

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[INDEX TO FINANCIAL STATEMENTS](#)

As filed with the Securities and Exchange Commission on December 1, 2006

Registration No. 333-138894

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

---

**AMENDMENT NO. 1  
TO**

**FORM S-1**  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

---

**SYNTA PHARMACEUTICALS CORP.**

*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**2834**  
*(Primary Standard Industrial  
Classification Code Number)*

**04-3508648**  
*(IRS Employer  
Identification No.)*

**45 Hartwell Avenue  
Lexington, Massachusetts 02421  
(781) 274-8200**

*(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)*

**Safi R. Bahcall, Ph.D.  
Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, Massachusetts 02421  
(781) 274-8200**

*(Name, address, including zip code, and telephone number,  
including area code, of agent for service)*

---

**With copies to:**

**Jonathan L. Kravetz, Esq.  
Brian P. Keane, Esq.  
Mintz, Levin, Cohn, Ferris,  
Glovsky and Popeo, P.C.  
One Financial Center  
Boston, Massachusetts 02111  
(617) 542-6000**

**Wendy E. Rieder, Esq.  
Vice President, IP and  
Legal Affairs, General Counsel  
Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, Massachusetts 02421  
(781) 274-8200**

---

**Patrick O'Brien, Esq.  
Ropes & Gray LLP  
One International Place  
Boston, Massachusetts 02110  
(617) 951-7000**

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

---

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

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

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

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

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (2)
Common Stock, \$0.0001 par value per share	\$115,000,000	\$12,305 (3)

- (1)    Estimated solely for the purpose of calculating the amount of registration fee pursuant to Rule 457(o) under the Securities Act.
- (2)    Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.
- (3)    Previously paid.

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

### **EXPLANATORY NOTE**

This Amendment No. 1 to the Registration Statement on Form S-1 for Synta Pharmaceuticals Corp. is being filed solely to correct an administrative error by the Registrant's financial printer, which caused pages F-21 through F-48 to be omitted from the EDGAR filing on November 22, 2006.

---

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.

**SUBJECT TO COMPLETION  
PRELIMINARY PROSPECTUS DATED DECEMBER 1, 2006**

**Prospectus**

**shares**



**Common Stock**

---

This is the initial public offering of Synta Pharmaceuticals Corp. No public market currently exists for our common stock. We are offering shares of common stock.

We currently anticipate the initial public offering price of our common stock will be between \$ and \$ per share. We have applied to have our common stock approved for listing on the Nasdaq Global Market under the symbol "SNTA."

**Investing in our common stock involves risks. See "Risk Factors" beginning on page 10.**

	Per Share	Total
Public Offering Price	\$	\$
Underwriting Discount	\$	\$
Proceeds, Before Expenses, to Synta	\$	\$

We have granted the underwriters a 30-day option to purchase up to additional shares to cover any over-allotments.

Delivery of the shares is expected to be made on or about , 2007.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

---

*Joint Book-Running Managers*

**Bear, Stearns &  
Co. Inc.**

---

**Lehman Brothers**

**Lazard Capital  
Markets**

**Montgomery & Co.,  
LLC**

The date of this prospectus is , 2007

---

## TABLE OF CONTENTS

	Page
<a href="#">Prospectus Summary</a>	1
<a href="#">Risk Factors</a>	10
<a href="#">Forward Looking Statements</a>	33
<a href="#">Use of Proceeds</a>	34
<a href="#">Dividend Policy</a>	35
<a href="#">Capitalization</a>	36
<a href="#">Dilution</a>	38
<a href="#">Selected Historical Financial and Operating Data</a>	40
<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	42
<a href="#">Business</a>	58
<a href="#">Management</a>	92
<a href="#">Certain Relationships and Related Party Transactions</a>	112
<a href="#">Principal Stockholders</a>	119
<a href="#">Description of Capital Stock</a>	123
<a href="#">Shares Eligible for Future Sale</a>	126
<a href="#">Underwriting</a>	129
<a href="#">Legal Matters</a>	132
<a href="#">Experts</a>	132
<a href="#">Where You Can Find More Information</a>	132
<a href="#">Index to Financial Statements</a>	F-1

---

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Through and including \_\_\_\_\_, 2007 (25 days after the date of this prospectus), all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

---

## PROSPECTUS SUMMARY

*This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before buying shares of our common stock. You should read the entire prospectus carefully, especially the risks of investing in shares of our common stock that we describe under "Risk Factors," and our consolidated financial statements and the related notes included at the end of this prospectus, before deciding to invest in shares of our common stock. Unless the context requires otherwise, references to "Synta," "we," "our," "us," and "the company" in this prospectus refer to Synta Pharmaceuticals Corp. and our subsidiaries.*

### Synta Pharmaceuticals Corp.

We are a biopharmaceutical company focused on discovering, developing and commercializing small molecule drugs that address severe medical conditions with large potential markets, including cancer and chronic inflammatory diseases. We have a diverse pipeline of clinical- and preclinical-stage small molecule drug candidates with distinct mechanisms of action and novel chemical structures. We discovered and developed each of our drug candidates internally, using our unique chemical compound library and the chemistry, biology, and pharmaceutical development assets and capabilities built over the combined history of Synta and its predecessor companies. At present, we retain all rights to all of our drug candidates and programs across all geographic markets and therapeutic indications.

We have two drug candidates in clinical trials, two drug candidates in preclinical studies, and one program in lead optimization.

### Our Oncology Programs

#### STA-4783

Our most advanced clinical-stage drug candidate, STA-4783, is a novel, injectable, small molecule compound that induces a stress response in cancer cells and has demonstrated synergistic anti-tumor activity with taxanes, the leading category of chemotherapy, in a broad range of preclinical models.

In September 2006, we announced positive results for STA-4783 in combination with paclitaxel, the most widely used taxane, in a double-blind, randomized, controlled, multicenter Phase 2b clinical trial in patients with metastatic melanoma. We believe this is the first blinded clinical trial of a drug candidate for the treatment of metastatic melanoma in 30 years to meet its primary endpoint with statistical significance. The primary endpoint in our clinical trial was progression-free survival, which measures for each patient the time from assignment to a treatment group in the trial until the earlier of tumor progression or death. The U.S. Food and Drug Administration, or FDA, has previously indicated that this endpoint is acceptable for registration in metastatic melanoma and other cancer types.

In November 2006, we received Fast Track designation from the FDA for the development of STA-4783 for the treatment of metastatic melanoma. We expect to initiate a pivotal Phase 3 clinical trial in metastatic melanoma and Phase 2 clinical trials in additional cancer types in 2007.

Melanoma is the deadliest type of skin cancer and is the sixth most commonly diagnosed cancer in the United States. The National Cancer Institute has estimated that the prevalence of melanoma in the United States, or the number of patients alive who have been diagnosed with the disease, is more than 660,000. The American Cancer Society estimates that in 2006, the incidence, or number of newly diagnosed cases, in the United States will be approximately 62,000, with 8,000 deaths from the disease. According to GLOBOCAN, the worldwide incidence of melanoma in 2002 was 160,177, with 40,781 deaths from the disease.

Current treatment options for metastatic melanoma are limited and the prognosis is extremely poor. Single-agent chemotherapy has typically shown, in controlled clinical trials, progression-free survival of less than two months. Randomized trials comparing combination chemotherapy against single-agent chemotherapy have shown significant toxicity with no significant improvement in survival. There are only two agents approved by the FDA for the treatment of metastatic melanoma: dacarbazine, also known as DTIC, which has been shown to have limited clinical benefit; and interleukin-2, or IL-2, which is accompanied by severe toxicities. Therefore, we believe there is an urgent need in metastatic melanoma for additional therapies demonstrating meaningful clinical benefit and a favorable safety profile.

Our Phase 2b clinical trial of STA-4783 enrolled a total of 81 metastatic melanoma patients at 21 centers in the United States. This clinical trial was conducted in a double-blind, randomized, controlled fashion and compared the effects of STA-4783 in combination with paclitaxel versus paclitaxel alone. The results of this trial showed that patients who received STA-4783 experienced a statistically significant improvement in progression-free survival compared to those who did not receive STA-4783.

In the intent-to-treat analysis, which includes all 81 patients, patients treated with STA-4783 plus paclitaxel experienced a statistically significant increase in progression-free survival with a p-value of 0.035. The p-value measures the probability that the difference is due to chance alone. A p-value of less than 0.05 is considered statistically significant and unlikely to be due to chance. In the intent-to-treat analysis, median progression-free survival increased from 1.84 months for patients treated with paclitaxel alone to 3.68 months for patients treated with STA-4783 plus paclitaxel. The percentage of patients who survived and were free of tumor progression at six months more than doubled from 15% for patients treated with paclitaxel alone to 35% for patients treated with STA-4783 plus paclitaxel. The hazard ratio in this analysis was 0.50, which indicates that patients treated with STA-4783 had a 50% reduction in the risk of disease progression compared to patients in the control group.

In the per-protocol analysis, which includes the 77 patients who could be evaluated for efficacy as specified in the trial protocol, patients treated with STA-4783 plus paclitaxel also experienced a statistically significant increase in progression-free survival, with a p-value of 0.017. The median progression-free survival in this analysis increased from 1.84 months for patients treated with paclitaxel alone to 4.40 months for patients treated with STA-4783 plus paclitaxel. The percentage of patients who survived and were free of tumor progression at six months more than doubled from 15% for patients treated with paclitaxel alone to 37% for patients treated with STA-4783 plus paclitaxel. The hazard ratio in the per-protocol analysis was 0.42, which indicates that patients treated with STA-4783 had a 58% reduction in the risk of disease progression compared to patients in the control group.

We have also performed an analysis to determine if factors other than treatment with STA-4783, known as confounding factors, could be responsible for the differences we observed between the two treatment groups in this clinical trial. In particular, we analyzed differences in patient characteristics and disease status that can influence disease progression. To date, we have identified no potentially confounding variables which alter the interpretation of the clinical trial results.

We have completed six clinical trials with STA-4783 in cancer patients, in which we have treated a total of approximately 300 patients at over 50 medical centers in the United States and Canada. STA-4783 has been well tolerated in these trials, with adverse events from the STA-4783 plus paclitaxel combination being generally similar to those of paclitaxel alone.

### **STA-9090**

STA-9090 is a novel, injectable, small molecule drug candidate that inhibits heat shock protein 90, or Hsp90, which we are developing for the treatment of cancer. Hsp90 is a chaperone protein that regulates the activity of numerous signaling proteins, in particular kinase proteins, that trigger uncontrolled proliferation in cancer cells. Examples of kinase proteins include c-Kit, Bcr-Abl, and

others that are the targets of approved direct kinase inhibitors such as Gleevec. We believe that inhibiting kinases indirectly, by disrupting the chaperone activities of Hsp90, provides two advantages: first, a means to simultaneously attack multiple cancer-promoting kinases; and, second, an ability to kill tumor cells with mutated kinases, which have lost responsiveness to a direct kinase inhibitor. We have shown in preclinical experiments that STA-9090 is significantly more potent against certain types of cancer cells than Gleevec, as well as the two Hsp90 inhibitors furthest along in development, 17-AAG and 17-DMAG. STA-9090 is further differentiated from these Hsp90 inhibitors in that it is a novel chemical structure that is not a derivative or analog of the natural product geldanamycin. We believe this creates a distinct activity profile for STA-9090 and is a competitive advantage. We have shown activity of STA-9090 in multiple preclinical animal models of human cancer types, including lung cancer, prostate carcinoma, breast cancer, gastric cancer, melanoma, lymphoma, multiple myeloma, acute myelogenous leukemia, and chronic myeloid leukemia. This program is currently in preclinical development.

#### **STA-9584**

STA-9584 is a novel, injectable, small molecule compound that disrupts the blood vessels that supply tumors with oxygen and essential nutrients. In preclinical testing, STA-9584 has been shown to act against established tumor vessels, a mechanism that is differentiated from the mechanism of anti-angiogenesis inhibitors such as Avastin, which prevents the formation of new tumor vessels. In preclinical experiments, STA-9584 has shown strong anti-tumor activity in a broad range of cancer models including prostate, lung, breast, melanoma, and lymphoma. This program is currently in preclinical development.

### **Our Inflammatory Disease Programs**

#### ***Apilimod (STA-5326)***

Apilimod is a novel, orally administered, small molecule drug candidate we are developing for the treatment of autoimmune and other chronic inflammatory diseases. Apilimod inhibits the production of the cytokines interleukin-12, or IL-12, and interleukin-23, or IL-23, and thereby down-regulates the inflammation pathways that underlie certain autoimmune and inflammatory diseases. We are currently conducting a Phase 2a clinical trial of apilimod in patients with rheumatoid arthritis and sponsoring a Phase 2a clinical trial in patients with common variable immunodeficiency, or CVID. We expect to report results from these trials in 2007.

#### ***CRAC Ion Channel Inhibitor***

We have developed novel small molecule inhibitors of calcium release-activated calcium, or CRAC, ion channels expressed on immune cells. The CRAC ion channel is the primary route for calcium entry into T cells and other immune cells, regulating multiple immune cell processes important for initiating and sustaining an inflammatory immune response. We have demonstrated in preclinical experiments that our CRAC ion channel inhibitors selectively inhibit the production by immune cells of critical pro-inflammatory cytokines such as  $\text{TNF}\alpha$  and IL-2, and are effective in multiple preclinical models of immune diseases, including models of arthritis. This program is in the lead optimization stage of preclinical development.

### **Drug Discovery Capabilities**

Our drug discovery approach is based on the close integration and rapid cycle times among our chemistry, biology, and pharmaceutical development groups. Drug candidates are typically identified using novel chemical structures from our chemical compound library in cell-based assays that are designed to preserve the complexity of biological signaling. Early *in vivo* testing and a rapid



optimization process allow us to generate a high number of promising leads from our screening hits, improve the profiles of our compounds, and, in some cases, discover novel pathways or mechanisms of action with the potential to define entirely new categories of treatment.

Our approach integrates the following capabilities and resources:

- unique chemical compound library;
- broad set of screening assays;
- robust *in vivo* testing capabilities;
- medicinal, analytical, computational, and process development chemistry capabilities; and
- methods for novel target elucidation and validation.

## **Our Business Strategy**

Our mission is to extend and enhance the lives of patients by discovering, developing, and commercializing novel pharmaceutical products for treating severe medical conditions. The key elements of our strategy are to:

- maximize the value and commercial potential of our lead drug candidate, STA-4783;
- advance the development of our four other pipeline programs;
- build a commercial infrastructure for specialty markets;
- partner selectively with pharmaceutical companies to enhance the overall value of our programs; and
- continue to use our drug discovery assets and capabilities to generate novel small molecule drug candidates for severe medical conditions.

## **Risks Associated with Our Business**

Our business is subject to numerous risks, as more fully described in the section entitled "Risk Factors" immediately following this prospectus summary. We have a limited operating history, have incurred substantial net losses, and had an accumulated deficit of \$224.1 million as of September 30, 2006. We expect to continue to incur substantial losses for the foreseeable future, and we expect these losses to increase substantially as we conduct larger scale trials for our drug candidates. All of our drug candidates are undergoing clinical trials or are in early stages of development, and failure is common and can occur at any stage of development. Although the recently completed Phase 2b clinical trial for our lead clinical drug candidate, STA-4783, in metastatic melanoma achieved positive results, we can provide no assurance to you that our planned, pivotal Phase 3 clinical trial in metastatic melanoma will also achieve positive results. In addition, while there have been a limited number of serious adverse events reported to date in connection with our clinical trials of STA-4783 and apilimod, we cannot assure you that the number of serious adverse events will not increase as we expand our clinical trial programs for these drug candidates. Our ability to generate product revenue in the future will depend heavily on the successful development and commercialization of our clinical drug candidates, STA-4783 and apilimod, and our preclinical drug candidates, STA-9090 and STA-9584. Even if we succeed in obtaining regulatory approval of one or more of our drug candidates, we have no experience in commercializing drug products. Accordingly, we may never generate sufficient revenue to achieve and then sustain profitability.

## **Company History and Information**

We commenced operations in July 2001. In September 2002, we acquired Principia Associates, Inc., which had previously acquired Shionogi BioResearch Corp., a U.S.-based drug discovery subsidiary of the Japanese pharmaceutical company, Shionogi & Co., Ltd. In this acquisition, we acquired a unique chemical compound library, an integrated set of drug discovery capabilities, and a pipeline of preclinical and research programs. Since 2002, we have been advancing these programs into later stages of development; discovering and developing additional drug candidates; and expanding our management and scientific teams and capabilities to support more advanced stages of drug development and commercialization.

