispute or cure such breach. If the Party receiving notice of breach fails to cure, or fails to dispute, that breach within the applicable period set forth above, then the Party originally delivering the Breach Notification may terminate this Agreement effective on written notice of termination to the other Party. For all breaches other than a failure to make a payment as set forth in this Agreement, the allegedly breaching Party will have [***] from the date of the Breach Notification to dispute or cure such breach, *provided that* if such breach is not reasonably capable of cure within such [***] period, but is capable of cure within [***] from the date of such Breach Notification, then the breaching Party may submit, within [***] of such Breach Notification, a reasonable cure plan to remedy such breach as soon as possible and in any event prior to the end of such [***] period that is reasonably acceptable to the non-breaching Party, and, upon such submission, the [***] cure period will be automatically extended for so long as the breaching Party continues to use reasonable efforts to cure such breach in accordance with the cure plan, but for no more than [***]. [***]

(b) **Disputed Breaches**. If the allegedly breaching Party disputes in good faith the existence, materiality, or cure of the applicable material breach and provides written notice of such dispute to the other Party within the applicable period set forth above, then the matter will be addressed under the dispute resolution provisions in Article 16 (Dispute Resolution), and the termination will not become

effective unless and until it has been determined under Article 16 (Dispute Resolution) that the allegedly breaching Party is in material breach of any of its material obligations under this Agreement and has failed to cure the same. During the pendency of such a dispute, all of the terms of this Agreement will remain in effect and the Parties will continue to perform all of their respective obligations hereunder. The Parties stipulate and agree that a material breach of CStone's diligence obligations set forth under Section 5.1 (Development Diligence and Responsibilities) or Section 9.1 (Commercialization Diligence Obligations), or of CStone's payment obligations set forth under Article 10 (Payments), will be considered a material breach of a material obligation under this Agreement for purposes of this Section 15.2.2 (Termination for Material Breach).

15.2.3 **Termination for Patent Challenge**. Except to the extent unenforceable under the Applicable Law, Blueprint may terminate this Agreement by providing written notice of termination to CStone if CStone or its Affiliates or Sublicensees (individually or in association with any Person) contests or assists a Third Party in contesting the scope, validity, or enforceability of any Blueprint Patent Right or Joint Collaboration Patent Right anywhere in the world in any court, tribunal, arbitration proceeding, or other proceeding, including the U.S. Patent and Trademark Office and the U.S. International Trade Commission (a "**Patent Challenge**"). In the event of such a Patent Challenge, Blueprint will provide prompt written notice of such Patent Challenge to CStone, which notice must be provided [***] after the first filing of the petition to commence such proceeding, and Blueprint may terminate this Agreement by providing written notice of such termination to CStone within [***] after the conclusion of such Patent Challenge proceeding. If, based on the advice of counsel, Blueprint reasonably believes that termination of this Agreement pursuant to this Section 15.2.3 (Termination for Patent Challenge) is not an available remedy under Applicable Law, then [***]. Notwithstanding the foregoing, Blueprint will not have a right to terminate this Agreement [***] pursuant to this Section 15.2.3 (Termination for Patent Challenge) (a) with respect to any claim that Blueprint first asserts against CStone or any of its Affiliates or Sublicensees where the Patent Challenge is made by CStone or its Affiliates or Sublicensees in defense of such assertion by Blueprint, or (b) if such Patent Challenge was brought by a Sublicensee of CStone and CStone has terminated the sublicense agreement with such Sublicensee (or if CStone has provided such Sublicensee with written notice of such termination and is enforcing such termination) within [***] following Blueprint's notice of such Patent Challenge. To be effective, any notice of termination or notice of election to increase payments in lieu of termination pursuant to this Section 15.2.3 (Termination for Patent Challenge) must be provided to CStone in accordance with the time periods set forth under this Section 15.2.3 (Termination for Patent Challenge). As used herein, a Patent Challenge includes: (i) filing an action under 28 U.S.C. §§ 2201-2202 seeking a declaration of invalidity or unenforceability of any such Patent Right; (ii) filing, or joining in, a petition under 35 U.S.C. § 311 to institute inter partes review of any such Patent Right; (iii) filing, or joining in, a petition under 35 U.S.C. § 321 to institute post-grant review of any such Patent Right or any portion thereof; (iv) filing or commencing any opposition, nullity, or similar proceedings challenging the validity of any such Patent Right in any country or region; or (v) any foreign equivalent of clauses (i), (ii), (iii), or (iv).

15.2.4 **Cessation of Development and Commercialization**. If CStone and its Affiliates do not conduct any material Development or Commercialization activities with respect to one or more Collaboration Products [***]and such suspension of activity is not: (a) [***], (b)

[***] (c) [***], or (d) [***], then Blueprint may, at its election, terminate this Agreement with respect to the applicable Collaboration Product upon [***] prior written notice to CStone and such Collaboration Product (and the corresponding Blueprint Compound) will be a Terminated Product for purposes of this Agreement. Notwithstanding the foregoing, if Blueprint gives a notice of termination to CStone pursuant to this Section 15.2.4 (Cessation of Development or Commercialization), and CStone provides notice during such [***] period that it disputes the basis for termination pursuant to this Section 15.2.4 (Cessation of Development or Commercialization), then this Agreement will not terminate unless and until an arbitrator issues a final award pursuant to Section 16.3 (Arbitration) upholding such basis for termination.

15.2.5 **Termination for Insolvency**. Each Party will have the right to terminate this Agreement upon delivery of written notice to the other Party if (a) such other Party files in any court or agency pursuant to any statute or regulation of any jurisdiction a petition in bankruptcy or insolvency or for reorganization or similar arrangement for the benefit of creditors or for the appointment of a receiver or trustee of such other Party or its assets, (b) such other Party is served with an involuntary petition against it in any insolvency proceeding and such involuntary petition has not been stayed or dismissed within [***] of its filing, or (c) such other Party makes an assignment of substantially all of its assets for the benefit of its creditors.

15.2.6 **Full Force and Effect During Notice Period**. This Agreement will remain in full force and effect until the expiration of the applicable termination notice period. For clarity, if CStone or any of its Affiliates or Sublicensees achieve any Milestone Event during the termination notice period, then the corresponding Milestone Payment is accrued and CStone will remain responsible for the payment of such Milestone Payment even if the due date of such Milestone Payment occur after the effective date of the termination.

15.3 Effect of Termination. Upon the termination of this Agreement:

15.3.1 **Licenses**. As of the effective date of termination of this Agreement with respect to a Terminated Product, except for the license granted to CStone under Section 2.1.2(b) (and any sublicenses granted under such rights), all licenses and all other rights granted by Blueprint to CStone under the Blueprint Technology for such Terminated Product will terminate and all sublicenses granted by CStone pursuant to Section 2.2 (Sublicensing and Subcontractors) with respect to such Terminated Product will also terminate; *provided*, *however*, that at the request of any Sublicensee who is in good standing under and not in breach of its applicable sublicense agreement, Blueprint will enter into good faith negotiations with any such Sublicensee with respect to potentially entering into a direct license agreement with such Sublicensee. Each Party will retain its joint ownership interests in the Joint Collaboration Technology. In addition, upon the termination of this Agreement with respect to one or more Terminated Products that are Blueprint Products or Blueprint Combination Products Blueprint will have, and CStone hereby grants to Blueprint, effective upon such termination, a worldwide, exclusive, fully-paid, royalty-free, perpetual, irrevocable, and sublicenseable (through multiple tiers) license under the CStone General Collaboration Technology, CStone Product Collaboration Technology, CStone's interests in the Joint Collaboration Technology and any CStone Identified Rights Controlled by CStone as of the effective date of such termination, in each case, to Exploit such Terminated Products that are Blueprint Products or Blueprint Combination Products (as applicable). In addition, CStone will assign to Blueprint any Third Party IP Agreement pursuant to which CStone then Controls any CStone Identified Rights, if

permitted under such Third Party IP Agreement (and will use reasonable efforts to seek any consent required from the applicable Third Party in connection with such an assignment). If such Third Party IP Agreement cannot be assigned to Blueprint, then upon Blueprint's reasonable request, CStone will maintain such Third Party IP Agreement and Blueprint will pay to CStone [***] of all payments due to the applicable Third Party under any such Third Party IP Agreement in consideration of the sublicense to Blueprint and Blueprint's Exploitation of such CStone Identified Rights. If CStone is unable to sublicense any CStone Identified Rights to Blueprint pursuant to this Section 15.3.1 (Effect of Termination; Licenses) without the consent of the Third Party, then CStone undertakes, on request from Blueprint, to use reasonable efforts to procure such licenses with respect to the applicable Terminated Product that is a Blueprint Product or Blueprint Combination Product on behalf of Blueprint to the extent that it is able to do so, and Blueprint will pay such fees and agree to be bound by the terms agreed between CStone and the Third Party licensor.

15.3.2 **Appointment as Exclusive Distributor**. If CStone is Commercializing any Terminated Product in any region in the Territory as of the effective date of termination of this Agreement with respect to such Terminated Product, then, at Blueprint's election (in its sole discretion) on a region-by-region basis in the Territory, until such time as all Regulatory Approvals with respect to such Terminated Product in such region have been assigned and transferred to Blueprint, either (a) CStone will appoint Blueprint or its designee as its exclusive distributor of such Terminated Product in such region and grant Blueprint or its designee the right to appoint sub-distributors, to the extent not prohibited by any written agreement between CStone or any of its Affiliates and a Third Party; *provided that* Blueprint will purchase any and all salable inventory of the Terminated Product held by CStone or its Affiliates as of the effective date of termination with respect to such Terminated Product at a price equal to [***], or (b) CStone will have the continued right to sell the Terminated Product in such region from its inventory; *provided*, *however*, that CStone's obligations under this Agreement with respect to all such Terminated Product that CStone sells, including the obligation to remit Royalty Payments to Blueprint hereunder, will continue in full force and effect during such period.

15.3.3 **Regulatory Submissions and Regulatory Approvals**. To the extent requested by Blueprint following the date that a Party provides notice of termination of this Agreement with respect to a Terminated Product, CStone will and hereby does, and will cause its Affiliates and Sublicensees to, (a) [***], assign and transfer to Blueprint or its designee all of CStone's rights, title, and interests in and to all Regulatory Submissions and Regulatory Approvals for such Terminated Product then owned or Controlled by CStone or any of its Affiliates or Sublicensees, and (b) to the extent assignment pursuant to clause (a) is delayed or is not permitted by the applicable Regulatory Authority, permit Blueprint to cross-reference and rely upon any Regulatory Submissions and Regulatory Approvals filed by CStone with respect to such Terminated Product. CStone will take all steps necessary to transfer ownership of all such assigned Regulatory Submissions and Regulatory Approvals to Blueprint, including submitting to each applicable Regulatory Authority a letter or other necessary documentation (with a copy to Blueprint) notifying such Regulatory Authority of the transfer of such ownership of each Regulatory Submission and Regulatory Approval. In addition, upon Blueprint's written request, CStone will, at its cost and expense (unless this Agreement is terminated by CStone pursuant to Section 15.2.2 (Termination for Material Breach) or Section 15.2.5 (Termination for Insolvency), in which case Blueprint will bear all such costs and expenses), provide to Blueprint copies of all material related documentation, including

material non-clinical, preclinical, and clinical data that are held by or reasonably available to CStone or its Affiliates or Sublicensees. The Parties will discuss and establish appropriate arrangements with respect to safety data exchange, *provided that* Blueprint will assume all safety and safety database activities with respect to any Terminated Product no later than [***] after the effective date of termination of this Agreement with respect to such Terminated Product.

15.3.4 **Assignment and Disclosure**. To the extent requested by Blueprint following the date that a Party provides notice of termination of this Agreement with respect to a Terminated Product, CStone will promptly upon request (and in any event within [***]):

(a) assign and transfer to Blueprint or its designee all of CStone's rights, title, and interests in and to all clinical trial agreements, manufacturing and supply agreements, and distribution agreements (to the extent assignable and not cancelled), confidentiality and other agreements, data and other Know-How (including commercial information) in CStone's Control, in each case, relating to such Terminated Product and that are necessary or useful for the Exploitation of such Terminated Product;

(b) disclose to Blueprint or its designee all documents, records, and materials related to such Terminated Product that are controlled by CStone or that CStone is able to obtain using reasonable efforts, and that embody the foregoing; and

(c) assign and transfer to Blueprint or its designee all of CStone's rights, title, and interests in and to any promotional materials, training materials, medical education materials, packaging and labeling, and all other literature or other information related to such Terminated Product and copyrights and any registrations for the foregoing.

Unless this Agreement is terminated by CStone pursuant to Section 15.2.2 (Termination for Material Breach) or Section 15.2.5 (Termination for Insolvency), the costs and expenses associated with the assignments set forth in this Section 15.3.4 (Assignment and Disclosure) will be borne by CStone. To the extent that any agreement or other asset described in this Section 15.3.4 (Assignment and Disclosure) is not assignable by CStone, then such agreement or other asset will not be assigned, and upon the request of Blueprint, CStone will take such steps as may be necessary to allow Blueprint to obtain and to enjoy the benefits of such agreement or other asset, without additional payment therefor, in the form of a license or other right to the extent CStone has the right and ability to do so. For clarity, Blueprint will have the right to request that CStone take any or all of the foregoing actions in whole or in part, or with respect to all or any portion of the assets set forth in this Section 15.3.4 (Assignment and Disclosure).

15.3.5 **Regulatory Transfer Support**. In furtherance of the assignment of Regulatory Submissions and Regulatory Approvals and other data pursuant to Section 15.3.3 (Regulatory Submissions and Regulatory Approvals) and Section 15.3.4 (Assignment and Disclosure), CStone will appoint Blueprint as CStone's or its Affiliate's agent for all Terminated Product-related matters involving Regulatory Authorities until all Regulatory Approvals, Regulatory Submissions, and other governmental or regulatory filings that are not then in Blueprint's or its Affiliate's name have been assigned to Blueprint or its designee. In the event of failure to obtain such assignment, CStone hereby consents and grants to Blueprint the right to access and reference (without any further action required

on the part of CStone, whose authorization to file this consent with any Regulatory Authority is hereby granted) any such item with respect to the applicable Terminated Products.

15.3.6 **Know-How Transfer Support**. In furtherance of the assignment of Know-How pursuant to Section 15.3.4 (Assignment and Disclosure) and in addition to the requirements in Section 15.3.9 (Supply of a Terminated Product), CStone will for a period of [***] with respect to a Terminated Product, provide such consultation or other assistance as Blueprint may reasonably request to assist Blueprint in becoming familiar with such Know-How in order for Blueprint to undertake further Exploitation of such Terminated Product, [***].

15.3.7 **Inventory**. At Blueprint's election and request, CStone will transfer to Blueprint or its designee some or all inventory of each Terminated Product (including all final product, bulk drug substance, intermediates, works-in-process, formulation materials, reference standards, drug product clinical reserve samples, packaged retention samples, and the like) then in the possession or Control of CStone, its Affiliates or Sublicensees; *provided that* Blueprint will pay CStone a price equal to [***].