Our principal executive offices are located at 45 Hartwell Avenue, Lexington, Massachusetts 02421, and our telephone number is (781) 274-8200. Our website address is [www.syntapharma.com](http://www.syntapharma.com). The information contained on our website is not incorporated by reference into, and does not form any part of, this prospectus. We have included our website address as a factual reference and do not intend it to be an active link to our website. Our trademarks include Synta Pharmaceuticals and our logo. Other service marks, trademarks and trade names appearing in this prospectus are the property of their respective owners.

## The Offering

Common stock offered by us	shares
Common stock to be outstanding after this offering	shares
Over-allotment option	shares
Use of proceeds	To fund clinical trials, preclinical testing and other research and development activities, general and administrative expenses, working capital needs, and other general corporate purposes. See "Use of Proceeds" on page 34 for a more detailed description of our intended use of the proceeds from this offering.
Proposed Nasdaq Global Market symbol	SNTA

## General Information About This Prospectus

Except as otherwise indicated, throughout this prospectus the number of shares of common stock to be outstanding after this offering is based on the number of shares outstanding as of November 17, 2006, and excludes:

- 12,356,130 shares of common stock issuable upon the exercise of stock options outstanding as of November 17, 2006, including 300,000 shares of common stock issuable upon the exercise of stock options granted outside of our stock plans, at a weighted average exercise price of \$2.97 per share; and
- 9,305,427 shares of common stock reserved for future awards under our 2006 Stock Plan.

In addition, throughout this prospectus the number of shares of common stock to be outstanding after this offering reflects the conversion of the 8,000,000 outstanding shares of our Series A convertible preferred stock and accumulated dividends into \_\_\_\_\_ shares of common stock upon completion of this offering. Each share of our Series A convertible preferred stock is convertible into a number of shares of our common stock determined by dividing (1) the Series A convertible preferred stock per share purchase price of \$5.00 plus an accumulated dividend of 8% per year by (2) a conversion price equal to the lesser of (a) \$5.00 or (b) 66.6667% of the initial public offering price per share. For purposes of calculating the number of shares of common stock into which the Series A convertible preferred stock will be convertible upon completion of the offering, we have assumed:

- the closing of this offering occurs on \_\_\_\_\_, 2007, which would result in accumulated dividends of \$ \_\_\_\_\_ per share of Series A convertible preferred stock and aggregate accumulated dividends of \$ \_\_\_\_\_ on all outstanding shares of Series A convertible preferred stock; and
- an initial public offering price of \$ \_\_\_\_\_ per share, the mid-point of the range set forth on the cover page of this prospectus.

If the actual initial public offering price is not equal to the assumed initial public offering price of \$ \_\_\_\_\_ per share, the number of shares of common stock into which the Series A convertible preferred stock will convert upon completion of this offering will differ from that set forth above. A \$1.00 decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share would increase the number of shares of common stock issuable upon the conversion of our Series A convertible preferred stock by an aggregate of \_\_\_\_\_ shares. A \$1.00 increase in the assumed initial public offering price of \$ \_\_\_\_\_ per share would decrease the number of shares of common stock issuable upon the conversion of our Series A convertible preferred stock by an

aggregate of \_\_\_\_\_ shares. If the initial public offering price is \$7.50 or above, the Series A convertible preferred stock will convert into \_\_\_\_\_ shares of common stock upon completion of this offering. Following the completion of this offering, this information will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

Unless otherwise indicated, all information contained in this prospectus also:

- assumes that the underwriters do not exercise their over-allotment option to purchase up to \_\_\_\_\_ shares of our common stock;
- reflects a -for- reverse split of our common stock to be effected prior to the completion of this offering; and
- assumes the adoption of our restated certificate of incorporation and restated bylaws upon the completion of this offering.

**Summary Financial Data**  
(in thousands, except per share data)

The following tables summarize our consolidated financial data for the periods presented. We prepared this information using our consolidated financial statements for each of the periods presented. You should read this information in conjunction with our audited and unaudited consolidated financial statements and related notes, "Selected Historical Financial and Operating Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Results for the nine months ended September 30, 2006 are not necessarily indicative of the results expected for the year ended December 31, 2006 or for any future period.

	Years ended December 31,			Nine months ended September 30,		Period from inception (March 10, 2000) through September 30, 2006
	2003	2004	2005	2005	2006	
<b>Consolidated Statement of Operations Data:</b>						
Revenues	\$ 1,304	\$ 173	\$ —	\$ —	\$ —	\$ 1,477
Operating expenses						
Research and development	24,337	38,136	59,901	45,859	39,975	169,918
In-process research and development	—	1,583	—	—	—	19,671
General and administrative	5,261	7,383	11,279	9,330	6,171	31,865
Other compensation expense	—	—	—	—	—	9,315
Total operating expenses	29,598	47,102	71,180	55,189	46,146	230,769
Loss from operations	(28,294)	(46,929)	(71,180)	(55,189)	(46,146)	(229,292)
Investment income, net	416	995	2,317	1,818	1,363	5,221
Net loss	(27,878)	(45,934)	(68,863)	(53,371)	(44,783)	(224,071)
Convertible preferred stock dividends	—	—	—	—	1,052	1,052
Net loss attributable to common stockholders	\$ (27,878)	\$ (45,934)	\$ (68,863)	\$ (53,371)	\$ (45,835)	\$ (225,123)
Basic and diluted net loss attributable to common stockholders per share	\$ (0.46)	\$ (0.61)	\$ (0.77)	\$ (0.60)	\$ (0.51)	
Weighted average shares used in computing basic and diluted net loss per common share	60,096	74,816	89,014	89,008	89,054	
Pro forma basic and diluted net loss per common share(1)						
Weighted average shares used in computing pro forma basic and diluted net loss per common share(1)						

- (1) The pro forma basic and diluted net loss per common share for the nine months ended September 30, 2006 gives effect to the conversion of all outstanding shares of our Series A convertible preferred stock and accumulated dividends into shares of common stock upon the completion of this offering. For purposes of calculating the number of shares of common stock into which the Series A convertible preferred stock and accumulated dividends will be convertible upon completion of the offering, we have assumed (1) the closing of this offering occurs on , 2007 and (2) an initial public offering price of \$ per share. If the actual closing date of this offering and/or the actual initial public offering price differ from these assumptions, the number of shares of common stock into which the outstanding shares of Series A convertible preferred stock will be converted upon completion of this offering will differ. See "Prospectus Summary —General Information About This Prospectus" beginning on page 6. Following the completion of this offering, this information will be adjusted based on the actual closing date and initial public offering price and other terms of this offering determined at pricing.

The following table contains a summary of our unaudited balance sheet data as of September 30, 2006 on an actual basis and on an as adjusted basis to give effect to:

- the conversion of all outstanding shares of our Series A convertible preferred stock and accumulated dividends into \_\_\_\_\_ shares of common stock upon completion of this offering; and
- our sale of \_\_\_\_\_ shares of common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	September 30, 2006	
	Actual	As adjusted(1)
<b>Consolidated Balance Sheet Data:</b>		
Cash, cash equivalents and marketable securities	\$ 58,730	\$
Working capital	48,448	
Total assets	66,344	
Capital lease obligations, net of current portion	3,423	
Convertible preferred stock	41,013	
Common stock	9	
Additional paid-in capital	234,401	
Deficit accumulated during the development stage	(224,071)	
Total stockholders' equity	10,353	

- (1) A \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share would increase (decrease) each of cash, cash equivalents and marketable securities, working capital, total assets, additional paid-in capital, and total stockholders' equity by \$ \_\_\_\_\_ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The as adjusted information set forth above is illustrative only and following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

## RISK FACTORS

*An investment in our common stock involves a high degree of risk. You should carefully read and consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including the consolidated financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our common stock. If any of these risks actually occurs, our business, business prospects, financial condition, results of operations, or cash flows could be materially harmed. In any such case, the trading price of our common stock could decline, and you could lose all or part of your investment.*

### **Risks Related to Our Financial Position and Need for Additional Capital**

***We have incurred significant losses since our inception, and we expect to incur losses for the foreseeable future and may never reach profitability.***

Since inception we have incurred significant operating losses and, as of September 30, 2006, we had an accumulated deficit of \$224.1 million, which includes research and development expense of \$169.9 million. We expect to continue to incur significant operating expenses and capital expenditures and anticipate that our expenses and losses will increase substantially in the foreseeable future as we:

- initiate a pivotal Phase 3 clinical trial of STA-4783 for the treatment of metastatic melanoma in 2007 and initiate Phase 2 clinical trials of STA-4783 in additional cancer indications in 2007;
- begin to establish sales and marketing functions and commercial manufacturing arrangements for STA-4783;
- complete the current Phase 2a clinical trials of apilimod for the treatment of rheumatoid arthritis and CVID, and possibly initiate Phase 2 clinical trials of apilimod in additional inflammatory disease indications;
- initiate additional Phase 3 clinical trials of STA-4783 and one or more Phase 3 clinical trials of apilimod, if supported by Phase 2 results;
- complete preclinical development of STA-9090 and initiate clinical trials, if supported by positive preclinical data;
- complete preclinical development of STA-9584 and initiate clinical trials, if supported by positive preclinical data;
- advance our preclinical CRAC ion channel inhibitor program into clinical trials, if supported by positive preclinical data;
- discover, develop, and seek regulatory approval for backups of our current drug candidates and other new drug candidates;
- identify additional compounds or drug candidates and acquire rights from third parties to those compounds or drug candidates through licenses, acquisitions or other means;
- commercialize any approved drug candidates;
- hire additional clinical, scientific, and management personnel; and
- add operational, financial, and management information systems and personnel.

We must generate significant revenue to achieve and maintain profitability. Even if we succeed in developing and commercializing one or more of our drug candidates, we may not be able to generate sufficient revenue and we may never be able to achieve or maintain profitability.

***Our operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.***

We commenced operations in July 2001 and are a development-stage company. Our operations to date have been limited to organizing and staffing our company, acquiring, developing, and securing our technology, and undertaking preclinical studies and clinical trials of our drug candidates. We have not yet demonstrated an ability to obtain regulatory approval, formulate and manufacture a commercial-scale product, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history or had previously discovered, developed, and/or commercialized an approved product.

***If we fail to obtain the capital necessary to fund our operations, we will be unable to successfully develop and commercialize our lead drug candidates.***

Although we have raised substantial capital to date, we will require substantial future capital in order to complete clinical development and commercialize our lead drug candidates, STA-4783, apilimod, STA-9090, and STA-9584, and to conduct the research and development and clinical and regulatory activities necessary to bring other drug candidates to market. Our future capital requirements will depend on many factors that are currently unknown to us, including:

- the timing of initiation, progress and results of our planned Phase 3 clinical trial of STA-4783 for the treatment of metastatic melanoma;
- the costs of establishing sales and marketing functions and of establishing commercial manufacturing arrangements for STA-4783;
- the progress and results of any additional Phase 2 clinical trials of STA-4783 for other cancer indications that we may initiate;
- the progress and results of the current Phase 2a clinical trials of apilimod for the treatment of rheumatoid arthritis and COVID and any future Phase 2 clinical trials we may initiate for other inflammatory disease indications;
- the need for, and the progress and results of, any additional Phase 3 clinical trials of STA-4783 and any Phase 3 clinical trial of apilimod we may initiate in the future based on the results of Phase 2 clinical trials;
- the results of our preclinical studies and testing of STA-9090, STA-9584 and our CRAC ion channel inhibitor program, and our decision to initiate clinical trials, if supported by the preclinical results;
- the costs, timing, and outcome of regulatory review of STA-4783, apilimod and our preclinical drug candidates;
- the scope, progress, results, and cost of preclinical development, clinical trials, and regulatory review of any new drug candidates we may discover or acquire;
- the costs of preparing, filing, and prosecuting patent applications and maintaining, enforcing, and defending intellectual property-related claims;
- our ability to establish strategic collaborations and licensing or other arrangements on terms favorable to us;
- the costs to satisfy our obligations under potential future collaborations; and
- the timing, receipt, and amount of sales or royalties, if any, from STA-4783, apilimod, STA-9090, STA-9584, and our other potential products.



We may seek the additional capital necessary to fund our operations through public or private equity offerings, debt financings, and collaborative and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. 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 additional funds through collaboration and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or drug candidates, or grant licenses on terms that are not favorable to us. We cannot assure you that additional funds will be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available on a timely basis, we may be required to:

- terminate or delay clinical trials or other development for one or more of our drug candidates;
- delay our establishment of sales and marketing capabilities, our contracting for commercial manufacturing capacity, or other activities that may be necessary to commercialize our drug candidates; or
- curtail significant drug development programs that are designed to identify new drug candidates.

We believe that the proceeds we receive from this offering and our existing cash and investment securities will be sufficient to support our current operating plan through at least . However, our operating plan may change as a result of many factors currently unknown to us, and we may need additional funds sooner than planned. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

### **Risks Related to the Development and Regulatory Approval of Our Drug Candidates**

***Our success is largely dependent on the success of our lead drug candidate, STA-4783, as well as our other drug candidates, and we cannot be certain that we will be able to obtain regulatory approval for or successfully commercialize any of these drug candidates.***

We have invested a significant portion of our time and financial resources in the development of our lead drug candidate, STA-4783 for the treatment of cancer. We have also invested a significant amount of time and financial resources in the development of our other drug candidates, apilimod, STA-9090 and STA-9584. We anticipate that our success will depend largely on the receipt of regulatory approval and successful commercialization of these drug candidates. The future success of these drug candidates will depend on several factors, including the following:

- our ability to provide acceptable evidence of their safety and efficacy;
- receipt of marketing approval from the FDA and any similar foreign regulatory authorities;
- successful formulation of an efficacious and commercially viable form of apilimod;
- obtaining and maintaining commercial manufacturing arrangements with third-party manufacturers or establishing commercial-scale manufacturing capabilities;
- establishing an internal sales force or collaborating with pharmaceutical companies or contract sales organizations to market and sell any approved drug; and
- acceptance of any approved drug in the medical community and by patients and third-party payors.

Many of these factors are beyond our control. Accordingly, we cannot assure you that we will ever be able to generate revenues through the sale of STA-4783, apilimod, STA-9090, or STA-9584.

***If we do not obtain required regulatory approval, we will be unable to market and sell our drug candidates.***

STA-4783, apilimod, STA-9090, STA-9584, and any other drug candidates we may discover or acquire and seek to commercialize are subject to extensive governmental regulations relating to development, clinical trials, manufacturing, and commercialization. Rigorous preclinical testing and clinical trials and an extensive regulatory approval process are required to be successfully completed in the United States and in many foreign jurisdictions before a new drug can be sold. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain, and subject to unanticipated delays. The time required to obtain approval by the FDA is unpredictable but typically exceeds five years following the commencement of clinical trials, depending upon the complexity of the drug candidate. We initiated clinical development of STA-4783 and apilimod in 2002 and 2003, respectively, and thus far, these drug candidates have been studied in only a relatively small number of patients. We have recently completed a Phase 2b clinical trial of STA-4783 for the treatment of metastatic melanoma and intend to initiate a pivotal Phase 3 clinical trial for this indication in 2007. Apilimod is currently in Phase 2a clinical trials for the treatment of rheumatoid arthritis and CVID. STA-9090 and STA-9584 are still in preclinical development.

We have limited experience in conducting and managing the clinical trials necessary to obtain regulatory approvals, including approval by the FDA. In connection with the clinical trials of STA-4783, apilimod, STA-9090, and STA-9584 and any other drug candidate we may seek to develop in the future, we face risks that:

- the drug candidate may not prove to be efficacious;
- the dosing of the drug candidate in a particular clinical trial may not be at an optimal level (for example, we are currently evaluating whether the Phase 2 clinical trial results for STA-4783 in sarcoma and non-small cell lung cancer and Phase 2 clinical trial results for apilimod in psoriasis and Crohn's disease were the result of suboptimal dosing amounts and/or dosing schedules);
- patients may die or suffer other adverse effects for reasons that may or may not be related to the drug candidate being tested;
- the results may not confirm the positive results of earlier clinical trials; and
- the results may not meet the level of statistical significance required by the FDA or other regulatory agencies.

Of the large number of drugs in development, only a small percentage result in the submission of a new drug application, or NDA, to the FDA and even fewer are approved for commercialization. Furthermore, even if we do receive regulatory approval to market a commercial product, any such approval may be subject to limitations on the indicated uses for which we may market the product.