15.3.8 **Wind Down and Transition**. CStone will be responsible, at its own cost and expense (unless this Agreement is terminated by CStone pursuant to Section 15.2.2 (Termination for Material Breach) or Section 15.2.5 (Termination for Insolvency), in which case Blueprint will bear all such costs and expenses), for the wind-down of CStone's and its Affiliates' and its Sublicensees' Exploitation of each Terminated Product. CStone will, and will cause its Affiliates and Sublicensees to, reasonably cooperate with Blueprint to facilitate orderly transition of the Exploitation of each Terminated Product to Blueprint or its designee, including (a) assigning or amending as appropriate, upon request of Blueprint, any agreements or arrangements with Third Party vendors (including distributors) to Exploit each Terminated Product or, to the extent any such Third Party agreement or arrangement is not assignable to Blueprint, reasonably cooperating with Blueprint to arrange to continue to provide such services for a reasonable time after termination of this Agreement with respect to such Terminated Product; and (b) to the extent that CStone or its Affiliate is performing any activities described in the foregoing clause (a), reasonably cooperating with Blueprint to transfer such activities to Blueprint or its designee and continuing to perform such activities on Blueprint's behalf for a reasonable time after termination of this Agreement with respect to such Terminated Product until such transfer is completed.

15.3.9 **Supply of Terminated Product that is a Blueprint Product**. If, as of the effective date of termination of this Agreement, Blueprint has completed the Manufacturing Technology Transfer for a Terminated Product that is a Blueprint Product and CStone is Manufacturing such Terminated Product, then at Blueprint's written request, CStone will supply to Blueprint such quantities of such Terminated Product (in bulk drug substance, bulk drug product, or finished drug product form, as requested by Blueprint) as Blueprint indicates in written forecasts and orders therefor from time to time at price equal to [***] until the later of (a) [***] and (b) [***]. In addition, upon Blueprint's request, CStone will (i) provide a [***] technology transfer to Blueprint or its designee of information and materials that are necessary or reasonably useful for Blueprint or its designee to Manufacture such Terminated Product in each formulation of such Terminated Product, including providing reasonable assistance to Blueprint or its designee in connection therewith upon request, and (ii) assign to Blueprint any agreement that [***] relates to the Manufacture or supply of such Terminated Product in the Territory, to the extent that such

contract is assignable. If any such agreement is not assignable, then CStone will cooperate with Blueprint in all reasonable respects to secure the consent of the applicable Third Party to such assignment or to cause such Third Party to enter into a separate agreement with Blueprint on terms substantially similar to those granted to CStone. Blueprint will reimburse CStone for all undisputed out-of-pocket costs reasonably incurred by or on behalf of CStone in connection with such technology transfer, assignments, and cooperation within [***] after receiving CStone's invoice therefor. CStone will not be obligated to conduct any negotiation, provide any legal assistance, or make any payments, in connection with any assistance pursuant to this Section 15.3.9 (Supply of Terminated Product).

15.3.10 **Ongoing Clinical Trials**.

(a) **Transfer to Blueprint**. If, as of the effective date of termination of this Agreement with respect to a Terminated Product, CStone or its Affiliates are conducting any Clinical Trials for such Terminated Product, then, at Blueprint's election on a Clinical Trial-by-Clinical Trial basis, CStone will fully cooperate, and will ensure that its Affiliates fully cooperate, with Blueprint to transfer the conduct of such Clinical Trial to Blueprint or its designees. If Blueprint so elects, then CStone will continue to conduct such Clinical Trial, at Blueprint's cost, to enable such transfer to be completed without interruption of any such Clinical Trial (including the assignment of all related Regulatory Submissions and investigator and other agreements related to such Clinical Trials). Blueprint will assume any and all liability for the conduct of such transferred Clinical Trial for a Terminated Product after the effective date of such transfer (except to the extent arising prior to the transfer date or from any willful misconduct or negligent act or omission by CStone, its Affiliates or their respective employees, agents and contractors). CStone will provide such knowledge transfer and other training to Blueprint or its designated Affiliate or Third Party as reasonably necessary for Blueprint or such designated Affiliate or Third Party to continue such Clinical Trial for the applicable Terminated Product.

(b) **Wind-Down**. If Blueprint does not elect to assume control of any such Clinical Trials for a Terminated Product, then CStone will, in accordance with accepted pharmaceutical industry norms and ethical practices, wind-down the conduct of any such Clinical Trial in an orderly manner. CStone will be responsible for any costs and expenses associated with such wind-down.

15.3.11 **Return of Confidential Information**. At the Disclosing Party's election, the Receiving Party will return (at Disclosing Party's expense) or destroy all tangible materials comprising, bearing, or containing any Confidential Information of the Disclosing Party relating to any Terminated Product that are in the Receiving Party's or its Affiliates' or Sublicensees' possession or control and provide written certification of such destruction (except to the extent any information is the Confidential Information of both Parties or to the extent that the Receiving Party has the continuing right to use the Confidential Information under this Agreement); *provided that* the Receiving Party may retain one copy of such Confidential Information for its legal archives. Notwithstanding anything to the contrary set forth in this Agreement, the Receiving Party will not be required to destroy electronic files containing such Confidential Information that are made in the ordinary course of its business information back-up procedures pursuant to its electronic

record retention and destruction practices that apply to its own general electronic files and information.

15.3.12 **Further Assistance**. CStone will provide any other assistance or take any other actions, in each case, reasonably requested by Blueprint as necessary to transfer to Blueprint the Exploitation of any Terminated Product, and will execute all documents as may be reasonably requested by Blueprint in order to give effect to this Section 15.3 (Effect of Termination).

15.3.13 **Termination by CStone for Breach**. If CStone terminates this Agreement pursuant to Section 15.2.2 (Termination for Material Breach), then the licenses granted to Blueprint in Section 15.3.1 (Licenses) will, on a Terminated Product-by-Terminated Product basis[***].

15.4 **Termination Press Releases**. In the event of termination of this Agreement for any reason and subject to the terms of Section 11.9.1 (Press Release), the Parties will cooperate in good faith to coordinate public disclosure of such termination and the reasons therefor, and will not, except to the extent required by Applicable Law, disclose such information without the prior approval of the other Party. In any such disclosures, the Parties will observe the principles of accuracy, compliance with Applicable Law, and regulatory guidance documents, and reasonable sensitivity to potential negative investor reaction to such news.

15.5 **Survival**. Expiration or termination of this Agreement will not relieve the Parties of any obligation accruing prior to such expiration or termination. Without limiting the foregoing, the following provisions of this Agreement will survive the expiration or termination of this Agreement: Article 1 (Definitions), Section 2.1.2(b) (Outside of Territory), Section 2.3.2 (Outside of Territory), Section 5.12 (Development Records), Section 10.3.4 (Royalty Reports and Payments) (with respect to payments becoming due during the Term), Section 10.5 (Other Amounts Payable) (with respect to amounts becoming due during the Term), Section 10.11 (Financial Records and Audits) (with respect to payments becoming due during the Term), Section 11.1 (Duty of Confidence), Section 11.2 (Confidential Information), Section 11.3 (Exemptions), Section 11.4 (Authorized Disclosures), Section 11.6 (Tax Treatment), Section 11.7 (Publications), Section 11.10 (Attorney-Client Privilege), Section 12.7 (Time for Claims), Article 13 (Indemnification), Section 14.1.1 (Ownership), Section 14.1.3 (Assignment; Ownership of Joint Collaboration Technology), Section 14.3.3 (Joint Collaboration Technology), Section 14.3.4 (Cooperation), Section 14.9.3 (Ownership), Section 15.1 (Term), Section 15.3 (Effect of Termination), Section 15.5 (Survival), Section 15.6 (Termination Not Sole Remedy), Article 16 (Dispute Resolution), and Article 17 (Miscellaneous).

15.6 **Termination Not Sole Remedy**. Termination is not the sole remedy under this Agreement and, whether or not termination is effected and notwithstanding anything to the contrary set forth in this Agreement, all other remedies will remain available except as expressly set forth herein.