***We believe we will need to demonstrate the safety and efficacy of STA-4783 in one or more Phase 3 clinical trials in order to obtain FDA approval of STA-4783 for use in the treatment of metastatic melanoma, and there can be no assurance that STA-4783 will achieve positive results in further clinical testing.***

Positive results in early clinical trials of a drug candidate may not be replicated in later clinical trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials even after achieving promising results in earlier-stage development. Although our Phase 2b clinical trial of STA-4783 for the treatment of metastatic melanoma achieved the primary endpoint of increasing progression-free survival, we cannot assure you that the planned Phase 3 clinical trial for the treatment of metastatic melanoma we intend to initiate in 2007 will achieve positive results. A number of factors could contribute to a lack of positive results in our planned Phase 3 clinical trial. For example, if patients are treated with paclitaxel prior to enrolling in our Phase 3 clinical trial, they may not respond as positively to treatment with STA-4783 plus

paclitaxel as patients did in our Phase 2b clinical trial. In addition, the clinical investigators involved in the Phase 2b clinical trial used their judgement to determine when a patient's melanoma had progressed, using the criteria defined in the trial protocol and, among other factors, either CT or magnetic resonance imaging scans of a patient's tumors. In our Phase 2b clinical trial, each clinical trial site determined when patients enrolled at the site experienced a progression of their melanoma. In some past clinical trials by other companies involving similar subjective judgments, it has been reported that the variation among clinical trial sites in determining progression contributed to positive results. In our Phase 3 clinical trial, we plan to use a single centralized radiological reading center to review all patient scans, which could cause the results of our Phase 3 clinical trial to differ from those observed in our Phase 2b clinical trial.

Furthermore, although we did not identify any confounding factors in the Phase 2b clinical trial of STA-4783 for the treatment of metastatic melanoma, we did not evaluate every factor that may have potentially influenced the trial results and can give no assurance that there were no such confounding factors. In our planned Phase 3 clinical trial of STA-4783 for the treatment of metastatic melanoma, we may stratify, or evenly allocate to each trial arm, patients having certain strong prognostic factors, such as elevated lactate dehydrogenase, or LDH, levels and liver metastases. However, we may not be able to stratify all such prognostic factors evenly or we may not require the stratification of one or more prognostic factors if the clinical trial timelines would be adversely impacted. Although we found that patients with elevated LDH and liver metastases were evenly distributed between the the STA-4783 plus paclitaxel arm and the paclitaxel control arm in our Phase 2b clinical trial, we noted an imbalance in the M-class distribution of patients. M-class is a measure of disease progression that is generally viewed as a prognostic factor. In our Phase 2b clinical trial, 53% of the patients in the STA-4783 plus paclitaxel group were classified by the clinical investigator as M1c, the most advanced stage of metastatic melanoma, compared to 75% in the paclitaxel alone group. We performed a statistical analysis which showed that, firstly, investigator-reported M-class was not a prognostic factor in this study, and secondly, the imbalance in M-class distribution between the two arms did not contribute to the positive outcome of this clinical trial. However, we cannot provide complete assurance that the imbalance in M1c classification did not have an impact on the Phase 2b trial results or that if evenly balanced in a future trial, that the clinical trial outcome would not be altered.

If we do not receive positive results in a Phase 3 clinical trial of STA-4783 for the treatment of metastatic melanoma, we may not be able to obtain regulatory approval or commercialize STA-4783 for this indication and our development of STA-4783 for other indications may be delayed or cancelled.

***If the FDA requires an efficacy endpoint other than progression-free survival, or requires more than one pivotal Phase 3 clinical trial, for registration, we may be required to conduct more, larger or longer Phase 3 clinical trials than currently planned.***

The efficacy endpoint of our recently-completed Phase 2b clinical trial of STA-4783 for treating metastatic melanoma was progression-free survival, and we currently intend to use progression-free survival as the primary endpoint of our planned pivotal Phase 3 clinical trial of STA-4783 for the treatment of metastatic melanoma. Progression-free survival, which measures for each patient the time from assignment to a treatment group until the earlier of tumor progression or death, is an endpoint that the FDA has previously indicated is acceptable for registration in melanoma and other cancer types. We can give no assurances, however, that the FDA or any other regulatory body will not require a different efficacy endpoint, such as overall survival, or additional efficacy endpoints for registration. If the FDA requires a different or any additional efficacy endpoints, we may be required to conduct larger or longer Phase 3 clinical trials than currently planned to achieve a statistically significant result to enable approval of STA-4783 for the treatment of metastatic melanoma.

Furthermore, prior to approving a new drug, the FDA typically requires that the efficacy of the drug be demonstrated in two double-blind, controlled studies. In light of the unmet medical need in

metastatic melanoma, we believe we will be required to conduct only a single Phase 3 clinical trial of STA-4783. If the FDA requires us to conduct additional Phase 3 clinical trials of STA-4783 prior to seeking approval, we will incur significant additional development costs and commercialization of STA-4783 may be delayed.

***If the current formulation and method of administering STA-4783 is not commercially feasible, we may not be able to commercialize STA-4783 without reformulation and conducting additional clinical studies.***

To date, all of our clinical trials have been conducted using the free acid form of STA-4783, which we intend to continue to use in our clinical trials planned for 2007, as well as in our commercial product. Because this free acid form of STA-4783 is not water soluble, prior to administration, it must be dissolved in an organic solvent. In the recently completed Phase 2b clinical trial in metastatic melanoma, this was achieved by combining the STA-4783 with a volume of organic solvent included in the paclitaxel solution and agitating the resulting mixture with a sonication machine for up to 45 minutes. Once the STA-4783 was fully dissolved, the resulting solution was added to the remaining paclitaxel solution, and the combined STA-4783/paclitaxel solution was administered to the patient. We have improved the process for preparing the STA-4783 solution, such that STA-4783 can now be dissolved in the paclitaxel solution without sonication. We believe this improved procedure replicates the results of the prior sonication method and is suitable for preparing drug product for clinical trials and commercialization. We anticipate that this improved procedure will be used in the planned Phase 3 clinical trial for STA-4783 in metastatic melanoma and any Phase 2 clinical trials that we may initiate in additional cancer indications in 2007. Although we believe that this change in the procedure for dissolving STA-4783 prior to administration will not affect the efficacy or pharmaceutical properties of the treatment, we cannot assure you that the results of future trials will not be affected by this change in process. In addition, in order to use the free acid form of STA-4783 with other oncology products, including taxanes other than paclitaxel, it must be dissolved in an organic solvent, which may cause increased toxicity.

We have developed a water soluble salt form of STA-4783 that does not need to be dissolved in an organic solvent and therefore may be used more easily with other oncology products. We intend to explore the use of this new salt form of STA-4783 in future clinical trials in order to expand its potential use in combination with other chemotherapies, but it is also our intention to use the free acid form of STA-4783 in our clinical trials planned for 2007 as well as in our commercial product. If the free acid form does not prove to be commercially feasible and we are required to commercialize the salt form of STA-4783, it will require additional clinical studies and would delay the commercialization of this drug candidate.

***While we believe STA-4783 may have applicability to a broad range of solid tumor cancers, including tumor types other than melanoma, our clinical trials of STA-4783 in non-small cell lung cancer and soft tissue sarcoma have shown negative or inconclusive results.***

Based on our understanding of the mechanism of action and the preclinical activity we have seen with STA-4783, which included showing activity in a broad range of cancer types, we intend to conduct clinical trials of STA-4783 in a number of other cancer indications in addition to melanoma. In addition to our Phase 2b clinical trial in metastatic melanoma, we have also conducted Phase 2 clinical trials of STA-4783 in sarcoma and non-small cell lung cancer. The results of the soft tissue sarcoma clinical trial did not definitively establish evidence of clinical activity. In the non-small cell lung cancer clinical trial, no improvement was observed in time-to-progression between combination treatment with STA-4783 and a standard first-line combination therapy. Although we are currently analyzing these data further to assess future development of STA-4783 in sarcoma and non-small cell lung cancer, including assessing the possibility for a potential future clinical trial in non-small cell lung cancer at a more frequent dosing schedule and higher dose than previously tested, there can be no assurances that we will

continue the development of STA-4783 in these indications or that STA-4783 will prove effective in and be approved for treating these or other forms of cancer.

***Because our drug candidates are in an early stage of development, there is a high risk of failure, and we may never succeed in developing marketable products or generating product revenue.***

We have no drug candidates that have received regulatory approval for commercial sale. We do not expect to have any commercial products on the market until at least 2009, if at all. We are exploring human diseases at the cellular level and attempting to develop drug candidates that intervene with cellular processes. Drug development is an uncertain process that involves trial and error, and we may fail at numerous stages along the way. Success in preclinical studies of a drug candidate may not be predictive of similar results in humans during clinical trials, and successful results from early or small clinical trials of a drug candidate may not be replicated in later and larger clinical trials. For example, although preclinical data and Phase 2a clinical trial results suggested that apilimod had activity in psoriasis and Crohn's disease, our Phase 2b clinical trials of apilimod in those indications did not demonstrate clinical benefit. Accordingly, the results from preclinical studies and the completed and ongoing clinical trials for our drug candidates may not be predictive of the results we may obtain in later stage clinical trials.

***If clinical trials for our drug candidates, including STA-4783 and apilimod, are prolonged or delayed, we may be unable to commercialize our drug candidates on a timely basis, which would require us to incur additional costs and delay our receipt of any revenue from potential product sales.***

We cannot predict whether we will encounter problems with any of our completed, ongoing or planned clinical trials that will cause us or any regulatory authority to delay or suspend those clinical trials or delay the analysis of data derived from them. A number of events, including any of the following, could delay the completion of our ongoing and planned clinical trials and negatively impact our ability to obtain regulatory approval for, and to market and sell, a particular drug candidate, including our clinical drug candidates STA-4783 and apilimod:

- conditions imposed on us by the FDA or any foreign regulatory authority regarding the scope or design of our clinical trials, particularly with respect to the planned Phase 3 clinical trial of STA-4783 for the treatment of metastatic melanoma;
- delays in obtaining, or our inability to obtain, required approvals from institutional review boards or other reviewing entities at clinical sites selected for participation in our clinical trials;
- insufficient supply or deficient quality of our drug candidates or other materials necessary to conduct our clinical trials;
- delays in obtaining regulatory agency agreement for the conduct of our clinical trials, including setting the primary endpoints or establishing the appropriate comparator treatment for our planned Phase 3 clinical trial of STA-4783 in metastatic melanoma;
- lower than anticipated enrollment and retention rate of subjects in clinical trials;
- negative or inconclusive results from clinical trials, or results that are inconsistent with earlier results, that necessitate additional clinical studies (for example, due to patient-to-patient pharmacokinetic variability);
- serious and unexpected drug-related side effects experienced by patients in clinical trials; or
- failure of our third-party contractors to comply with regulatory requirements or otherwise meet their contractual obligations to us in a timely manner.

Commercialization of our drug candidates may be delayed by the imposition of additional conditions on our clinical trials by the FDA or the requirement of additional supportive studies by the FDA. In addition, clinical trials require sufficient patient enrollment, which is a function of many factors, including the size of the patient population, the nature of the trial protocol, the proximity of patients to clinical sites, the availability of effective treatments for the relevant disease, the conduct of other clinical trials that compete for the same patients as our clinical trials, and the eligibility criteria for our clinical trials. For example, competing trials for melanoma treatments or the emergence of new approved therapies may make it more difficult to enroll patients in our Phase 3 clinical trial of STA-4783 for metastatic melanoma on the schedule currently planned. We are aware that there is an ongoing Phase 3 clinical trial testing the use of Nexavar in combination with paclitaxel and carboplatin for the treatment of metastatic melanoma. We expect this clinical trial to be completed by early 2007. If the results of this clinical trial are positive, use of Nexavar, paclitaxel and carboplatin could become a commonly used treatment for metastatic melanoma and may delay enrollment in our planned Phase 3 clinical trial of STA-4783 in metastatic melanoma. We are also aware of other ongoing clinical trials of drug candidates for the treatment of metastatic melanoma, including Sutent and ipilimumab. Enrollment efforts and future results with respect to these trials could also adversely impact patient enrollment in our Phase 3 clinical trial. Although we have had satisfactory patient enrollment in our clinical trials to date, future delays in patient enrollment can result in increased costs and longer development times. Our failure to enroll patients in our clinical trials could delay the completion of the clinical trial beyond our current expectations. In addition, the FDA could require us to conduct clinical trials with a larger number of subjects than we have projected for any of our drug candidates. We may not be able to enroll a sufficient number of patients in a timely or cost-effective manner. Furthermore, enrolled patients may drop out of our clinical trials, which could impair the validity or statistical significance of the clinical trials.

We do not know whether our clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, if at all. Delays in our clinical trials will result in increased development costs for our drug candidates. In addition, if our clinical trials are delayed, our competitors may be able to bring products to market before we do and the commercial viability of our drug candidates, including our drug candidates STA-4783 and apilimod, could be limited.

***Failure to comply with foreign regulatory requirements governing human clinical trials and marketing approval for drugs could prevent us from selling our drug candidates in foreign markets, which may adversely affect our operating results and financial condition.***

The requirements governing the conduct of clinical trials, product licensing, pricing, and reimbursement for marketing our drug candidates outside the United States vary greatly from country to country and may require additional testing. We have no experience in obtaining foreign regulatory approvals. We expect that our future clinical development of STA-4783 and apilimod will involve a number of clinical trials in foreign jurisdictions, particularly in Europe. The time required to obtain approvals outside the United States may differ from that required to obtain FDA approval. We may not obtain foreign regulatory approvals on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other countries or by the FDA. Failure to comply with these regulatory requirements or obtain required approvals could impair our ability to develop foreign markets for our drug candidates and may have a material adverse effect on our results of operations and financial condition.

***Our drug candidates will remain subject to ongoing regulatory review even if they receive marketing approval, and if we fail to comply with continuing regulations, we could lose these approvals and the sale of any approved commercial products could be suspended.***

Even if we receive regulatory approval to market a particular drug candidate, the manufacturing, labeling, packaging, adverse event reporting, storage, advertising, promotion, and record keeping related to the product will remain subject to extensive regulatory requirements. If we fail to comply with the regulatory requirements of the FDA and other applicable U.S. and foreign regulatory authorities or previously unknown problems with any approved commercial products, manufacturers, or manufacturing processes are discovered, we could be subject to administrative or judicially imposed sanctions, including:

- restrictions on the products, manufacturers, or manufacturing processes;
- untitled or warning letters;
- civil or criminal penalties;
- fines;
- injunctions;
- product seizures or detentions;
- import bans;
- voluntary or mandatory product recalls and related publicity requirements;
- suspension or withdrawal of regulatory approvals;
- total or partial suspension of production; and
- refusal to approve pending applications for marketing approval of new products or supplements to approved applications.

***If side effects increase or are identified during the time our drug candidates are in development or after they are approved and on the market, we may be required to perform lengthy additional clinical trials, change the labeling of any such products, or withdraw any such products from the market, any of which would hinder or preclude our ability to generate revenues.***

In our recently completed Phase 2b clinical trial of STA-4783 for metastatic melanoma there were four patients with possible or probable drug-related serious adverse events related to treatment with STA-4783. The first event involved a patient who developed lichenoid dermatitis, a severe rash-like condition, which was considered possibly related to treatment by the investigator. The second event involved a patient who experienced atrial fibrillation with rapid ventricular response. This event was also considered possibly related to treatment by the investigator. The third event involved an infection which, despite a normal absolute neutrophil count, or ANC, was considered possibly related to treatment by the investigator. The fourth event involved severe dehydration that was considered probably related to treatment by the investigator. If the incidence of these events increases or if other effects are identified after any of our drug candidates are approved and on the market:

- regulatory authorities may withdraw their approvals;
- we may be required to reformulate any such products, conduct additional clinical trials, make changes in labeling of any such products, or implement changes to or obtain new approvals of our or our contractors' manufacturing facilities;
- we may experience a significant drop in the sales of the affected products;
- our reputation in the marketplace may suffer; and
- we may become the target of lawsuits, including class action suits.

Any of these events could harm or prevent sales of the affected products or could substantially increase the costs and expenses of commercializing and marketing any such products.

We have also observed significant toxicities in preclinical animal studies of our preclinical drug candidate, STA-9090. As a result of these observed toxicities, we may need to begin our Phase 1 clinical trial at a sub-optimal starting dose, which may delay the completion of our Phase 1 clinical trial and the initiation of any future STA-9090 clinical trials. If significant toxicities occur at a clinical dose of STA-9090 which is not sufficiently efficacious, we may not be able to demonstrate an adequate therapeutic index to obtain regulatory approval for STA-9090.