Article 16
DISPUTE RESOLUTION

16.1 **General**. The Parties recognize that a dispute may arise relating to this Agreement (a "**Dispute**"). Except as otherwise expressly set forth in this Agreement, any Dispute, including Disputes that may involve the Affiliates of any Party, will be resolved in accordance with this Article 16 (Dispute Resolution).

16.2 Negotiation; Escalation. The Parties will negotiate [***] to settle any Dispute under this Agreement, other than matters subject to resolution under Article 3 (Governance). Any Dispute as to the breach, enforcement, interpretation, or validity of this Agreement will be referred to the Executive Officers for attempted resolution. If the Executive Officers are unable to resolve such Dispute within [***] after such Dispute is referred to them, then, upon the written request of either Party to the other Party, other than a Dispute relating to the scope, validity, enforceability, or infringement of any Patent Rights or trademark rights (which will be submitted for resolution to a court of competent jurisdiction in the country or region in which such Patent Rights or trademark rights were granted or arose), the Dispute will be subject to arbitration in accordance with Section 16.3 (Arbitration).

16.3 Arbitration.

16.3.1 **Rules**. In the event of a Dispute that cannot be resolved between the Parties or the Executive Officers as set forth in Section 16.2 (Negotiation; Escalation), either Party will be free to institute binding arbitration with respect to such dispute in accordance with this Section 16.3 (Arbitration) upon written notice to the other Party (an "**Arbitration Notice**") and seek remedies as may be available. Any dispute unresolved under this Section 16.3 (Arbitration) will be settled by binding arbitration administered by the International Chamber of Commerce ("**ICC**") (or any successor entity thereto) and in accordance with the ICC Rules of Arbitration then in effect, as modified in this Section 16.3 (Arbitration) (the "**Rules**"), except to the extent such rules are inconsistent with this Section 16.3 (Arbitration), in which case this Section 16.3 (Arbitration) will control.

16.3.2 **Selection of Arbitrators**. Upon receipt of an Arbitration Notice by a Party, the applicable dispute will be resolved by final and binding arbitration before a panel of three arbitrators (the "**Arbitrators**"), with each arbitrator having [***] of experience in the biotechnology or pharmaceutical industry and subject matter expertise with respect to the matter subject to arbitration. Any Arbitrator chosen hereunder will have educational training and industry experience sufficient to demonstrate a reasonable level of scientific, financial, medical, and industry knowledge relevant to the particular dispute. Each Party will promptly select one Arbitrator, which selections will in no event be made later than [***] after receipt of the Arbitration Notice. The third Arbitrator will be chosen promptly by agreement of the Arbitrators chosen by each Party, but in no event later than [***] after the date on which the last of such Arbitrators was appointed.

16.3.3 **Decisions**. The Arbitrators' decision and award will be made within [***] of the filing of the arbitration demand and the Arbitrators will agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the Arbitrators. The Arbitrators will be authorized to award compensatory damages, but will not be authorized to reform, modify, or materially change this Agreement. The Arbitrators will, within [***] after the conclusion of the hearing, issue a written award and statement of decision describing the material facts and the grounds for the conclusions on which the award is based, including the calculation of any damages awarded. The proceedings and decisions of the arbitrator will be confidential, final, and binding on the Parties, and judgment upon the award of such arbitrator may be entered in any court having jurisdiction thereof.

16.3.4 **Responsibility for Costs**. Each Party will bear its own costs and expenses (including legal fees and expenses) relating to the arbitration proceeding, except that the fees of the Arbitrators and other related costs of the arbitration will be shared equally by the Parties,

unless the Arbitrators determine that a Party has incurred unreasonable expenses due to vexatious or bad faith positions taken by the other Party, in which event the Arbitrators may make an award of all or any portion of such expenses (including legal fees and expenses) so incurred.

16.3.5 **Limitations**. The Arbitrators will be required to render the decision in writing and to comply with, and the award will be limited by, any express provisions of this Agreement relating to damages or the limitation thereof. No Arbitrator will have the power to award punitive damages under this Agreement regardless of whether any such damages are contained in a proposal, and such award is expressly prohibited.

16.3.6 **Effectiveness of Agreement**. Unless the Parties otherwise agree in writing, during the period of time during which any arbitration proceeding is pending under this Agreement, (a) the Parties will continue to comply with all those terms and provisions of this Agreement that are not the subject of the pending arbitration proceeding; and (b) in the event that the subject of the Dispute relates to the exercise by a Party of a termination right hereunder, including in the case of a material breach of this Agreement, the effectiveness of such termination will be stayed until the conclusion of the proceedings under this Section 16.3 (Arbitration).

16.3.7 **Confidential Proceedings**. All arbitration proceedings and decisions of the Arbitrators under this Section 16.3 (Arbitration) will be Confidential Information of both Parties and subject to the terms of Article 11 (Confidentiality; Publication). The arbitration proceedings will take place in New York, New York, in the English language.

16.3.8 **Equitable Relief**. Nothing in this Section 16.3 (Arbitration) will preclude either Party from seeking equitable relief or interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction, or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the *status quo* pending the arbitration proceeding.

Article 17
MISCELLANEOUS

17.1 Assignment. This Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred, by either Party without the prior written consent of the other Party. Notwithstanding the foregoing, Blueprint may assign its rights to receive payments under this Agreement to one or more Persons without consent of CStone (including as part of a royalty factoring transaction), and either Party may, without consent of the other Party, assign this Agreement and its rights and obligations hereunder (a) in whole or in part to an Affiliate of such Party, or (b) in whole to its successor-in-interest in connection with the sale of all or substantially all of its assets to which this Agreement relates, whether in a merger, acquisition, or similar transaction or series of related transactions; *provided that* in the case of the foregoing clause (a) or (b), the assigning Party provides written notice of such assignment to the non-assigning Party within [***] after the effective date of such assignment. Any attempted assignment of this Agreement not in accordance with this Section 17.1 (Assignment) will be null, void, and of no legal effect. Any permitted assignee will assume all assigned obligations of its assignor under this Agreement. The terms of this Agreement will be binding upon, and will inure to the benefit of, the Parties and their respected successors and permitted assigns.

17.2 **Limitation of Liability**. NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, OR DAMAGES FOR LOSS OF PROFIT IN CONNECTION WITH THIS AGREEMENT, IN EACH CASE, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 17.2 (LIMITATION OF LIABILITY) IS INTENDED TO OR WILL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER SECTION 13.1 (BY CSTONE) OR SECTION 13.2 (BY BLUEPRINT), OR DAMAGES AVAILABLE TO A PARTY FOR THE OTHER PARTY'S BREACH OF ITS OBLIGATIONS HEREUNDER RELATING TO ARTICLE 10 (CONFIDENTIALITY; PUBLICATION), MISAPPROPRIATION OR INFRINGEMENT OF INTELLECTUAL PROPERTY OWNED OR CONTROLLED BY SUCH PARTY, OR THE OTHER PARTY'S BREACH OF ITS OBLIGATIONS UNDER SECTION 2.6 (EXCLUSIVITY) OR SECTION 12.4 (COVENANTS OF THE PARTIES).

17.3 **Severability**. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, then unless the absence of the invalidated provisions adversely affects the substantive rights of the Parties. The Parties will in such an instance use their best efforts to replace the invalid, illegal or unenforceable provisions with valid, legal, and enforceable provisions that, insofar as practical, implement the purposes of this Agreement.

17.4 **Notices**. All notices that are required or permitted hereunder will be in writing and sufficient if delivered by internationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, and in each case, addressed as follows (with a courtesy copy sent by email, which will not constitute notice):

If to Blueprint:

Blueprint Medicines Corporation
45 Sidney Street
Cambridge MA 02139 USA
Attention: Chief Executive Officer

with a copy to:
Blueprint Medicines Corporation
45 Sidney Street
Cambridge MA 02139 USA
Attention: Chief Legal Officer
Email: [***]

If to CStone:

CStone Pharmaceuticals (Shanghai) Co., Ltd.
1000 Zhangheng Road, Building 25
Pudong New District, Shanghai
China 201203
Attention: Chief Executive Officer

with a copy to:

CStone Pharmaceuticals (Shanghai) Co., Ltd.
1000 Zhangheng Road, Building 25
Pudong New District, Shanghai
China 201203
Attention: Head of Corporate Development
Email: [***]

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice will be deemed to have been given: (a) on the Business Day after dispatch if sent by internationally-recognized overnight courier; or (b) on the fifth Business Day after dispatch if sent by registered or certified mail, postage prepaid, return receipt requested.

17.5 **Governing Law**. This Agreement, and all claims or causes of action (whether in contract, tort or statute) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement or the breach thereof (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), will be governed by, and enforced in accordance with, the internal laws of the State of New York, including its statutes of limitations without giving effect to the conflicts of law provisions thereunder.

17.6 **Force Majeure**. Both Parties will be excused from the performance of their obligations under this Agreement to the extent that such performance is prevented by force majeure and the nonperforming Party promptly provides notice of the prevention to the other Party. Such excuse will continue only so long as the condition constituting force majeure continues and the nonperforming Party takes reasonable efforts to remove the condition. When the force majeure no longer exists, the affected Party must promptly resume performance. For purposes of this Agreement, force majeure will include conditions beyond the reasonable control of the non-performing Party, including an act of God, war, civil commotion, terrorist act, labor strike or lock-out, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe, failure of plant or machinery and act (or failure to act) of a government of any country or of any Governmental Authority (other than as a result of the non-performing Party's failure to comply with Applicable Law). Notwithstanding the foregoing, a Party will not be excused from making payments owed hereunder because of a force majeure affecting such Party.

17.7 **Entire Agreement; Amendments**. This Agreement, together with the Schedules hereto, contains the entire understanding of the Parties with respect to the collaboration and the licenses granted hereunder. Any other express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, in respect to the collaboration and the licenses granted hereunder are superseded by the terms of this Agreement, including [***]. The Schedules to this Agreement are incorporated herein by reference and will be deemed a part of this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representatives of each Party. The foregoing will not be interpreted as a waiver of any remedies available to either Party or its Affiliates as a result of any breach, prior to the Effective Date, by the other Party or its Affiliates of such Party's or its Affiliate's obligations pursuant to the Confidentiality Agreement.

17.8 Headings. The captions to the several Article**s**, Sections and subsections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Articles and Sections of this Agreement.

17.9 Independent Contractors. It is expressly agreed that Blueprint and CStone will be independent contractors and that the relationship between the two Parties will not constitute a partnership, joint venture or agency. Neither Blueprint nor CStone will have the authority to make any statements, representations, or commitments of any kind, or to take any action that is binding on the other Party without the prior written consent of the other Party.

17.10 Performance by Affiliates. Notwithstanding anything to the contrary set forth in this Agreement, ether Party will have the right to perform any or all of its obligations and exercise any or all of its rights under this Agreement through any Affiliate. Each Party hereby guarantees the performance by its Affiliates of such Party's obligations under this Agreement and will cause its Affiliates to comply with the provisions of this Agreement in connection with such performance.

17.11 Waiver. Any waiver of any provision of this Agreement will be effective only if in writing and signed by Blueprint and CStone. No express or implied waiver by a Party of any default under this Agreement will be a waiver of a future or subsequent default. The failure or delay of any Party in exercising any rights under this Agreement will not constitute a waiver of any such right, and any single or partial exercise of any particular right by any Party will not exhaust the same or constitute a waiver of any other right provided in this Agreement.

17.12 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting Party will not apply.

17.13 Cumulative Remedies. No remedy referred to in this Agreement is intended to be exclusive, but each will be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under Applicable Law.

17.14 Business Day Requirements. If any notice or other action or omission is required to be taken by a Party under this Agreement on a day that is not a Business Day, then such notice or other action or omission will be deemed to be required to be taken on the next occurring Business Day.

17.15 Further Actions. Each Party agrees to execute, acknowledge, and deliver such further instruments, and to do all such other acts, as necessary or appropriate in order to carry out the purposes and intent of this Agreement.

17.16 Non-Solicitation of Employees. [***], each Party agrees that neither it nor any of its Affiliates will recruit, solicit, or induce any employee of the other Party that such Party knew was directly and substantially involved in the Exploitation of Blueprint Compounds and Collaboration Products under this Agreement to terminate his or her employment with such other Party and become employed by or consult for such Party, whether or not such employee is a full-time employee of such other Party, and whether or not such employment is pursuant to a written agreement or is at-will. For purposes of the foregoing, "recruit," "solicit," or "induce" will not be deemed to mean (a) circumstances where an employee of a Party (i) initiates contact with the other Party or any of its Affiliates with regard to possible employment; or (ii) responds to general solicitations of employment not specifically targeted at employees of a Party or any of its Affiliates, including

responses to general advertisements or postings, and (b) discussions, interviews, negotiations, offers, or acceptances of employment or similar activities that arise as a result of circumstances described in the foregoing clause (a).

17.17 Construction. Except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa), (b) the words "include," "includes," and "including" will be deemed to be followed by the phrase "without limitation," (c) the word "will" will be construed to have the same meaning and effect as the word "shall," (d) any definition of or reference to any agreement, instrument, or other document herein will be construed as referring to such agreement, instrument, or other document as from time to time amended, supplemented, or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any person will be construed to include the person's successors and assigns, (f) the words "herein," "hereof," and "hereunder" and words of similar import, will each be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Articles, Sections, Schedules, or Exhibits will be construed to refer to Articles, Sections, Schedules, or Exhibits of this Agreement, and references to this Agreement include all Schedules hereto, (h) the word "notice" means notice in writing (whether or not specifically stated) and will include notices, consents, approvals and other written communications contemplated under this Agreement, (i) provisions that require that a Party, the Parties or any committee hereunder "agree," "consent," "approve," or the like will require that such agreement, consent, or approval be specific and in writing, whether by written agreement, letter, approved minutes, or otherwise (but excluding e-mail and instant messaging), (j) references to any specific law, rule or regulation, or section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof, and (k) the term "or" will be interpreted in the inclusive sense commonly associated with the term "and/or."

17.18 Language; Translations. This Agreement is in the English language only, which language will be controlling in all respects, and all versions hereof in any other language will be for accommodation only and will not be binding upon the Parties. All communications and notices to be made or given by one Party to the other pursuant to this Agreement, and any dispute proceeding related to or arising hereunder, will be in the English language. If there is a discrepancy between any translation of this Agreement and any non-English translation of this Agreement, this Agreement will prevail. Upon Blueprint's request, CStone will provide to Blueprint any documentation in English already in CStone's possession. For other data, information, documents or other materials, CStone will provide to Blueprint [***] in English upon Blueprint's reasonable request. In addition, at Blueprint's request, CStone will provide a full English translation of such data, information, or other materials [***]. CStone will be responsible [***] for the translation to Chinese of any documentation provided by Blueprint, including those provided prior to the Effective Date or with respect to which translation was commenced prior to the Effective Date. [***]

17.19 Counterparts. This Agreement may be executed in counterparts, all of which taken together will be regarded as one and the same instrument. Counterparts may be delivered via electronic mail, including Adobe™ Portable Document Format (PDF) or any electronic signature complying with the U.S. Federal ESIGN Act of 2000, and any counterpart so delivered will be deemed to be original signatures, will be valid and binding upon the Parties, and, upon delivery, will constitute due execution of this Agreement.