***While we chose to test our drug candidates in specific clinical indications based on our understanding of their mechanisms of action, our understanding may be incorrect or incomplete and, therefore, our drugs may not be effective against the diseases tested in our clinical trials.***

Our rationale for selecting the particular therapeutic indications for each of our drug candidates is based on our understanding of the mechanism of action of these drug candidates. However, our understanding of the drug candidate's mechanism of action may be incomplete or incorrect, or the mechanism may not be clinically relevant to diseases treated. In such cases, our drug candidates may prove to be ineffective in the clinical trials for treating those diseases.

***We deal with hazardous materials and must comply with environmental laws and regulations, which can be expensive and restrict how we do business.***

Our activities involve the controlled storage, use, and disposal of hazardous materials, including cytotoxic agents, genotoxic agents, infectious agents, corrosive, explosive and flammable chemicals, and various radioactive compounds. We are subject to federal, state, and local laws and regulations governing the use, manufacture, storage, handling, and disposal of these hazardous materials. Although we believe that our safety procedures for the handling and disposing of these materials comply with the standards prescribed by these laws and regulations, we cannot eliminate the risk of accidental contamination or injury from these materials.

In the event of an accident, state or federal authorities may curtail our use of these materials, and we could be liable for any civil damages that result, which may exceed our financial resources and may seriously harm our business. While we believe that the amount of insurance we carry is sufficient for typical risks regarding our handling of these materials, it may not be sufficient to cover pollution conditions or other extraordinary or unanticipated events. Additionally, an accident could damage, or force us to shut down, our operations. In addition, if we develop a manufacturing capacity, we may incur substantial costs to comply with environmental regulations and would be subject to the risk of accidental contamination or injury from the use of hazardous materials in our manufacturing process.

#### **Risks Related to Our Dependence on Third Parties**

***We rely on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet established deadlines for the completion of such clinical trials.***

We do not have the ability to independently conduct clinical trials for our drug candidates, and we rely on third parties such as contract research organizations, medical institutions, and clinical investigators to perform this function. Our reliance on these third parties for clinical development activities reduces our control over these activities. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. To date, our contract research organizations and other similar entities with which we are working have performed well; however, if these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may be delayed in obtaining regulatory approvals for our drug candidates and may be delayed in our efforts to successfully commercialize our drug candidates for targeted diseases.



***We have no manufacturing capacity and depend on third-party manufacturers to produce our clinical trial drug supplies.***

We do not currently operate manufacturing facilities for clinical or commercial production of STA-4783 or apilimod, or any of our preclinical drug candidates. We have limited experience in drug manufacturing, and we lack the resources and the capabilities to manufacture any of our drug candidates on a clinical or commercial scale. As a result, we currently rely on third-party manufacturers to supply, store, and distribute drug supplies for our clinical trials and anticipate future reliance on a limited number of third-party manufacturers until we increase the number of manufacturers with whom we contract. Any performance failure on the part of our existing or future manufacturers could delay clinical development or regulatory approval of our drug candidates or commercialization of any approved products, producing additional losses and depriving us of potential product revenue. For example, we have recently engaged two new contract manufacturers to produce the active pharmaceutical ingredient, or API, of STA-4783 for use in our Phase 3 clinical trial for metastatic melanoma. To date, these manufacturers have only produced pilot batches of STA-4783 API, and there can be no assurances that they will be able to produce STA-4783 API in the quantities and to the specifications needed for our clinical trials.

Our drug candidates require precise, high quality manufacturing. Failure by our contract manufacturers to achieve and maintain high manufacturing standards could result in patient injury or death, product recalls or withdrawals, delays or failures in testing or delivery, cost overruns, or other problems that could seriously hurt our business. Contract manufacturers may encounter difficulties involving production yields, quality control, and quality assurance. These manufacturers are subject to ongoing periodic unannounced inspection by the FDA and corresponding state and foreign agencies to ensure strict compliance with current Good Manufacturing Practice, or cGMP, and other applicable government regulations and corresponding foreign standards; however, we do not have control over third-party manufacturers' compliance with these regulations and standards.

If for some reason our contract manufacturers cannot perform as agreed, we may be unable to replace such third-party manufacturers in a timely manner and the production of our drug candidates would be interrupted, resulting in delays in clinical trials and additional costs. Switching manufacturers may be difficult because the number of potential manufacturers is limited and the FDA must approve any replacement manufacturer prior to manufacturing our drug candidates. Such approval would require new testing and compliance inspections. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our drug candidates after receipt of FDA approval. It may be difficult or impossible for us to find a replacement manufacturer on acceptable terms quickly, or at all.

In late 2004, we observed granules in some of the capsules of apilimod manufactured by the third-party contractor used in our Phase 2 Crohn's disease and psoriasis clinical trials. We conducted analytical testing and animal studies of the capsules containing the granules and determined that the granules consisted of the API of apilimod rather than impurities. Based on these studies, we believe that the capsules containing the granules were comparable to the capsules without the granules, including with respect to pharmacokinetics and expected absorption in patients. We do not believe that this had any adverse effect on our clinical trials, but we cannot assure you that it did not. We submitted a summary of our findings from the preclinical studies on this issue to the FDA, and the FDA requested the data from these studies that support these findings. We provided these data to the FDA in early February 2005. We have received no further inquiry from the FDA and do not know whether the FDA will require additional information or require that corrective action be taken. Since the identification of these granules, we have performed a comprehensive investigation and believe we identified the cause of the granule formation. We have made improvements to the manufacturing process, and thereafter, no granules have been observed in subsequent batches. Although in our current Phase 2a clinical trials of STA-4783 in rheumatoid arthritis and CVID we are using a mesylate tablet

form of STA-4783, if we decide to use the capsule formulation of apilimod in the future, we do not expect any delay in the clinical development of apilimod due to this issue, but we cannot assure you that no such delay will occur.

***We intend to use a single manufacturer for the supply of STA-4783 drug product for our planned Phase 3 clinical trial and potentially, for commercial supply, and the failure of this manufacturer to supply sufficient quantities of STA-4783 drug product could have a material adverse effect on our business.***

We intend to use a single manufacturer for the supply of STA-4783 drug product for our planned Phase 3 clinical trial and potentially, for commercial supply, if approved. This process involves highly specialized processing, including the automated filling of vials with STA-4783 under sterile conditions. We believe that this manufacturer may be one of a limited number of third-party contract manufacturers currently capable of conducting this process on our behalf. To date, this third-party manufacturer has verbally agreed and provided a term sheet to meet our manufacturing requirements for the planned Phase 3 clinical trial of STA-4783 for metastatic melanoma and additional Phase 2 clinical trials of STA-4783 for other cancer indications. Although we are currently in discussions with this manufacturer regarding a contract for the supply of STA-4783 for clinical trials and potentially, for commercial supply, there can be no assurances that we will be able to enter into a contract with it on acceptable terms, if at all. Any performance failure on the part of this manufacturer or the failure to enter into a contract with this manufacturer could delay clinical development, regulatory approval or commercialization of STA-4783, which could have a material adverse effect on our business. Moreover, although we believe we have identified a suitable backup drug product manufacturer for STA-4783, we do not have an agreement with this manufacturer and there can be no assurance that we will be able to enter into such an agreement on favorable terms, if at all.

***We anticipate continued reliance on third-party manufacturers if we are successful in obtaining marketing approval from the FDA and other regulatory agencies for any of our drug candidates.***

To date, our drug candidates have been manufactured in small quantities for preclinical testing and clinical trials by third-party manufacturers. If the FDA or other regulatory agencies approve any of our drug candidates for commercial sale, we expect that we would continue to rely, at least initially, on third-party manufacturers to produce commercial quantities of our approved drug candidates. These manufacturers may not be able to successfully increase the manufacturing capacity for any of our approved drug candidates in a timely or economic manner, or at all. Significant scale-up of manufacturing may require additional validation studies, which the FDA must review and approve. If they are unable to successfully increase the manufacturing capacity for a drug candidate, particularly STA-4783, or we are unable to establish our own manufacturing capabilities, the commercial launch of any approved products may be delayed or there may be a shortage in supply.

***If we do not establish collaborations, we may have to alter our development plans.***

Our drug development programs and potential commercialization of our drug candidates will require substantial additional cash to fund expenses. Our strategy includes potentially selectively collaborating with leading pharmaceutical and biotechnology companies to assist us in furthering development and potential commercialization of some of our drug candidates. Although we are not currently a party to any such collaboration, we may enter into one or more of such collaborations in the future, especially for target indications in which the potential collaborator has particular therapeutic expertise or that involve a large, primary care market that must be served by large sales and marketing organizations or for markets outside of North America. We face significant competition in seeking appropriate collaborators and these collaborations are complex and time-consuming to negotiate and document. We may not be able to negotiate collaborations on acceptable terms, or at all. If that were to occur, we may have to curtail the development of a particular drug candidate, reduce or delay its development program or one or more of our other development programs, delay its potential

commercialization or reduce the scope of our 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 will not be able to bring our drug candidates to market and generate product revenue.

***If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our drug candidates, we may be unable to generate product revenue.***

We do not currently have an organization for the sales, marketing, and distribution of pharmaceutical products. In order to market any products that may be approved by the FDA, we must build our sales, marketing, managerial, and other non-technical capabilities or make arrangements with third parties to perform these services. If we are unable to establish adequate sales, marketing, and distribution capabilities, whether independently or with third parties, we may not be able to generate product revenue and may not become profitable.

### **Risks Related to Our Intellectual Property**

***If our patent position does not adequately protect our drug candidates or any future products, others could compete against us more directly, which would harm our business.***

As of November 17, 2006, our patent portfolio included a total of 494 patents and patent applications worldwide with claims covering the composition-of-matter and methods of use for both of our clinical stage compounds. We own or license a total of 23 issued U.S. patents and 112 U.S. patent applications, as well as 359 foreign patents and patent applications. We have issued U.S. composition-of-matter patents claiming the chemical structures of STA-4783 and apilimod.

Our commercial success will depend in part on our ability to obtain additional patents and protect our existing patent position as well as our ability to maintain adequate protection of other intellectual property for our technologies, drug candidates, and any future products in the United States and other countries. If we do not adequately protect our intellectual property, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States, and we may encounter significant problems in protecting our proprietary rights in these countries.

The patent positions of biotechnology and pharmaceutical companies, including our patent position, involve complex legal and factual questions, and, therefore, validity and enforceability cannot be predicted with certainty. Patents may be challenged, deemed unenforceable, invalidated, or circumvented. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies, drug candidates, and any future products are covered by valid and enforceable patents or are effectively maintained as trade secrets.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- we or our licensors were the first to make the inventions covered by each of our pending patent applications;
- we or our licensors were the first to file patent applications for these inventions;
- others will not independently develop similar or alternative technologies or duplicate any of our technologies;
- any of our or our licensors' pending patent applications will result in issued patents;
- any of our or our licensors' patents will be valid or enforceable;

- any patents issued to us or our licensors and collaborators will provide a basis for commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or drug candidates that are patentable; or
- the patents of others will not have an adverse effect on our business.

We typically file for patent protection first on the composition-of-matter of our drug candidates and also claim their activities and methods for their production and use to the extent known at that time. As we learn more about the mechanisms of action and new methods of manufacture and use of these drug candidates, we generally file additional patent applications for these new inventions. Although our patents may prevent others from making, using, or selling similar products, they do not ensure that we will not infringe the patent rights of third parties. For example, because we sometimes identify the mechanism of action or molecular target of a given drug candidate after identifying its composition-of-matter and therapeutic use, we may not be aware until the mechanism or target is further elucidated that a third party has an issued or pending patent claiming biological activities or targets that may cover our drug candidate. If such a patent exists or is granted in the future, we cannot provide assurances that a license will be available on commercially reasonable terms, or at all.

***We may be unable to adequately prevent disclosure of trade secrets and other proprietary information.***

We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers, and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

***Litigation or other proceedings or third-party claims of intellectual property infringement would require us to spend time and money and could prevent us from developing or commercializing our drug candidates.***

Our commercial success will depend in part on not infringing upon the patents and proprietary rights of other parties and enforcing our own patents and proprietary rights against others. Certain of our research and development programs are in highly competitive fields in which numerous third parties have issued patents and patent applications with claims closely related to the subject matter of our programs. We are not currently aware of any litigation or other proceedings or claims by third parties that our drug candidates, technologies or methods infringe their intellectual property.

However, while it is our practice to conduct freedom to operate searches and analyses, we cannot guarantee that we have identified every patent or patent application that may be relevant to the research, development or commercialization of our drug candidates. Moreover, we cannot assure you that third parties will not assert against us patents that we believe are not infringed by us or are invalid. For example, we are aware of two issued U.S. patents that may be relevant to the commercialization of our drug candidate, STA-9090, one claiming methods of treating certain cancers using Hsp90 inhibitors and the other claiming generic chemical structures, pharmaceutical formulations and methods of treatment relating to compounds similar to STA-9090. Based on our analysis of these patents, we do not believe that the manufacture, use, importation or sale of STA-9090 would infringe any valid claim of these U.S. patents. However, we cannot guarantee that these patents would not be asserted against us and, if asserted, that a court would find these patents to be invalid or not infringed.

In the event of a successful infringement action against us with respect to any third party patent rights, we may be required to:

- pay substantial damages;
- stop developing, commercializing, and selling the infringing drug candidates or approved products;
- stop utilizing the infringing technologies and methods in our drug candidates or approved products;
- develop non-infringing products, technologies, and methods; and
- obtain one or more licenses from other parties, which could result in our paying substantial royalties or our granting of cross licenses to our technologies.

We may not be able to obtain licenses from other parties at a reasonable cost, or at all. If we are not able to obtain necessary licenses at a reasonable cost, or at all, we could encounter substantial delays in product introductions while we attempt to develop alternative technologies, methods, and products, which we may not be able to accomplish. Although third parties may challenge our rights to, or the scope or validity of our patents, to date, we have not received any communications from third parties challenging our patents or patent applications covering our drug candidates.

***We may be subject to claims that we have wrongfully hired an employee from a competitor or that we or our employees have wrongfully used or disclosed alleged confidential information or trade secrets of their former employers.***

As is commonplace in our industry, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we have previously been subject to a claim by an alleged competitor that a prospective employee we sought to hire was bound by an ongoing non-competition obligation which prevented us from hiring this employee. We may be subject in the future to claims that our employees or prospective employees are subject to a continuing obligation to their former employers (such as non-competition or non-solicitation obligations) or claims that our employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. 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 be a distraction to management.

#### **Risks Related to the Commercialization of Our Drug Candidates**

***If physicians and patients do not accept our future products or if the markets for indications for which any drug candidate is approved is smaller than expected, we may be unable to generate significant revenue, if any.***

Even if STA-4783, apilimod, STA-9090, or any other drug candidates we may develop or acquire in the future obtain regulatory approval, they may not gain market acceptance among physicians, healthcare payors, patients, and the medical community. Physicians may elect not to recommend these drugs for a variety of reasons including:

- timing of market introduction of competitive products, including other melanoma treatments, currently in development (such as Nexavar, Sutent, ispinesib, ipilimumab, ticilimumab, volociximab, M-Vax and MDX-1379, as well as forms of chemotherapy);
- demonstration of clinical safety and efficacy compared to other products;
- cost-effectiveness;
- availability of reimbursement from managed care plans and other third-party payors;

- convenience and ease of administration;
- prevalence and severity of adverse side effects;
- other potential advantages of alternative treatment methods; and
- ineffective marketing and distribution support of our products.

If our approved drugs fail to achieve market acceptance, we may not be able to generate significant revenue and our business would suffer.

In addition, we intend to initiate a Phase 3 clinical trial for our most advanced clinical-stage candidate, STA-4783, in patients with stage IV metastatic melanoma in 2007. We currently estimate that there are relatively few people with metastatic melanoma in the United States. Even if we are successful in obtaining regulatory approval to market STA-4783 for this indication, the market for this indication may not be sufficient to generate significant revenue and our business would suffer.

***If the government and third-party payors fail to provide adequate coverage and reimbursement rates for our future products, if any, our revenue and prospects for profitability will be harmed.***

In both domestic and foreign markets, our sales of any future products will depend in part upon the availability of reimbursement from third-party payors. Such third-party payors include government health programs such as Medicare, managed care providers, private health insurers, and other organizations. These third-party payors are increasingly attempting to contain healthcare costs by demanding price discounts or rebates and limiting both coverage and the amounts that they will pay for new drugs, and, as a result, they may not cover or provide adequate payment for our drugs. We might need to conduct post-marketing studies in order to demonstrate the cost-effectiveness of any future products to such payors' satisfaction. Such studies might require us to commit a significant amount of management time and financial and other resources. Our future products might not ultimately be considered cost-effective. Adequate third-party reimbursement might not be available to enable us to maintain price levels sufficient to realize an appropriate return on investment in product development.