{Signature Page Follows}

IN WITNESS WHEREOF, the Parties intending to be bound have caused this License and Collaboration Agreement to be executed by their respective duly authorized representatives as of the Effective Date.

Blueprint Medicines Corporation

By: /s/ Jeffrey W. Albers

Name: Jeffrey W. Albers

Title: President and Chief Executive Officer

CStone Pharmaceuticals

By: /s/ Frank Jiang

Name: Frank Jiang

Title: Chief Executive Officer

Corporate Seal of CStone Pharmaceuticals

Schedule 1.52

Blueprint Patent Rights

Country		Title	Application No.	Publication No.
[***]	[***]		[***]	[***]
[***]	[***]		[***]	
[***]	[***]		[***]	[***]
[***]	[***]		[***]	[***]
[***]	[***]		[***]	[***]
[***]	[***]		[***]	
[***]	[***]		[***]	[***]
[***]	[***]		[***]	
[***]	[***]		[***]	[***]
[***]	[***]		[***]	

Schedule 11.9.1

Press Release

Blueprint Medicines and CStone Pharmaceuticals Announce Exclusive Collaboration and License Agreement to Develop and Commercialize Avapritinib, BLU-554 and BLU-667 in Greater China

-- Combines Blueprint Medicines' Lead Clinical Programs with CStone Pharmaceutical's Regional Expertise --
-- Expands BLU-554 Development Program in Hepatocellular Carcinoma with Plans to Bring Ongoing Monotherapy Trial to China and Initiate Proof-of-Concept Combination Trial with CS1001 in China --
-- Blueprint Medicines to Receive $40 Million Upfront Payment and is Eligible to Receive Up to $346 Million in Potential Development, Regulatory and Sales-Based Milestones --

CAMBRIDGE, Mass. and SUZHOU, China, June 4, 2018 – Blueprint Medicines Corporation (NASDAQ:BPMC), a leader in discovering and developing targeted kinase medicines for patients with genomically defined diseases, and CStone Pharmaceuticals, a privately-held biopharmaceutical company devoted to developing a new generation of innovative drugs, today announced an exclusive collaboration and license agreement for the development and commercialization of avapritinib, BLU-554 and BLU-667 in China, Hong Kong, Macau and Taiwan, either as monotherapies or combination therapies. Discovered and developed by Blueprint Medicines, avapritinib, BLU-554 and BLU-667 are potent and highly selective investigational kinase medicines that have each demonstrated clinical proof-of-concept in genomically defined subsets of patients with cancer. Blueprint Medicines will retain all rights to the licensed products in the rest of the world.

The collaboration strengthens CStone Pharmaceuticals' portfolio with exclusive rights in the territory to three clinical-stage targeted therapies and expands Blueprint Medicines' global efforts to address patient populations with high unmet needs. CStone Pharmaceuticals will lead clinical development of the licensed products in the territory by leveraging its regulatory expertise and broad local network, with the goal of commercializing the licensed products in the territory either as monotherapies or combination therapies. In addition, the companies plan to initiate a proof-of-concept clinical trial in China evaluating BLU-554 in combination with CS1001, a clinical-stage anti-programmed death ligand-1 (PD-L1) immunotherapy being developed by CStone Pharmaceuticals, as a first-line therapy for patients with hepatocellular carcinoma (HCC).

"Founded by seasoned executives with deep global and regional development experience and with a growing portfolio of potentially complementary cancer therapies, CStone Pharmaceuticals is an ideal partner in China," said Jeff Albers, Chief Executive Officer of Blueprint Medicines. "With recent regulatory reforms in China and the emergence of innovative companies like CStone Pharmaceuticals, we believe this forward-looking collaboration has the potential to expand our ability to address significant patient needs in Greater China while supporting global development of avapritinib, BLU-554 and BLU-667. In particular, we are excited to announce the expansion of the BLU-554 clinical development program in China, where more than half of all new cases of hepatocellular carcinoma worldwide occur each year."

"We are thrilled to enter into this collaboration with Blueprint Medicines, a leader in the discovery and development of highly selective kinase medicines, as the first step in a potentially long-term strategic partnership," said Frank Jiang, Chief Executive Officer of CStone Pharmaceuticals. "Based on the compelling clinical data reported to date, we believe Blueprint Medicines' targeted therapies – avapritinib, BLU-554 and BLU-667 – hold promise for dramatically altering the treatment landscape for patients in China with gastrointestinal stromal tumors, hepatocellular carcinoma, non-small cell lung cancer and other

cancers. In addition, our rich pipeline of investigational cancer medicines enables exploration of combination treatment approaches with the potential to further improve patient outcomes worldwide."

Subject to the terms of the agreement, Blueprint Medicines will receive an upfront cash payment of $40.0 million and will be eligible to receive up to approximately $346.0 million in potential milestone payments, including $118.5 million related to development and regulatory milestones and $227.5 million related to sales-based milestones. In addition, CStone Pharmaceuticals will be obligated to pay Blueprint Medicines tiered percentage royalties on a licensed product-by-licensed product basis ranging from the mid-teens to low twenties on annual net sales of each licensed product in the territory, subject to adjustment in specified circumstances.

Pursuant to the terms of the agreement, CStone Pharmaceuticals will be responsible for conducting all development and commercialization activities in the territory related to the licensed products. In addition, CStone Pharmaceuticals will be responsible for costs related to the development of the licensed products in the territory, other than specified costs related to the development of BLU-554 as a combination therapy in the territory that will be shared by the companies.

About Avapritinib

Avapritinib is an orally available, potent and highly selective inhibitor of KIT and PDGFRα. Preclinical data have shown that avapritinib is active across a broad spectrum of KIT and PDGFRα mutations, including KIT D816V, PDGFRα D842V and KIT exon 17 mutations, for which there are limited or no effective treatment options. Blueprint Medicines is initially developing avapritinib, an investigational medicine, for the treatment of patients with advanced gastrointestinal stromal tumors (GIST) and advanced systemic mastocytosis.

In June 2017, avapritinib received Breakthrough Therapy Designation from the U.S. Food and Drug Administration (FDA) for the treatment of patients with unresectable or metastatic GIST harboring the PDGFRα D842V mutation. Previously, the FDA granted orphan drug designation and fast track designation to avapritinib. In addition, the European Commission has granted orphan drug designation to avapritinib. In May 2018, Blueprint Medicines announced plans to submit a New Drug Application to the FDA for avapritinib for the treatment of PDGFRα D842V-driven GIST in the first half of 2019.

About BLU-554

BLU-554 is an orally available, potent, irreversible inhibitor of FGFR4. BLU-554 was specifically designed by Blueprint Medicines to inhibit FGFR4 with exquisite selectivity, thereby sparing the paralogs FGFR1, FGFR2 and FGFR3. Blueprint Medicines is developing BLU-554, an investigational medicine, for the treatment of patients with FGFR4-activated HCC. Blueprint Medicines estimates that approximately 30 percent of patients with HCC have tumors with aberrantly activated FGFR4 signaling. The FDA has granted orphan drug designation to BLU-554.

About BLU-667

BLU-667 is an orally available, potent and highly selective inhibitor designed to target RET fusions, mutations and predicted resistance mutations. Blueprint Medicines is developing BLU-667, an investigational medicine, for the treatment of patients with RET-altered non-small cell lung cancer (NSCLC), medullary thyroid cancer and other solid tumors. BLU-667 was discovered by Blueprint Medicine's research team leveraging its proprietary compound library. The FDA has granted orphan drug designation to BLU-667.

About CS1001

CS1001 is an investigational monoclonal antibody directed against PD-L1 being developed by CStone Pharmaceuticals. Authorized by the U.S.-based Ligand Corporation, CS1001 is a monoclonal antibody developed by the OMT transgenic animal platform, which can generate fully human antibodies in one step. As a fully human, full-length anti-PD-L1 monoclonal antibody, CS1001 mirrors natural G-type immune globulin 4 (IgG4) human antibody, which could reduce the risk of immunogenicity and potential toxicities in patients, a unique advantage over similar drugs.

A first-in-human Phase I study (CS1001-101) has been conducted by CStone Pharmaceuticals since October 2017 to evaluate the safety, tolerability, pharmacokinetics and anti-tumor activity of CS1001 in patients with advanced tumors in China. The Phase Ia (dose escalation) portion was completed in May 2018, and the Phase Ib (dose expansion) portion has recently started patient recruitment. In parallel, several pivotal studies are underway, including tumor types with high incidence and prevalence rates in China.

About Blueprint Medicines

Blueprint Medicines is developing a new generation of targeted and potent kinase medicines to improve the lives of patients with genomically defined diseases. Its approach is rooted in a deep understanding of the genetic blueprint of cancer and other disease driven by the abnormal activation of kinases. Blueprint Medicines is advancing multiple programs in clinical development for subsets of patients with gastrointestinal stromal tumors, hepatocellular carcinoma, systemic mastocytosis, non-small cell lung cancer, medullary thyroid cancer and other advanced solid tumors, as well as multiple programs in research and preclinical development. For more information, please visit www.blueprintmedicines.com.

About CStone Pharmaceuticals

[***]CStone Pharmaceuticals is a clinical stage biopharmaceutical company devoted to the development of innovative drugs. With a broad pipeline, the company engages in the development of cancer therapeutics with a special focus on immuno-oncology based combination therapies. All members of the management team are seasoned executives from top multinational pharmaceutical companies. CStone has successfully built up its core competency in clinical development and translational medicine. The company is backed by prestigious VC/PE funds via two financing rounds to date, raising $150 million in a Series A round in July 2016, followed by $260 million in a Series B round in May 2018. With an experienced team, a rich pipeline, a robust R&D model, and substantial funding, CStone is well positioned as the partner of choice for multinational pharmaceutical / biotech companies to develop drugs in China and the Asia-Pacific region. For more information about CStone Pharmaceuticals, please visit: www.cstonepharma.com

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including, without limitation, statements regarding the collaboration and license agreement between Blueprint Medicines and CStone Pharmaceuticals, including anticipated milestone and other payments under the collaboration; expectations regarding Blueprint Medicines' ability to expand its programs for avapritinib, BLU-554 and BLU-667 globally and in the territory; the potential benefits of Blueprint Medicines' or CStone Pharmaceuticals' current and future drug candidates, whether as a monotherapy or combination therapy, in treating patients, including patients in the territory; expectations regarding the impact of current or future regulatory reforms in the territory; plans and expectations regarding combination treatment approaches with CStone Pharmaceuticals' current or future drug candidates; plans and timelines for expanding Blueprint Medicines' ongoing Phase 1 clinical trial for BLU-554 to the territory; plans and timelines for initiating a proof-of-concept clinical trial in China

evaluating BLU-554 in combination with CS1001 as a first-line therapy for patients with HCC; expectations regarding Blueprint Medicines' global efforts to address patient populations with high unmet needs; and Blueprint Medicines' strategy, business plans and focus. The words "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "project," "potential," "continue," "target" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any forward-looking statements in this press release are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and important factors that may cause actual events or results to differ materially from those expressed or implied by any forward-looking statements contained in this press release, including, without limitation, risks and uncertainties related to the delay of any current or planned clinical trials or the development of Blueprint Medicines' drug candidates, including avapritinib, BLU-554, BLU-667 and BLU-782; Blueprint Medicines' advancement of multiple early-stage efforts; Blueprint Medicines' ability to successfully demonstrate the safety and efficacy of its drug candidates; the preclinical and clinical results for Blueprint Medicines' drug candidates, which may not support further development of such drug candidates; actions of regulatory agencies, which may affect the initiation, timing and progress of clinical trials; Blueprint Medicines' ability to develop and commercialize companion diagnostic tests for its current and future drug candidates, including companion diagnostic tests for BLU-554 for FGFR4-driven HCC, avapritinib for PDGFRα D842V-driven GIST and BLU-667 for RET-driven NSCLC; the success of Blueprint Medicines' current and future collaborations, including its cancer immunotherapy collaboration with F. Hoffmann-La Roche Ltd and Hoffmann-La Roche Inc. and its collaboration with CStone Pharmaceuticals. These and other risks and uncertainties are described in greater detail in the section entitled "Risk Factors" in Blueprint Medicines' Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, as filed with the Securities and Exchange Commission (SEC) on May 2, 2018, and any other filings that Blueprint Medicines has made or may make with the SEC in the future. Any forward-looking statements contained in this press release represent Blueprint Medicines' views only as of the date hereof and should not be relied upon as representing its views as of any subsequent date. Except as required by law, Blueprint Medicines explicitly disclaims any obligation to update any forward-looking statements.

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Schedule 12.3.2

CStone In-Licenses

[***]

NON-QUALIFIED STOCK OPTION AGREEMENT
FOR COMPANY EMPLOYEES
UNDER BLUEPRINT MEDICINES CORPORATION
2015 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee:	%%FIRST_NAME%-% %%LAST_NAME%-%
No. of Option Shares:	%%TOTAL_SHARES_GRANTED%-%
Option Exercise Price per Share:	%%OPTION_PRICE%-%
Vesting Start Date:	%%VEST_BASE_DATE%-%
Grant Date:	%%OPTION_DATE%-%
Expiration Date:	%%EXPIRE_DATE_PERIOD1%-%

Pursuant to the Blueprint Medicines Corporation 2015 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Blueprint Medicines Corporation (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.001 per share (the "Stock") of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable as follows:

For so long as Optionee remains an employee of the Company or a Subsidiary on the relevant date, [ ] ([ ]%) of the Option Shares shall vest on the one-year anniversary of the Vesting Start Date, and the remaining [ ] ([ ]%) of the Option Shares shall vest in [ ] ([ ]) equal monthly installments following the one-year anniversary of the Vesting Start Date; provided that one hundred percent (100%) of the Option Shares shall become fully vested immediately upon the Optionee's death or disability, subject to the Optionee's continued employment with the Company or a Subsidiary until the date of such death or disability.

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been

entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such disability, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) the Optionee's dishonest statements or acts with respect to the Company or any affiliate of the Company, or any of the Company's current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the Optionee's commission of (A) a felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the Optionee's failure to perform his assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the grantee by the Company; (iv) the Optionee's gross negligence, willful misconduct or insubordination with respect to the Company or any affiliate of the Company; or (v) the Optionee's material violation of any provision of any agreement(s) between the Optionee and the Company relating to noncompetition, nondisclosure and/or assignment of inventions.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise

determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the minimum required tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum withholding amount due.

7. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process,

register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

BLUEPRINT MEDICINES CORPORATION

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated:_____

_____
Optionee's Signature

Optionee's name and address:
%%FIRST_NAME%-% %%LAST_NAME%-%
%%ADDRESS_LINE_1%-%
%%ADDRESS_LINE_2%-%
%%CITY%-%, %%STATE%-%
%%COUNTRY%-%
%%ZIPCODE%-%

NON-QUALIFIED STOCK OPTION AGREEMENT FOR CONSULTANTS UNDER BLUEPRINT MEDICINES CORPORATION 2015 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: %%FIRST_NAME%-% %%LAST_NAME%-%

No. of Option Shares: %%TOTAL_SHARES_GRANTED%-%

Option Exercise Price per Share: %%OPTION_PRICE%-%

Vesting Start Date: %%VEST_BASE_DATE%-%

Grant Date: %%OPTION_DATE%-%

Expiration Date: %%EXPIRE_DATE_PERIOD1%-%

Pursuant to the Blueprint Medicines Corporation 2015 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Blueprint Medicines Corporation (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.001 per share (the "Stock") of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable as follows:

For so long as Optionee remains a service provider of the Company or a Subsidiary on the relevant date, twenty-five percent (25%) of the Option Shares shall vest on the one-year anniversary of the Vesting Start Date, and the remaining seventy-five percent (75%) of the Option Shares shall vest in thirty-six (36) equal monthly installments following the one-year anniversary of the Vesting Start Date.