U.S. and foreign governments continue to propose and pass legislation designed to reduce the cost of healthcare. For example, in some foreign markets, the government controls the pricing and profitability of prescription pharmaceuticals. In the United States, we expect that there will continue to be federal and state proposals to implement similar governmental controls. In addition, recent changes in the Medicare program and increasing emphasis on managed care in the United States will continue to put pressure on pharmaceutical product pricing. Cost control initiatives could decrease the price that we would receive for any products in the future, which would limit our revenue and profitability. Accordingly, legislation and regulations affecting the pricing of pharmaceuticals might change before our drug candidates are approved for marketing. Adoption of such legislation could further limit reimbursement for pharmaceuticals.

For example, the Medicare Prescription Drug Improvement and Modernization Act of 2003, or MMA, changes the way Medicare will cover and pay for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced new reimbursement methodologies, which impact reimbursement of drugs administered by physicians, such as STA-4783 if approved. Under these reimbursement methods, which became effective in 2005 and 2006, physicians and hospitals are reimbursed under a Medicare Part B methodology at a rate equal to 106% of the average sales price, or ASP, of the physician-administered drug. Physicians in the physician clinic setting have a choice between obtaining and billing for these kinds of drugs under the ASP plus 6% methodology or to obtain drugs from vendors selected by the Centers for Medicare & Medicaid Services under the competitive acquisition program, or CAP. In addition, this legislation provides authority for limiting the number of drugs that will be covered in any therapeutic class. Although we do not know what the full impact of the new ASP-based reimbursement methodologies and CAP will have on the prices of new drugs, we expect that there will be added pressure to contain and reduce costs.

These cost reduction initiatives and other provisions of this legislation could decrease the coverage and price that we receive for any approved products and could seriously harm our business. While the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates, and any reduction in reimbursement that results from the MMA may result in a similar reduction in payments from private payors.

***If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, we could be forced to pay substantial damage awards.***

The use of any of our drug candidates in clinical trials, and the sale of any approved products, might expose us to product liability claims. We currently maintain product liability insurance coverage that we believe would be adequate to cover us against such claims. However, such insurance coverage might not protect us against some or all of the claims to which we might become subject. We might not be able to maintain adequate insurance coverage at a reasonable cost or in sufficient amounts or scope to protect us against potential losses. In the event a claim is brought against us, we might be required to pay legal and other expenses to defend the claim, as well as uncovered damages awards resulting from a claim brought successfully against us. Furthermore, whether or not we are ultimately successful in defending any such claims, we might be required to direct financial and managerial resources to such defense and adverse publicity could result, all of which could harm our business.

***If we inadvertently violate the guidelines pertaining to promotion and advertising of our clinical candidates or approved products, we may be subject to disciplinary action by the FDA's Division of Drug Marketing, Advertising, and Communications or other regulatory bodies.***

The FDA's Division of Drug Marketing, Advertising, and Communications, or DDMAC, is responsible for reviewing prescription drug advertising and promotional labeling to ensure that the information contained in these materials is not false or misleading. There are specific disclosure requirements and the applicable regulations mandate that advertisements cannot be false or misleading or omit material facts about the product. Prescription drug promotional materials must present a fair balance between the drug's effectiveness and the risks associated with its use. Most warning letters from DDMAC cite inadequate disclosure of risk information.

DDMAC prioritizes its actions based on the degree of risk to the public health, and often focuses on newly introduced drugs and those associated with significant health risks. There are two types of letters that DDMAC typically sends to companies which violate its drug advertising and promotional guidelines: notice of violation letters, or untitled letters, and warning letters. In the case of an untitled letter, DDMAC typically alerts the drug company of the violation and issues a directive to refrain from future violations, but does not typically demand other corrective action. A warning letter is typically issued in cases that are more serious or where the company is a repeat offender. Although we have not received any such letters from DDMAC, we may inadvertently violate DDMAC's guidelines in the future and be subject to a DDMAC untitled letter or warning letter, which may have a negative impact on our business.

## Risks Related to Our Industry

***We may not be able to keep up with the rapid technological change in the biotechnology and pharmaceutical industries, which could make any future approved products obsolete and reduce our revenue.***

Biotechnology and related pharmaceutical technologies have undergone and continue to be subject to rapid and significant change. Our future will depend in large part on our ability to maintain a competitive position with respect to these technologies. Our competitors may render our technologies obsolete by advances in existing technological approaches or the development of new or different approaches, potentially eliminating the advantages in our drug discovery process that we believe we derive from our research approach and proprietary technologies. In addition, any future products that we develop, including our clinical drug candidates, STA-4783 and apilimod, and our preclinical drug candidates, STA-9090 and STA-9584, may become obsolete before we recover expenses incurred in developing those products, which may require that we raise additional funds to continue our operations.

***Our market is subject to intense competition. If we are unable to compete effectively, our drug candidates may be rendered noncompetitive or obsolete.***

We are engaged in segments of the pharmaceutical industry that are highly competitive and rapidly changing. Many large pharmaceutical and biotechnology companies, academic institutions, governmental agencies, and other public and private research organizations are pursuing the development of novel drugs that target cancer and chronic inflammatory diseases. We face, and expect to continue to face, intense and increasing competition as new products enter the market and advanced technologies become available. In addition to currently approved drugs, there are a significant number of drugs that are currently under development and may become available in the future for the treatment of cancer and chronic inflammatory diseases. We would expect STA-4783 and apilimod to compete with approved drugs and drug candidates currently under development, including the following:

- **STA-4783.** If approved, we would expect STA-4783 to compete with currently approved drugs for the treatment of metastatic melanoma, including dacarbazine/DTIC marketed by Bayer, and generic versions thereof, the injectable protein interleukin 2, or IL-2, marketed by Chiron, and the injectable protein interferon alfa-2b, marketed by Schering-Plough. STA-4783 may also compete with drug candidates currently in clinical development by other companies, including: (1) kinase inhibitors such as Nexavar, being developed by Bayer and Onyx, Sutent, being developed by Pfizer, and ispinesib, being developed by Cytokinetics and GlaxoSmithKline; (2) the anti-CTLA-4 monoclonal antibodies, ipilimumab and ticilimumab; (3) the anti-integrin volociximab; (4) cancer vaccines such as M-Vax and MDX-1379; and (5) derivatives, analogs, or reformulations of known chemotherapies, such as Abraxane, or other cytotoxic chemotherapies. In addition, STA-4783 may compete against drugs not currently approved for the treatment of metastatic melanoma, but which are commonly used "off-label" to treat this disease, such as taxanes, temozolomide, vincristine, carmustine, melphalan, and platinum-chemotherapeutics, such as cisplatin and carboplatin.
- **Apilimod.** If approved, we would expect apilimod to compete with other treatments of chronic inflammatory diseases, including (1) large-molecule, injectable TNF  $\alpha$  antagonists, such as Remicade, marketed by Johnson & Johnson, Enbrel, marketed by Amgen and Wyeth Pharmaceuticals, and Humira, marketed by Abbott Laboratories, (2) broadly immunosuppressive small molecule agents, including corticosteroids, methotrexate, and azathioprine, and (3) CNTO-1275 and ABT-874, two injectable antibody-based clinical candidates targeting IL-12 currently in clinical trials that are being developed by Johnson & Johnson and Abbott Laboratories, respectively.



- **STA-9090.** If approved, we would expect STA-9090 to compete with the currently approved therapies for the treatment of cancers, and other cancer treatments currently under development, including 17-AAG, being developed by Kosan, and other agents that inhibit Hsp90, including Hsp90 inhibitors being developed by Medimmune/Infinity, BiogenIdec, and Novartis/Vernalis.
- **STA-9584.** If approved, we would expect STA-9584 to compete with the currently approved therapies for the treatment of cancers, and other cancer treatments currently under development, including other vascular disrupting agents, such as ABT-751, being developed by Abbott; AS1404, being developed by Antisoma, CA4P, being developed by Oxigene, EXEL-0999, being developed by Exelixis, and ZD6126, being developed by Angiogene.

Many of our competitors have:

- significantly greater financial, technical and human resources than we have and may be better equipped to discover, develop, manufacture and commercialize drug candidates;
- more extensive experience in preclinical testing and clinical trials, obtaining regulatory approvals and manufacturing and marketing pharmaceutical products;
- drug candidates that have been approved or are in late-stage clinical development; and/or
- collaborative arrangements in our target markets with leading companies and research institutions.

Competitive products may render our products obsolete or noncompetitive before we can recover the expenses of developing and commercializing our drug candidates. Furthermore, the development of new treatment methods and/or the widespread adoption or increased utilization of any vaccine for the diseases we are targeting could render our drug candidates noncompetitive, obsolete or uneconomical. If we successfully develop and obtain approval for our drug candidates, we will face competition based on the safety and effectiveness of our drug candidates, the timing of their entry into the market in relation to competitive products in development, the availability and cost of supply, marketing and sales capabilities, reimbursement coverage, price, patent position and other factors. If we successfully develop drug candidates but those drug candidates do not achieve and maintain market acceptance, our business will not be successful.

### **Risks Related to Employee Matters and Managing Growth**

***Our future success depends on our ability to retain our chief executive officer and other key executives and to attract, retain, and motivate qualified personnel.***

We are highly dependent on Safi R. Bahcall, Ph.D., our President and Chief Executive Officer, and the other principal members of our executive and scientific teams, including those listed under "Management" on page 92. All of the agreements with these principal members of our executive and scientific teams provide that employment is at-will and may be terminated by the employee at any time and without notice. Although we do not have any reason to believe that we may lose the services of any of these persons in the foreseeable future, the loss of the services of any of these persons might impede the achievement of our research, development, and commercialization objectives. Recruiting and retaining qualified scientific personnel and possibly sales and marketing personnel will also be critical to our success. We may not be able to attract and retain these 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 personnel from universities and research institutions. We do not maintain "key person" insurance on any of our 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.

***We expect to expand our development, clinical research, and marketing capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.***

We expect to experience significant growth in the number of our employees and 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. 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. The physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

***If we make strategic acquisitions, we will incur a variety of costs and might never realize the anticipated benefits.***

All of our acquisitions to date have been of related parties. Accordingly, we have very limited experience in independently identifying acquisition candidates and integrating the operations of truly independent acquisition candidates with our company. Currently we are not a party to any acquisition agreements, nor do we have any understanding or commitment with respect to any such acquisition. If appropriate opportunities become available, however, we might attempt to acquire approved products, additional drug candidates, or businesses that we believe are a strategic fit with our business. If we pursue any transaction of that sort, the process of negotiating the acquisition and integrating an acquired product, drug candidate, or business might result in operating difficulties and expenditures and might require significant management attention that would otherwise be available for ongoing development of our business, whether or not any such transaction is ever consummated. Moreover, we might never realize the anticipated benefits of any acquisition. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities, or impairment expenses related to goodwill, and impairment or amortization expenses related to other intangible assets, which could harm our financial condition.

#### **Risks Related to Our Common Stock and this Offering**

***Our stock price is likely to be volatile and the market price of our common stock after this offering may drop below the price you pay.***

You should consider an investment in our common stock as risky and invest only if you can withstand a significant loss and wide fluctuations in the market value of your investment. Prior to this offering, there was not a public market for our common stock. We will negotiate and determine the initial public offering price with the representatives of the underwriters based on several factors. This price may vary from the market price of our common stock after this offering. You may be unable to sell your shares of common stock at or above the initial offering price due to fluctuations in the market price of our common stock arising from changes in our operating performance or prospects. In addition, the stock market has recently experienced significant volatility, particularly with respect to pharmaceutical, biotechnology, and other life sciences company stocks. The volatility of pharmaceutical, biotechnology, and other life sciences company stocks often does not relate to the operating performance of the companies represented by the stock. Some of the factors that may cause the market price of our common stock to fluctuate include:

- plans for, progress in, and results from our planned Phase 3 clinical trial of STA-4783 for the treatment of metastatic melanoma or any other future clinical trials of STA-4783 we may initiate;
- results of our current Phase 2a or any future clinical trials of apilimod we may initiate;

- results of clinical trials conducted by others on drugs that would compete with our drug candidates;
- failure or delays in advancing STA-9090, STA-9584 or our CRAC ion channel inhibitor program, or other drug candidates we may discover or acquire in the future, into clinical trials;
- failure or discontinuation of any of our research programs;
- issues in manufacturing our drug candidates or approved products;
- regulatory developments or enforcement in the United States and foreign countries;
- developments or disputes concerning patents or other proprietary rights;
- introduction of technological innovations or new commercial products by us or our competitors;
- changes in estimates or recommendations by securities analysts, if any cover our common stock;
- public concern over our drug candidates or any approved products;
- litigation;
- future sales of our common stock;
- general market conditions;
- changes in the structure of healthcare payment systems;
- failure of any of our drug candidates, if approved, to achieve commercial success;
- economic and other external factors or other disasters or crises;
- period-to-period fluctuations in our financial results; and
- overall fluctuations in U.S. equity markets.

These and other external factors may cause the market price and demand for our common stock to fluctuate substantially, 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 addition, 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.

***There may not be an active, liquid trading market for our common stock.***

There is currently no established trading market for our common stock. There is no guarantee that an active trading market for our common stock will develop and be maintained after this offering on the Nasdaq Global Market or any other exchange. If a trading market does not develop or is not maintained, you may experience difficulty in reselling, or an inability to sell, your shares quickly or at the latest market price.

***Insiders will continue to have substantial control over us which could delay or prevent a change in corporate control or result in the entrenchment of management and/or the board of directors.***

After this offering, our directors, executive officers and principal stockholders, together with their affiliates and related persons, will beneficially own, in the aggregate, approximately % of our outstanding common stock. As a result, these stockholders, if acting together, may have the ability to determine the outcome of matters submitted to our stockholders for approval, including the election and removal of directors and any merger, consolidation, or sale of all or substantially all of our assets. In addition, these persons, acting together, may have the ability to control the management and affairs

of our company. Accordingly, this concentration of ownership may harm the market price of our common stock by:

- delaying, deferring, or preventing a change in control;
- entrenching our management and/or the board of directors;
- 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.

**Future sales of common stock by our existing stockholders may cause our stock price to fall.**

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, could reduce the market price of our common stock. After this offering, we will have outstanding shares of common stock based on the number of shares outstanding as of . This includes the shares that we are selling in this offering, which may be resold in the public market immediately. The remaining shares are currently restricted as a result of securities laws or lock-up agreements but will be able to be sold in the near future as set forth below.

Number of Shares	Date Available for Sale Into the Public Market
	On the date of this prospectus.
	After 180 days* from the date of this prospectus (subject, in some cases, to volume limitations).
	At various times after 180 days* from the date of this prospectus (subject, in some cases, to volume limitations).

\* 180 days corresponds to the end of the lock-up period described in "Shares Eligible for Future Sale—Lock-Up Agreements" on page 127. This lock-up period may be extended under certain circumstances as described in that section.

Moreover, beginning after the lock-up period described in "Shares Eligible for Future Sale—Lock-Up Agreements" expires, the holders of shares of our common stock and 1,300,000 shares of our common stock issuable upon the exercise of options will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also intend to register all shares of common stock that we may issue under our stock plans. For additional information, see "Shares Eligible for Future Sale" beginning on page 126.

**We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.**

Management will retain broad discretion over the use of the net proceeds from this offering. Stockholders may not agree with such uses, and our use of the proceeds may not yield a significant return or any return at all for our stockholders. The failure by our management to apply these funds effectively could have a material adverse effect on our business.

We intend to use the proceeds from this offering for clinical trials, preclinical testing and other research and development activities, and general and administrative expenses, working capital needs, and other general corporate purposes. Because of the number and variability of factors that will determine our use of the proceeds from this offering, their ultimate use may vary substantially from their currently intended use. For a further description of our intended use of the proceeds of the offering, see "Use of Proceeds" beginning on page 34.

***Provisions of our charter, bylaws, and Delaware law may make an acquisition of us or a change in our management more difficult.***

Certain provisions of our restated certificate of incorporation and restated bylaws that will be in effect upon the completion of this offering could discourage, delay, or prevent a merger, acquisition, or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions also could limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. Stockholders who wish to participate in these transactions may not have the opportunity to do so. Furthermore, these provisions could prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions:

- allow the authorized number of directors to be changed only by resolution of our board of directors;
- establish a classified board of directors, providing that not all members of the board be elected at one time;
- authorize our board of directors to issue without stockholder approval blank check preferred stock that, if issued, could operate as a "poison pill" to dilute the stock ownership of a potential hostile acquirer to prevent an acquisition that is not approved by our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit stockholder action by written consent;
- establish advance notice requirements for stockholder nominations to our board of directors or for stockholder proposals that can be acted on at stockholder meetings;
- limit who may call stockholder meetings; and
- require the approval of the holders of 80% of the outstanding shares of our capital stock entitled to vote in order to amend certain provisions of our restated certificate of incorporation and restated bylaws.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which may, unless certain criteria are met, prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a prescribed period of time.

***We do not anticipate paying cash dividends, and accordingly, stockholders must rely on stock appreciation for any return on their investment.***

We currently intend to retain our future earnings, if any, to fund the development and growth of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain on your investment for the foreseeable future.

***Investors in this offering will pay a much higher price than the book value of our common stock and therefore you will incur immediate and substantial dilution of your investment.***

If you purchase common stock in this offering, you will incur immediate and substantial dilution of \$ \_\_\_\_\_ per share, representing the difference between our pro forma net tangible book value per share after giving effect to this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share. In the past, we issued options to acquire common stock at prices significantly below the assumed initial public offering price. To the extent these outstanding options are ultimately exercised, you will sustain further dilution.

## FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. The forward-looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business." These statements involve known and unknown risks, uncertainties, and other factors which may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward-looking statements include statements about:

- the anticipated progress of our research, development, and clinical programs, including the timing of current and future clinical trials;
- our ability to market, commercialize, and achieve market acceptance for our drug candidates that we may develop or acquire;
- our anticipated use of the proceeds of this offering; and
- estimates regarding the sufficiency of our cash resources.

In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," and similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. We discuss many of these risks in this prospectus in greater detail under the heading "Risk Factors" beginning on page 10. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our estimates and assumptions only as of the date of this prospectus. You should read this prospectus and the documents that we have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

Except as required by law, we assume no obligation to update any forward-looking statements publicly or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

## USE OF PROCEEDS

We estimate that our net proceeds from the sale of \$ \_\_\_\_\_ million, or approximately \$ \_\_\_\_\_ million if the underwriters exercise their over-allotment option in full, assuming an initial public offering price of \$ \_\_\_\_\_ per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share would increase (decrease) the net proceeds to us from this offering by \$ \_\_\_\_\_ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional working capital to fund anticipated operating losses, establish a public market for our common stock, and facilitate future access to the public markets. We estimate that we will use the proceeds of this offering as follows:

- approximately \$ \_\_\_\_\_ to \$ \_\_\_\_\_ million of these net proceeds to fund the continued clinical development of STA-4783, including the initiation of a pivotal Phase 3 clinical trial in metastatic melanoma in 2007 and the initiation of Phase 2 clinical trials in up to \_\_\_\_\_ other indications in 2007;
- approximately \$ \_\_\_\_\_ to \$ \_\_\_\_\_ million of these net proceeds to fund the continued clinical development of apilimod, depending on the results of our current Phase 2a clinical trials in rheumatoid arthritis and COVID;
- approximately \$ \_\_\_\_\_ to \$ \_\_\_\_\_ million of these net proceeds to fund the continued research, preclinical and future clinical development of STA-9090, STA-9584 and our CRAC ion channel program; and
- approximately \$ \_\_\_\_\_ million to fund general and administrative expenses, working capital needs, and other general corporate purposes.

We may also use a portion of the proceeds for the potential acquisition of, or investment in, technologies, products, or companies that complement our business, although we have no current understandings, commitments, or agreements to do so.

As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the proceeds from this offering, or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures will depend upon numerous factors, including the progress of our research, development, and commercialization efforts, the progress of our clinical trials, whether or not we enter into strategic collaborations or partnerships, and our operating costs and expenditures. Accordingly, our management will have significant flexibility in applying the net proceeds of this offering.

The costs and timing of drug development and regulatory approval, particularly conducting clinical trials, are highly uncertain, are subject to substantial risks, and can often change. Accordingly, we may change the allocation of use of these proceeds as a result of contingencies such as the progress and results of our clinical trials and other research and development activities, the establishment of collaborations, the results of our commercialization efforts, our manufacturing requirements and regulatory or competitive developments. In addition, assuming our current clinical programs proceed further to the next stage of clinical development, we do not expect our existing capital resources and the net proceeds from this offering to be sufficient to enable us to fund the completion of all such clinical development programs through commercial introduction. Accordingly, we expect we will need to raise additional funds.

Pending use of the proceeds from this offering as described above or otherwise, we intend to invest the net proceeds in short-term interest-bearing, investment grade securities.

## **DIVIDEND POLICY**

We have never paid or declared any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, and other factors that our board of directors deems relevant. In addition, the terms of any future debt or credit facility may preclude us from paying dividends.



## CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2006 on an actual basis and on an as adjusted basis to give effect to:

- the conversion of all outstanding shares of our Series A convertible preferred stock and accumulated dividends into \_\_\_\_\_ shares of common stock upon completion of this offering; and
- our sale of \_\_\_\_\_ shares of common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

This table should be read with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes appearing elsewhere in this prospectus.

As of September 30, 2006		
	Actual	As adjusted(1)
	(in thousands, except share and per share data)	
Cash, cash equivalents and marketable securities	\$ 58,730	\$
Capital lease obligations, net of current portion	3,423	
Convertible preferred stock	41,013	
Stockholders' equity:		
Common stock, par value \$.0001 per share: Authorized 158,000,000 shares actual and _____ shares as adjusted; 90,207,858 shares issued and outstanding actual and _____ shares issued and outstanding as adjusted(2)	9	
Additional paid-in capital	234,401	
Accumulated other comprehensive income	14	
Deficit accumulated during the development stage	(224,071)	
Total stockholders' equity	10,353	
Total capitalization	\$ 54,789	\$

- (1) A \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share would increase (decrease) each of cash, cash equivalents and marketable securities, additional paid-in capital, total stockholders' equity and total capitalization by \$ \_\_\_\_\_ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The as adjusted information set forth above is illustrative only and following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.
- (2) A \$1.00 decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share would increase the number of shares of common stock issuable upon conversion of our Series A convertible preferred stock upon the completion of this offering by \_\_\_\_\_ shares and the number of shares outstanding as adjusted would increase by the same number. A \$1.00 increase in the assumed initial public offering price of \$ \_\_\_\_\_ per share would decrease the number of shares of common stock issuable upon conversion of our Series A convertible preferred stock upon the completion of this offering by \_\_\_\_\_ shares and the number of shares outstanding as adjusted would decrease by the same number. The as adjusted information set forth

above is illustrative only and following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

The outstanding share information excludes:

- 12,473,813 shares of common stock issuable upon the exercise of stock options outstanding as of September 30, 2006, including 300,000 shares of common stock issuable upon the exercise of stock options granted outside of our stock plans, at a weighted average exercise price of \$2.98 per share; and
- 9,423,100 shares of common stock reserved for future awards under our 2006 Stock Plan as of September 30, 2006.

## DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock after this offering. We calculate net tangible book value per share of common stock by dividing the net tangible book value (tangible assets less total liabilities) by the number of outstanding shares of common stock.

Our historical net tangible book value at September 30, 2006 was \$10.4 million, or \$0.11 per share of common stock, based on 90,207,858 shares of common stock outstanding at September 30, 2006. Our pro forma net tangible book value as of September 30, 2006 was \$                      million, or \$                      per share of common stock, based on                      shares of common stock outstanding after giving effect to the conversion of all outstanding shares of our Series A convertible preferred stock and accumulated dividends into                      shares of common stock upon completion of this offering. After giving further effect to the sale of                      shares of common stock by us in this offering at an assumed initial public offering price of \$                      per share, less the estimated underwriting discounts and commissions and the estimated offering expenses payable by us, our pro forma as adjusted net tangible book value at September 30, 2006, would be \$                      million, or \$                      per share. This represents an immediate increase in the pro forma net tangible book value of \$                      per share to existing stockholders and an immediate dilution of \$                      per share to new investors purchasing shares in this offering. The following table illustrates this per share dilution:

Assumed initial public offering price per share		\$
Historical net tangible book value per share as of September 30, 2006	\$	0.11
Pro forma increase per share attributable to conversion of the Series A convertible preferred stock and dividends		
		_____
Pro forma net tangible book value per share as of September 30, 2006		
Increase per share attributable to this offering		
		_____
Pro forma as adjusted net tangible book value per share after this offering		
		_____
Dilution per share to new investors in this offering		\$
		_____

A \$1.00 decrease in the assumed initial public offering price of \$                      per share would decrease the pro forma as adjusted net tangible book value by \$                      million, the pro forma as adjusted net tangible book value per share after this offering by \$                      per share and the dilution per share to new investors in this offering by \$                      per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. A \$1.00 increase in the assumed initial public offering price of \$                      per share would increase the pro forma as adjusted net tangible book value by \$                      million, the pro forma as adjusted net tangible book value per share after this offering by \$                      per share and the dilution per share to new investors in this offering by \$                      per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value per share after this offering would be \$                      per share, the increase in the pro forma net tangible book value per share to existing stockholders would be \$                      per share and the dilution to new investors purchasing shares in this offering would be \$                      per share.

The following table shows at September 30, 2006, on a pro forma as adjusted basis as described above, the difference between the number of shares of common stock purchased from us, the total consideration paid to us and the average price paid per share by existing stockholders and by new investors purchasing common stock in this offering:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders			% \$		% \$
New investors					\$
Total		100.0%	\$	100.0%	

Assuming the underwriters' over-allotment option is exercised in full, sales by us in this offering will reduce the percentage of shares held by existing stockholders to % and will increase the number of shares held by new investors to , or %.

The information set forth above is based on shares outstanding as of September 30, 2006. It excludes:

- 12,473,813 shares of common stock issuable upon the exercise of stock options outstanding as of September 30, 2006, including 300,000 shares of common stock issuable upon the exercise of stock options granted outside of our stock plans, at a weighted average exercise price of \$2.98 per share; and
- 9,423,100 shares of common stock reserved for future awards under our 2006 Stock Plan as of September 30, 2006.

To the extent outstanding options are exercised, there will be further dilution to the new investors.

**SELECTED HISTORICAL FINANCIAL AND OPERATING DATA**  
(in thousands, except per share amounts)

You should read the following selected financial information together with our consolidated financial statements and the related notes appearing at the end of this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus. We have derived the consolidated statement of operations data for the nine months ended September 30, 2005 and 2006, and for the period from inception (March 10, 2000) through September 30, 2006, and the consolidated balance sheet data as of September 30, 2006 from our unaudited consolidated financial statements which are included in this prospectus. The unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth therein. We have derived the consolidated statement of operations data for the years ended December 31, 2003, 2004 and 2005 and the consolidated balance sheet data at December 31, 2004 and 2005 from our audited consolidated financial statements which are included in this prospectus. We have derived the consolidated statement of operations data for the years ended December 31, 2001 and 2002 and consolidated balance sheet data at December 31, 2001, 2002 and 2003 from our audited consolidated financial statements, which are not included in this prospectus. Our historical results for any prior period are not necessarily indicative of results to be expected for any future period.

	Years ended December 31,					Nine months ended September 30,		Period from inception (March 10, 2000) through September 30, 2006
	2001	2002	2003	2004	2005	2005	2006	
<b>Consolidated Statement of Operations Data:</b>								
Revenues	\$ —	\$ —	\$ 1,304	\$ 173	\$ —	\$ —	\$ —	\$ 1,477
Operating expenses								
Research and development	277	7,292	24,337	38,136	59,901	45,859	39,975	169,918
In-process research and development(1)	—	18,088	—	1,583	—	—	—	19,671
General and administrative	124	1,569	5,261	7,383	11,279	9,330	6,171	31,865
Other compensation expense	—	9,315	—	—	—	—	—	9,315
Total operating expenses	401	36,264	29,598	47,102	71,180	55,189	46,146	230,769
Loss from operations	(401)	(36,264)	(28,294)	(46,929)	(71,180)	(55,189)	(46,146)	(229,292)
Investment income, net	20	110	416	995	2,317	1,818	1,363	5,221
Net loss	(381)	(36,154)	(27,878)	(45,934)	(68,863)	(53,371)	(44,783)	(224,071)
Convertible preferred stock dividends	—	—	—	—	—	—	1,052	1,052
Net loss attributable to common stockholders	\$ (381)	\$ (36,154)	\$ (27,878)	\$ (45,934)	\$ (68,863)	\$ (53,371)	\$ (45,835)	\$ (225,123)
Basic and diluted net loss attributable to common stockholders per share	\$ (0.03)	\$ (1.09)	\$ (0.46)	\$ (0.61)	\$ (0.77)	\$ (0.60)	\$ (0.51)	
Weighted average shares used in computing basic and diluted net loss per common share	12,156	33,115	60,096	74,816	89,014	89,008	89,054	
Pro forma basic and diluted net loss per common share(2)								
Weighted average shares used in computing pro forma basic and diluted net loss per common share(2)								

(1) In September 2002 and December 2002 Synta acquired Principia Associates, Inc. and Diagon Genetics, Inc., respectively. See note 3 to our audited consolidated financial statements.

- (2) The pro forma basic and diluted net loss per common share for the nine months ended September 30, 2006 gives effect to the conversion of all outstanding shares of our Series A convertible preferred stock and accumulated dividends into shares of common stock upon the completion of this offering. For purposes of calculating the number of shares of common stock into which the Series A convertible preferred stock and accumulated dividends will be converted upon completion of the offering, we have assumed (1) the closing of this offering occurs on , 2007 and (2) an initial public offering price of \$ per share. If the actual closing date of this offering and/or the actual initial public offering price differ from these assumptions, the number of shares of common stock into which the outstanding shares of Series A convertible preferred stock will be converted upon completion of this offering will differ. See "Prospectus Summary —General Information About This Prospectus" beginning on page 6. Following the completion of this offering, this information will be adjusted based on the actual closing date and initial public offering price and other terms of this offering determined at pricing.

As of December 31,

	2001	2002	2003	2004	2005	As of September 30, 2006
<b>Consolidated Balance Sheet Data:</b>						
Cash, cash equivalents and marketable securities	\$ 1,708	\$ 28,952	\$ 76,226	\$ 124,968	\$ 62,057	\$ 58,730
Working capital	2,697	27,574	73,564	113,147	48,476	48,448
Total assets	2,773	33,173	80,387	132,019	71,210	66,344
Capital lease obligations, net of current portion	—	—	—	1,188	4,259	3,423
Convertible preferred stock	—	—	—	—	—	41,013
Common stock	3	5	7	9	9	9
Additional paid-in capital	3,519	68,430	144,149	238,923	239,022	234,401
Deficit accumulated during the development stage	(459)	(36,613)	(64,491)	(110,425)	(179,288)	(224,071)
Total stockholders' equity	2,744	31,151	76,891	117,956	52,477	10,353

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read this discussion together with the consolidated financial statements, related notes and other financial information included elsewhere in this prospectus. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under "Risk Factors" and elsewhere in this prospectus. These risks could cause our actual results to differ materially from any future performance suggested below.*

### Overview

We are a biopharmaceutical company focused on discovering, developing and commercializing small molecule drugs that address severe medical conditions with large potential markets, including cancer and chronic inflammatory diseases. We have two drug candidates in clinical trials, two drug candidates in preclinical studies, and one program undergoing lead optimization. In September 2006, we announced positive results for our most advanced drug candidate, STA-4783, in a Phase 2b clinical trial in patients with metastatic melanoma. Based on these positive results, we intend to initiate a pivotal Phase 3 clinical trial in metastatic melanoma and additional Phase 2 clinical trials in other cancer indications in 2007. For our second clinical-stage drug candidate, apilimod, we are currently conducting a Phase 2a clinical trial in patients with rheumatoid arthritis and sponsoring a Phase 2a clinical trial in patients with CVID. Our two preclinical-stage drug candidates, STA-9090 and STA-9584, are currently in preclinical development, and our CRAC ion channel inhibitor program is currently in the lead optimization stage of preclinical development. All of our drug candidates were discovered and developed internally, using our unique chemical compound library, and the chemistry, biology, and pharmaceutical development assets and capabilities built over the combined history of Synta and its predecessor companies. We have retained all rights to all of our drug candidates and programs across all geographic markets and therapeutic indications.