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been

entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee ceases to be a service provider to the Company or a Subsidiary (as defined in the Plan), the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee ceases to be a service provider to the Company or a Subsidiary by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee ceases to be a service provider to the Company or a Subsidiary by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such disability, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee ceases to be a service provider to the Company or a Subsidiary due to a termination by the Company or a Subsidiary for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment, consulting or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) the Optionee's dishonest statements or acts with respect to the Company or any affiliate of the Company, or any of the Company's current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the Optionee's commission of (A) a felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the Optionee's failure to perform his assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the grantee by the Company; (iv) the Optionee's gross negligence, willful misconduct or insubordination with respect to the Company or any affiliate of the Company; or (v) the Optionee's material violation of any provision of any agreement(s) between the Optionee and the Company relating to noncompetition, nondisclosure and/or assignment of inventions.

(d) Other Termination. If the Optionee ceases to be a service provider to the Company or a Subsidiary due to a termination for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's service relationship with the Company or a Subsidiary shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue Service. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in a service relationship with the Company or any Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the service relationship of the Optionee with the Company or any Subsidiary at any time.

7. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

8. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the

Relevant Information. Relevant Information will only be used in accordance with applicable law.

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

BLUEPRINT MEDICINES CORPORATION

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

_____
Optionee's Signature

Optionee's name and address:
%%FIRST_NAME%-% %%LAST_NAME%-%
%%ADDRESS_LINE_1%-%
%%ADDRESS_LINE_2%-%
%%CITY%-%, %%STATE%-%
%%COUNTRY%-%
%%ZIPCODE%-%

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR COMPANY EMPLOYEES
UNDER BLUEPRINT MEDICINES CORPORATION
2015 STOCK OPTION AND INCENTIVE PLAN

Name of Grantee: %%FIRST_NAME%-% %%LAST_NAME%-%

No. of Restricted Stock Units: %%TOTAL_SHARES_GRANTED%-%

Grant Date: %%GRANT_DATE%-%

Pursuant to the Blueprint Medicines Corporation 2015 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Blueprint Medicines Corporation (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.001 per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates; provided that the vesting of the Award shall accelerate and the Award shall become fully vested immediately upon the Grantee's death or disability, subject to the Grantee's continued employment with the Company or a Subsidiary until the date of such death or disability, as applicable. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

Incremental Number of Restricted Stock Units Vested	**Vesting Date**
(%)	
(%)	
(%)	
(%)	
(%)	

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Employment. If the Grantee's employment with the Company and its Subsidiaries terminates for any reason prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Accordingly, in the event the Company is required to withhold taxes from the Grantee for taxable compensation relating to the issuance of shares of Stock in connection with this Award, the Company shall cause its transfer agent and any manager of the Company's stock plan benefits to sell from the number of shares of Stock to be issued to the Grantee, the minimum number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Grantee on account of such transfer along with any applicable third-party commission. The Company shall use the proceeds from such sale to satisfy the Grantee's tax withholding obligation hereunder. **During any period of time during which the Grantee is a director or an executive officer of the Company and/or becomes subject to the reporting requirements of Section 16 of the Exchange Act, this provision shall no longer be effective and the Grantee will be required to satisfy his or her tax withholding obligations with respect to the Restricted Stock Units in another manner permitted by the Plan, but not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes.**

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the

Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

BLUEPRINT MEDICINES CORPORATION

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____
Grantee's Signature

Grantee's name and address:
%%FIRST_NAME%-% %%LAST_NAME%-%
%%ADDRESS_LINE_1%-%
%%ADDRESS_LINE_2%-%
%%CITY%-%, %%STATE%-%
%%COUNTRY%-%
%%ZIPCODE%-%

Exhibit 10.5

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER BLUEPRINT MEDICINES CORPORATION
2015 STOCK OPTION AND INCENTIVE PLAN

Name of Grantee: %%FIRST_NAME%-% %%LAST_NAME%-%

No. of Restricted Stock Units: %%TOTAL_SHARES_GRANTED%-%

Grant Date: %%GRANT_DATE%-%

Pursuant to the Blueprint Medicines Corporation 2015 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Blueprint Medicines Corporation (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.001 per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains in service as a member of the Board on such Dates; provided that the vesting of the Award shall accelerate and the Award shall become fully vested immediately upon the Grantee's death or disability or upon the consummation of a Sale Event, subject to the Grantee's continued service as a member of the Board until the date of such death, disability or Sale Event, as applicable. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

Incremental Number of Restricted Stock Units Vested	**Vesting Date**
(%)	
(%)	
(%)	
(%)	
(%)	

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Service. If the Grantee's service with the Company and its Subsidiaries terminates for any reason prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

7. No Obligation to Continue as a Director. Neither the Plan nor this Award confers upon the Grantee any rights with respect to continuance as a Director.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

BLUEPRINT MEDICINES CORPORATION

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated:_____

_____
Grantee's Signature

Grantee's name and address:
%%FIRST_NAME%-% %%LAST_NAME%-%
%%ADDRESS_LINE_1%-%
%%ADDRESS_LINE_2%-%
%%CITY%-%, %%STATE%-%
%%COUNTRY%-%
%%ZIPCODE%-%

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR CONSULTANTS
UNDER BLUEPRINT MEDICINES CORPORATION
2015 STOCK OPTION AND INCENTIVE PLAN

Name of Grantee: %%FIRST_NAME%-% %%LAST_NAME%-%

No. of Restricted Stock Units: %%TOTAL_SHARES_GRANTED%-%

Grant Date: %%GRANT_DATE%-%

Pursuant to the Blueprint Medicines Corporation 2015 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Blueprint Medicines Corporation (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.001 per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains a service provider of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

Incremental Number of Restricted Stock Units Vested	**Vesting Date**
(%)	
(%)	
(%)	
(%)	
(%)	

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Service Relationship. If the Grantee's service relationship with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal

representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

7. No Obligation to Continue Service. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in a service relationship with the Company or any Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the service relationship of the Grantee with the Company or any Subsidiary at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file

with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

BLUEPRINT MEDICINES CORPORATION

By: _____
Name:
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____
Grantee's Signature

Grantee's name and address:
%%FIRST_NAME%-% %%LAST_NAME%-%
%%ADDRESS_LINE_1%-%
%%ADDRESS_LINE_2%-%
%%CITY%-%, %%STATE%-%
%%COUNTRY%-%
%%ZIPCODE%-%

Exhibit 31.1

CERTIFICATIONS

I, Jeffrey W. Albers, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Blueprint Medicines Corporation;

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: August 1, 2018

By: /s/ Jeffrey W. Albers
Jeffrey W. Albers
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Michael Landsittel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Blueprint Medicines Corporation;

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: August 1, 2018

By: /s/ Michael Landsittel
Michael Landsittel
Vice President of Finance
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Blueprint Medicines Corporation (the "Company") for the period ended June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, that to 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.

Date: August 1, 2018

By: /s/ Jeffrey W. Albers
Jeffrey W. Albers
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 1, 2018

By: /s/ Michael Landsittel
Michael Landsittel
Vice President of Finance
(Principal Financial and Accounting Officer)