We were incorporated in March 2000 and commenced operations in July 2001. Since that time, we have been principally engaged in raising capital and in the discovery and development of novel drug candidates. In September 2002, we acquired all of the outstanding stock of Principia Associates, Inc., an operating biopharmaceutical company and a related party, in exchange for our common stock, common stock warrants and forgiveness of notes receivable with an aggregate value of \$16.9 million. In July 2002, Principia had acquired all of the outstanding stock of SBR Pharmaceuticals Corp. (formerly Shionogi BioResearch Corp.), an operating biopharmaceutical company, in exchange for cash of \$12.5 million. In December 2002, we acquired all of the outstanding stock of Diagon Genetics, Inc., a related party, whose activities consisted of owning the rights to the development of certain intellectual property, in exchange for cash of \$5.0 million and \$8.5 million of our common stock. In January 2004, we acquired the assets, consisting principally of rights to intellectual property, and assumed certain liabilities of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc. and SinglePixel Biomedical, Inc., collectively referred to herein as CKS, all related parties, in a single transaction in exchange for our common stock with a value of \$2.2 million.

Since our inception, we have had no revenues from product sales and have funded our operations primarily through the private placement of our common stock and Series A convertible preferred stock. Through September 30, 2006, we raised net cash proceeds of \$236.6 million through the private placement of common stock, Series A convertible preferred stock and the exercise of common stock options and warrants. In June 2006, we raised net cash proceeds of \$40.0 million through the private placement of our Series A convertible preferred stock. We have devoted substantially all of our capital resources to the research and development of our drug candidates and to the acquisitions of Principia and Diagon. We have never been profitable and, as of September 30, 2006, we had an accumulated deficit of \$224.1 million. We had net losses attributable to common stockholders of \$27.9 million for the year ended December 31, 2003, \$45.9 million for the year ended December 31, 2004, \$68.9 million

for the year ended December 31, 2005, and \$45.8 million for the nine months ended September 30, 2006. We expect to incur significant and increasing operating losses for the foreseeable future as we advance our drug candidates from discovery through preclinical and clinical trials and seek regulatory approval and eventual commercialization. In addition to these increasing research and development expenses, we expect general and administrative costs to increase as we add personnel and begin to operate as a public company. We will need to generate significant revenues to achieve profitability and may never do so.

## Financial Operations Overview

### Revenue

We have not yet generated any product revenue and do not expect to generate any product revenue for the foreseeable future. We have recognized, in the aggregate, \$1.5 million of revenue since our inception. This revenue was derived entirely from government research grants. We will seek to generate revenue from product sales, and possibly from collaborative or strategic relationships, which could include research and development, profit sharing, and milestone payments, as well as royalties. In the future, we expect that any revenue we generate will fluctuate from quarter-to-quarter as a result of the timing and amount of payments received under any future collaborative or strategic relationships, and the amount and timing of payments we receive upon the sale of our drug candidates, to the extent any is successfully commercialized.

### Research and Development

Research and development expense consists of costs incurred in connection with developing and advancing our drug discovery technology and identifying and developing our drug candidates. From inception through September 30, 2006, we incurred research and development expense in the aggregate of \$169.9 million. We charge all research and development expenses to operations as incurred.

Our research and development expense consists of:

- internal costs associated with research, preclinical and clinical activities;
- payments to third party contract research organizations, investigative sites and consultants in connection with our preclinical and clinical development programs;
- costs associated with drug formulation and supply of drugs for clinical trials;
- personnel related expenses, including salaries, stock-based compensation, benefits and travel; and
- overhead expenses, including rent and maintenance of our facilities, and laboratory and other supplies.

For the periods indicated, research and development expenses for our clinical-stage drug candidates, STA-4783 and apilimod, and our other early-stage and discontinued programs were as follows (in millions):

	Years ended December 31,			Nine months ended September 30,	
	2003	2004	2005	2005	2006
STA-4783	\$ 3.8	\$ 10.8	\$ 14.0	\$ 10.8	\$ 4.8
Apilimod	7.8	15.0	27.5	22.5	15.9
Early-stage and discontinued programs	12.7	12.3	18.4	12.6	19.3
Total	\$ 24.3	\$ 38.1	\$ 59.9	\$ 45.9	\$ 40.0



We do not know if we will be successful in developing our drug candidates. While expenses associated with the completion of our current clinical programs are expected to be substantial and increase, we believe that accurately projecting total program-specific expenses through commercialization is not possible at this time. The timing and amount of these expenses will depend upon the costs associated with potential future clinical trials of our drug candidates, and the related expansion of our research and development organization, regulatory requirements, advancement of our preclinical programs and product manufacturing costs, many of which cannot be determined with accuracy at this time based on our stage of development. This is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials, which vary significantly over the life of a project as a result of unanticipated events arising during clinical development, including with respect to:

- the number of clinical sites included in the trial;
- the length of time required to enroll suitable subjects;
- the number of subjects that ultimately participate in the trials; and
- the efficacy and safety results of our clinical trials and the number of additional required clinical trials.

Our expenditures are subject to additional uncertainties, including the terms and timing of regulatory approvals and the expense of filing, prosecuting, defending or enforcing any patent claims or other intellectual property rights. In addition, we may obtain unexpected or unfavorable results from our clinical trials. We may elect to discontinue, delay or modify clinical trials of some drug candidates or focus on others. A change in the outcome of any of the foregoing variables in the development of a drug candidate could mean a significant change in the costs and timing associated with the development of that drug candidate. For example, if the FDA or other regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate, or if we experience significant delays in any of our clinical trials, we would be required to expend significant additional financial resources and time on the completion of clinical development. Additionally, future commercial and regulatory factors beyond our control will evolve and therefore impact our clinical development programs and plans over time.

Despite this uncertainty, however, our development strategy for our lead clinical-stage drug candidate, STA-4783, is currently based on a number of assumptions that allow us to make broad estimates of certain clinical trial expenses. We expect to initiate a pivotal Phase 3 clinical trial of STA-4783 in metastatic melanoma in 2007, and we expect the cost to complete this trial, including the cost of clinical supplies of STA-4783, together with the costs of related nonclinical toxicology and other testing to support the trial, will be in the range of \$45 to \$65 million. To date, we have not entered into any collaboration with a strategic corporate partner for the development of either of these drug candidates, and unless we do so in the future, we expect to internally finance all clinical development of this candidate. We do not expect to receive regulatory approval of any of our drug candidates until 2009 at the earliest, if at all.

Beyond our two lead drug candidates, we anticipate that we will select drug candidates and research projects for further development on an ongoing basis in response to their preclinical and clinical success, as well as commercial potential.

### ***In-Process Research and Development***

Our acquisitions of Principia and Diagon in 2002 and the CKS assets in 2004 resulted in in-process research and development charges to our consolidated statements of operations in the respective periods of the acquisitions. The total amount of in-process research and development charges related to these acquisitions was approximately \$19.7 million. We used the income approach to estimate the fair

value of in-process research and development for the Principia and Diagon acquisitions and the cost approach for the CKS acquisition. Generally, in cases where we acquired assets and assumed liabilities, and where the purchase price exceeded the fair value of net assets acquired, the excess purchase price has been allocated to acquired intangible assets, principally in-process research and development. If the in-process research and development acquired is incomplete and has no alternative future use, we record the value of the in-process research and development as an expense in our consolidated statement of operations in the period of the acquisition.

Under the income approach, each project was analyzed to determine the utilization of core technology; the complexity, cost and time to complete development; any alternative future use or current technological feasibility; and the stage of completion. Future cash flows were estimated, taking into account the expected life cycles of the product and the underlying technology, relevant market sizes and industry trends. The estimated net cash flows from these products were based on management's estimates of related revenues, cost of goods sold, research and development costs, selling, general and administrative costs, and income taxes. Material cash flows from each of the projects valued under the income approach were assumed to commence in the year following project completion. Discount rates and probability factors were determined based on the nature of the technology, the stage of completion of the projects, the complexity of the development effort and the risks associated with reaching technological feasibility of the projects.

We recorded an in-process research and development charge of \$13.9 million as a result of the Principia acquisition, principally comprised of an \$8.7 million charge related to STA-4783 and a \$3.7 million charge related to apilimod. The discount rates applied in the valuations ranged from 30% to 40%.

Projects acquired in the Diagon acquisition related to ion channel technology and anti-allergy antibody projects and resulted in in-process research and development valuation of approximately \$3.0 million and \$1.2 million, respectively. The discount rate applied in the valuations was 30%.

The CKS in-process research and development charge, after allocation of excess purchase price of \$1.6 million, pertained to the technology related to the treatment of anxiety and general pain. The value of the CKS in-process research and development charge was based on the cost approach. During 2004, after an initial investment to advance the technology, we ceased further funding of the project.

We believe each of the acquired technologies for which in-process research and development was recorded was unique and patents were filed for each of the acquired projects. Completion of these projects will be a complex and costly undertaking, involving continuing research, animal studies and human clinical trials.

### ***General and Administrative***

General and administrative expense consists primarily of salaries and related expenses for personnel in executive, finance, business development, human resources and administrative functions. Other costs include stock-based compensation costs, legal costs of pursuing patent protection of our intellectual property, fees for general legal, accounting and other professional services, and overhead-related costs not otherwise included in research and development. After this offering, we anticipate increases in general and administrative expense relating to public-company requirements and initiatives. These increases will likely include legal fees, accounting fees, and directors' and officers' liability insurance premiums, as well as fees for investor relations services.

### ***Convertible Preferred Stock Dividends***

Convertible preferred stock dividends consists of cumulative but undeclared dividends payable on our Series A convertible preferred stock. The Series A convertible preferred stock accrues dividends at

8% per year. For the nine months ended September 30, 2006, dividends recorded with respect to the Series A convertible preferred stock totaled \$1.1 million.

## **Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations are based on our financial statements which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. We are required to make estimates and judgments with respect to accrued expenses, acquisitions and stock-based compensation. We base our estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources and the reported amounts of revenues and expenses. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following accounting policies and estimates are most critical to aid you in understanding and evaluating our reported financial results.

### ***Accrued Expenses***

As part of the process of preparing financial statements, we are required to estimate accrued expenses. This process involves identifying services which have been performed on our behalf, and estimating the level of service performed and the associated cost incurred for such service as of each balance sheet date in our financial statements. Given our current business, the primary area of uncertainty concerning accruals which could have a material effect on our business is with respect to service fees paid to contract manufacturers in conjunction with the production of clinical drug supplies and to contract research organizations in connection with our preclinical studies and clinical trials. In connection with all of the foregoing service fees, our estimates are most affected by our understanding of the status and timing of services provided. The majority of our service providers, including contract research organizations, invoice us in arrears for services performed. In the event that we do not identify some costs which have begun to be incurred, or we under or over estimate the level of services performed or the costs of such services in a given period, our reported expenses for such period would be too low or too high. We currently reflect the over or under accrual of expenses directly in our operations in the period the amount was determined.

Our arrangements with contract research organizations in connection with clinical trials often provide for payment prior to commencing the project or based upon predetermined milestones throughout the period during which services are expected to be performed. We recognize expense relating to these arrangements based on the various services provided over the estimated time to completion. The date on which services commence, the level of services performed on or before a given date, and the cost of such services are often determined based on subjective judgments. We make these judgments based upon the facts and circumstances known to us based on the terms of the contract or our ongoing monitoring of service performance. In the years ended December 31, 2003, 2004, and 2005, and in the nine months ended September 30, 2006, we had arrangements with multiple contract research organizations whereby these organizations commit to performing services for us over multiple reporting periods. We currently recognize and plan to continue to recognize the expenses associated with these arrangements based on our expectation of the timing of the performance of components under these arrangements by these organizations. Generally, these components consist of the costs of setting up the trial, monitoring the trial, closing the trial and preparing the resulting data.

With respect to financial reporting periods presented in this prospectus, and based on our receipt of invoices from our third party providers, the timing of our actual costs incurred have not differed materially from our estimated timing of such costs. In light of the foregoing, we do not believe our estimates of future expenses and our practice of making judgments concerning the accrual of expenses are reasonably likely to change in the future. There were no changes in our estimates and accruals for contract service fees that had a material effect on our net losses in the years ended December 31, 2003, 2004, and 2005 or for the nine months ended September 30, 2005 and 2006, respectively.

### **Acquisitions**

We apply purchase accounting in our acquisitions. Under purchase accounting, we allocate the purchase price to assets acquired and liabilities assumed based upon our analysis and estimates of fair values. Our analysis generally includes three approaches to estimate the value of acquired assets. The cost approach measures the value of an asset by quantifying the aggregate expenditures that would be required to replace the subject asset, given its future service capability. The market approach employs a comparative analysis of actual transactions in which similar assets have been transferred or in which businesses have been sold whose value is comprised largely of assets similar to the subject assets. The income approach is an estimation of the present value of the future monetary benefits expected to flow to the owner of the asset during its remaining useful life. We generally use the income approach to estimate the fair value of in-process research and development. We perform a discounted cash flow analysis, utilizing anticipated revenues, expenses and net cash flow forecasts related to the technology. Given the high risk associated with the development of new drugs, we probability adjust the revenue and expense forecasts to reflect the risk of failing to advance through the clinical development and regulatory approval process based on the stage of development in the regulatory process. Such a valuation requires significant estimates and assumptions. We believe the fair value assigned to the in-process research and development reflected in our consolidated financial statements is based on reasonable assumptions. However, these assumptions may be incomplete or inaccurate, and unanticipated events and circumstances may occur. If the in-process research and development is incomplete and has no alternative future value, we record the full value of the in-process research and development as an expense in the period of the acquisition.

### **Stock-Based Compensation**

Prior to January 1, 2006, we applied the intrinsic-value-based method of accounting prescribed by Accounting Principles Board, or APB, Opinion No. 25, *Accounting for Stock Issued to Employees*, or APB Opinion No. 25, and related interpretations, including Financial Accounting Standards Board, or FASB, Interpretation No. 44, *Accounting for Certain Transactions Involving Stock Compensation, an Interpretation of APB Opinion No. 25*, in accounting for our employee stock options. Under this method, compensation expense is generally recorded on the date of grant only if the estimated fair value of the underlying stock exceeds the exercise price. Given the absence of an active market for our common stock, the board of directors historically has determined the estimated fair value of our common stock on the dates of grant. Historically, the determination was principally based on sales of common stock to outside investors, as well as progress against regulatory, clinical and product development milestones, and the likelihood of achieving a liquidity event such as an initial public offering or sale of the Company. As a result, we recorded deferred compensation charges for the excess of the estimated fair value of our common stock over the exercise price of options granted at the date of grant. Compensation expense was recognized over the vesting period of the related options on a straight-line basis.

We account for stock options issued to non-employees in accordance with the provisions of Statement of Financial Accounting Standards, or SFAS, No. 123, *Accounting for Stock-Based Compensation*, or SFAS 123, and Emerging Issues Task Force, or EITF, No. 96-18, *Accounting for Equity Instruments that are Issued to Other than Employees, or in Conjunction with Selling Goods or Services*, which requires valuing and remeasuring such stock options to the current fair value until the performance date has been reached.

Effective January 1, 2006, we adopted SFAS No. 123R, *Share-Based Payment*, or SFAS No. 123R, for stock-based awards to employees, using the modified prospective method of transition for awards granted after January 17, 2005 (valued using the fair value method), and using the prospective method for awards granted prior to January 17, 2005 (valued using the minimum value method). Therefore, compensation cost recognized in the nine-month period ended September 30, 2006 includes: (1) compensation costs related to the vesting of stock options granted after January 17, 2005 but prior to January 1, 2006, based on the grant date fair value method estimated in accordance with the provisions of SFAS 123 adjusted for estimated forfeitures, (2) compensation costs related to the continued vesting of nonvested restricted stock awards granted prior to January 1, 2006, and (3) compensation costs for all share-based payments granted or modified subsequent to January 1, 2006, based on the provisions of SFAS No. 123R.

We continue to use the Black-Scholes option pricing model as the most appropriate valuation method for our option grants. The Black-Scholes model requires inputs for risk-free interest rate, dividend yield, volatility and expected lives of the options. Since we do not have a history of stock trading activity, expected volatility is based on historical data from several public companies similar in size and value to us. When our common stock is publicly traded, we will use a weighted average approach using historical volatility and other similar public entity volatility information until historical volatility of our common stock is relevant to measure expected volatility for future option grants. We estimate the forfeiture rate based on historical data. Our options generally vest 25% after one year of service and quarterly over three years thereafter. Based on an analysis of historical forfeitures, we applied a forfeiture rate of 10% to all options that vest upon completion of the first year of service following the date of grant. The analysis will be re-evaluated at least annually and the forfeiture rate will be adjusted as necessary. The risk-free interest rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected lives for options granted represents the period of time that options granted are expected to be outstanding. Since January 1, 2006, we have used the simplified method for determining the expected lives of options.

For awards with graded vesting, we allocate compensation costs under SFAS No. 123R on a straight-line basis over the requisite service period. Accordingly, we amortized the fair value of each option over each option's service period, which is generally the vesting period.

Our net loss for the nine months ended September 30, 2006 includes \$3.6 million of compensation costs and no income tax benefit related to our stock-based compensation arrangements for employee and nonemployee awards. As of September 30, 2006, the total amount of unrecognized stock-based compensation expense is \$14.0 million and will be recognized over a weighted average period of 3.0 years.

Accounting for equity instruments granted or sold by us requires fair value estimates of the equity instrument granted or sold. If our estimates of the fair value of these equity instruments are too high or too low, our expenses may be over- or understated. We contemporaneously estimated the fair value of the equity instruments based upon consideration of factors which we deemed to be relevant at the time of each respective grant or issuance. These included, depending on the period, the purchase price of our common stock that was sold to investors in December 2003 and throughout 2004 and the impact of our first proposed initial public offering of common stock in 2005. These factors indicated that the

deemed fair values of the common stock underlying the options granted to employees and board members during 2003 and 2004 was equivalent to the exercise price of the respective options, except for one grant of an option for 300,000 shares of common stock to a board member in May 2004 at an exercise price that was below the fair value of the common stock. The difference, or the intrinsic value, is being amortized as compensation expense over the vesting period of the stock options. In addition, these factors indicated that the issuance of 1,460,000 shares of restricted stock, the grant of stock options to purchase 169,000 shares of common stock in December 2004, and the issuance of 386,363 shares of restricted stock in the year ended December 31, 2005, were at sales and exercise prices below the fair value of the common stock and, accordingly, the difference is being amortized as compensation expense over the respective vesting periods.

In late 2005, following negative results in our Phase 2b clinical trial of apilimod in psoriasis and our Phase 2 clinical trial of STA-4783 in non-small cell lung cancer, and inconclusive results in our Phase 2 clinical trial of STA-4783 in soft tissue sarcoma, the board of directors reevaluated the fair value of our common stock. Based upon their review of both positive and negative factors, the board of directors determined that the fair value of our common stock as of mid-December 2005 was \$3.50 per share.

On February 15, 2006, we granted options to purchase 2,410,351 shares of our common stock at an exercise price of \$3.50 per share, in connection with the annual compensation reviews for all employees. On March 1, 2006, the board of directors amended the exercise price of all outstanding options with exercise prices equal to or greater than \$4.00 per share held by active employees, directors and consultants. Options to purchase an aggregate of 3,732,300 shares of common stock were repriced to \$3.50 per share, resulting in incremental stock-based compensation of \$745,000, of which \$269,000 related to vested options and was expensed immediately and \$476,000 related to unvested options and will be recognized as expense over the remaining vesting periods. In connection with these stock grants and the repricing, the board determined that the factors affecting the value of the common stock, taken as a whole, had not changed since December 2005, and accordingly, the fair value of \$3.50 per share was utilized.

In November 2006, we performed a retrospective analysis of the fair value of our common stock as of February 15, 2006. Valuation methodologies employed in the analysis included an income approach under which we estimated our capacity to generate financial benefits for our shareholders converting those projected benefits into a measure of present value, and a market approach under which we measured certain components of our value through an analysis of recent acquisition prices of, and offerings by, comparable companies. No allocation of the enterprise valuation to classes of stock was necessary as we only had common stock outstanding as of February 15, 2006. The valuation information considered by us in the income approach included the present value of our forecasted operating results on a going concern enterprise basis as determined by a probability-weighted, discounted cash flow analysis of our two most advanced drug candidates at the time, STA-4783 and apilimod. We assessed the risks associated with achieving our forecasts in selecting the appropriate probability factors and discount rate, which we believe to be reasonable and appropriate based upon our assumptions regarding market growth, estimated costs, and the likelihood and timing of FDA approval. Based upon this valuation analysis, we concluded that the estimated value of \$3.50 per share for our common stock used for stock option valuation at the time was reasonable.

In June 2006, we sold 8,000,000 shares of our Series A convertible preferred stock to investors for \$5.00 per share. The Series A convertible preferred stock accrues dividends at 8% per year. The Series A convertible preferred stock has an initial conversion ratio of 1:1 and a conversion ratio upon an initial public offering of our common stock equal to the purchase price of \$5.00 per share divided by the lesser of \$5.00 or 66.6667% of the initial public offering price. There were no changes in our business, risks or market conditions during the period from February 15, 2006, the effective date of the retrospective valuation, until the date of our sale of the Series A convertible preferred stock, and,

accordingly, there was no change attributed to value of the common stock. We believe the difference in the value of the common stock and the Series A convertible preferred stock purchase price reasonably reflected the rights and preferences of the Series A convertible preferred stock, including the 8% dividend and the value of the adjustable conversion feature of the Series A convertible preferred stock upon the effectiveness of an initial public offering of our common stock.

In June 2006, subsequent to the sale of the Series A convertible preferred stock, we received results from the interim analysis of our Phase 2b clinical trial of apilimod in patients with Crohn's disease, which indicated that it was unlikely the trial would meet its primary endpoint, and thus, the trial was terminated. In August, 2006 we received results from the Phase 2b clinical trial of STA-4783 in patients with metastatic melanoma, which indicated that the trial had achieved its primary endpoint and was well tolerated. We believe these two clinical events were offsetting events in the valuation of the company at the time and there were no other changes to the business, risks or market conditions in the period through September 30, 2006.

The following table summarizes the share-based awards issued to employees during the nine months ended September 30, 2006:

Month	Shares	Per Share Exercise Price	Per Share Fair Value	Per Share Intrinsic Value
January 2006	4,600	\$ 3.50	\$ 3.50	\$ —
February 2006	2,710,351	3.50	3.50	—
March 2006	18,000	3.50	3.50	—
May 2006	69,600	3.50	3.50	—
June 2006	24,300	3.50	3.50	—
July 2006	38,500	3.50	3.50	—
August 2006	43,000	3.50	3.50	—
September 2006	26,500	3.50	3.50	—
Total	2,934,851			

## Consolidated Results of Operations

### *Nine Months Ended September 30, 2005 and 2006*

**Revenue.** There were no revenues for the nine months ended September 30, 2005 and 2006.

**Research and development.** Research and development expense decreased from \$45.9 million in the first nine months of 2005 to \$40.0 million in the first nine months of 2006. This decrease in research and development expense principally resulted from a decrease of \$7.7 million for external costs of clinical trials, animal studies and other preclinical testing, clinical product manufacturing, and consulting, principally due to the completion of several clinical trials in 2005 and in the first half of 2006, and \$0.5 million of expense recorded in 2005 in connection with an Agreement and Release with our scientific founder. This was offset in part by an increase of \$1.8 million for personnel costs and related research supplies and operational overhead due in part to a full nine months of costs associated with the expansion of one of our research and development facilities completed in 2005 and an increase in stock-based compensation expense of \$0.5 million principally related to the net effect of the increased expense in connection with implementation of SFAS 123R less the impact of the conclusion of vesting of certain nonemployee options in 2005.

**General and administrative.** General and administrative expense decreased from \$9.3 million in the first nine months of 2005 to \$6.2 million in the first nine months of 2006. The decrease in general and administrative expense was principally due to \$2.4 million incurred in connection with the filing of

a Registration Statement on Form S-1 with the SEC in 2005 relating to an initial public offering of our common stock. We determined that we would not complete the planned offering and withdrew the filing in June 2005. The related costs were expensed in the nine months ended September 30, 2005 as we did not reactivate and complete the offering within 90 days of the withdrawal of the filing. This decrease was also due to a decrease of \$0.8 million for personnel costs and related overhead due principally to decreased headcount and a decrease of \$0.4 million in external professional fees, principally for general legal and other consulting services, offset by an increase of \$0.1 million for legal fees in connection with our intellectual property and an increase in stock-based compensation expense of \$0.4 million principally related to the net effect of the increased expense in connection with implementation of SFAS 123R less the impact of the conclusion of vesting of certain nonemployee options in 2005.

*Investment income, net.* Net investment income decreased from \$1.8 million in the first nine months of 2005 to \$1.4 million in the first nine months of 2006. The decrease in investment income was principally due to a decrease in average cash balances as a result of the use of existing cash resources during 2005 and 2006, prior to the net cash proceeds of \$40.0 million raised from the sale of our Series A convertible preferred stock in June 2006.

*Convertible preferred stock dividends.* Convertible preferred stock dividends were \$1.1 million for the nine months ended September 30, 2006 due to the issuance of the Series A convertible preferred stock in June 2006. The Series A convertible preferred stock dividends accrue at the rate of 8% per year.

#### ***Twelve Months Ended December 31, 2005, 2004 and 2003***

*Revenue.* There were no revenues in the year ended December 31, 2005, compared to research grant revenues of \$0.2 million in the year ended December 31, 2004, and \$1.3 million in the year ended December 31, 2003. This was due to the fact that we performed research services in 2003 which we concluded during 2004.

*Research and development.* Research and development expense for the year ended December 31, 2005 was \$59.9 million compared to \$38.1 million for the year ended December 31, 2004 and \$24.3 million for the year ended December 31, 2003. The increase from 2004 to 2005 principally resulted from (1) an increase of \$9.2 million for personnel costs and related research supplies and operational overhead due to an increase in research and development headcount, (2) an increase of \$10.9 million for external costs of clinical trials, animal studies and other preclinical testing, clinical product manufacturing and consulting, (3) an increase of \$0.5 million of expense in connection with an Agreement and Release with our scientific founder, and (4) a net increase of \$1.2 million in stock-based compensation expense principally resulting from the issuance of restricted stock in 2004. The increase from 2003 to 2004 principally resulted from (1) an increase of \$6.8 million for personnel costs and related research supplies and operational overhead and (2) an increase of \$9.3 million for external costs of clinical trials, animal studies and other preclinical testing, clinical product manufacturing and consulting, partially offset by a net decrease in stock-based compensation expense resulting from a \$1.7 million one-time charge in 2003 related to a modification to the terms of a former scientific officer's stock option of \$1.3 million, and \$0.4 million in cash payments to be made over 18 months.

*In-process research and development.* In-process research and development expense of \$1.6 million for the year ended December 31, 2004 represents the expensing of the value of incomplete research and development acquired in connection with the purchase of the CKS assets in January 2004.

*General and administrative.* General and administrative expense for the year ended December 31, 2005 was \$11.3 million compared to \$7.4 million for the year ended December 31, 2004 and \$5.3 million for the year ended December 31, 2003. The increase from 2004 to 2005 was principally the



result of \$2.4 million incurred in connection with the filing of a Registration Statement on Form S-1 with the SEC in 2005 relating to an initial public offering of our common stock. We determined that we would not complete the planned offering and withdrew the filing in June 2005. The related costs were expensed in 2005 as we did not reactivate and complete the offering within 90 days of the withdrawal of the filing. The increase from 2004 to 2005 was also the result of an increase of \$1.1 million for personnel costs and related overhead due to increased hiring and a net increase of \$0.4 million in stock-based compensation principally resulting from the issuance of restricted stock in 2004 and 2005. The increase from 2003 to 2004 was principally a result of an increase of \$1.1 million for personnel costs and related overhead due as well as an increase of \$1.0 million in legal fees related to support of our intellectual property.

*Investment income, net.* Net investment income increased to \$2.3 million for the year ended December 31, 2005 from \$1.0 million for the year ended December 31, 2004 and from \$0.4 million for the year ended December 31, 2003. The increase in net investment income in each year was principally due to increases in the average cash balances invested resulting from sales of our common stock.

## Liquidity and Capital Resources

### Sources of Liquidity

We have incurred significant operating losses since our inception. We have funded our operations principally with \$195.4 million in net proceeds from private placements of our common stock and \$40.0 million in net proceeds from a private placement of our Series A convertible preferred stock which, together with the exercise of common stock warrants and options, provided aggregate net cash proceeds of approximately \$236.6 million through September 30, 2006.

We have also generated funds from government grant revenues, equipment lease financings and investment income. As of September 30, 2006, we had cash, cash equivalents and marketable securities of \$58.7 million consisting of cash and highly liquid, short-term investments. Our funds are currently invested in investment grade and U.S. government securities with an average duration of less than one year.

In November 2004, we entered into an agreement for a revolving property and equipment lease line of credit, which was amended in 2005. Under the agreement, we may periodically directly lease, or sell and lease back up to \$6.0 million of equipment and leasehold improvements through March 2007. Amounts borrowed under the facility are repayable over 36 or 48 months.

### Cash Flows

The following table provides information regarding our cash flows and our capital expenditures for the years ended December 31, 2003, 2004 and 2005, and the nine months ended September 30, 2005 and 2006 (in thousands).

	Years ended December 31,			Nine months ended September 30,	
	2003	2004	2005	2005	2006
Cash provided by (used in):					
Operating activities	\$ (23,612)	\$ (33,795)	\$ (61,882)	\$ (46,866)	\$ (41,969)
Investing activities	(40,400)	(43,811)	39,176	34,892	20,481
Financing activities	71,122	84,280	3,779	3,594	39,481
Capital expenditures (included in investing activities above)	(769)	(1,594)	(4,883)	(4,544)	(894)

Our operating activities used cash of \$23.6 million, \$33.8 million and \$61.9 million in the years ended December 31, 2003, 2004 and 2005, respectively. During the nine months ended September 30, 2005 and 2006, our operating activities used cash of \$46.9 million and \$42.0 million, respectively. The use of cash in all periods principally resulted from our losses from operations and changes in our working capital accounts. The increase in cash used in operations in each of the periods through December 31, 2005 was due to our increase in research and development activities and the related expansion of our organizational infrastructure to support our broadened development activities.

Our investing activities used cash of \$40.4 million and \$43.8 million, and provided cash of \$39.2 million in the years ended December 31, 2003, 2004 and 2005, respectively. Our investing activities in 2003 included purchases of marketable securities in the amount of \$47.9 million and purchases of property and equipment in the amount of \$0.8 million. The cash provided by investing activities in 2003 resulted from the sales and maturities of marketable securities in our investment portfolio in the amount of \$7.8 million and the repayment to us of \$0.5 million of advances to a related party. Our investing activities in 2004 included purchases of marketable securities in the amount of \$124.7 million and purchases of property and equipment in the amount of \$1.6 million. The cash provided by investing activities in 2004 resulted from the sales and maturities of marketable securities in our investment portfolio in the amount of \$82.5 million. Our investing activities in 2005 included purchases of marketable securities in the amount of \$184.4 million and purchases of property and equipment in the amount of \$4.9 million, including a research and development expansion of one of our facilities. The cash provided by investing activities in 2005 resulted from the sales and maturities of marketable securities in our investment portfolio in the amount of \$228.4 million. During the nine months ended September 30, 2005, our investing activities provided cash of \$34.9 million as compared to \$20.5 million of cash provided by investing activities in the nine months ended September 30, 2006. Cash provided in the nine months ended September 30, 2005 and 2006 resulted principally from the excess of sales and maturities of \$188.2 million and \$114.6 million, respectively of our marketable securities over the purchases of \$148.8 million and \$93.2 million, respectively, of our marketable securities. In addition, we purchased property and equipment during the nine months ended September 30, 2005 and 2006 in the amounts of \$4.5 million and \$0.9 million, respectively.

Our financing activities provided \$71.1 million, \$84.3 million and \$3.8 million in the years ended December 31, 2003, 2004 and 2005, respectively. The cash provided in the years ended December 31, 2003 and 2004 was principally a result of the sale and issuance of shares of our common stock to private investors. During the nine months ended September 30, 2005, financing activities provided cash of \$3.6 million compared to \$39.5 million in the nine months ended September 30, 2006. In June 2006, we raised gross proceeds of \$40.0 million from the sale of 8,000,000 shares of our Series A convertible preferred stock to private investors. Our financing activities since inception through September 30, 2006 consisted principally of the sale of our common stock and our Series A convertible preferred stock to private investors and the exercise of stock options and warrants providing net proceeds of \$236.6 million, and the sale and lease-back of equipment providing net proceeds of \$7.1 million, less the repayment of \$2.9 million of our capital equipment leases.

## Contractual Obligations and Commitments

The following tables summarize our contractual obligations at December 31, 2005 and the effects such obligations are expected to have on our liquidity and cash flows in future periods (in thousands).

Contractual Obligations (as of December 31, 2005)	Total	2006	2007 through 2008	2009 through 2010	More than 5 years
Capital lease obligations(1)	\$ 7,211	\$ 2,431	\$ 3,934	\$ 846	\$ —
Operating lease obligations	3,300	1,883	1,304	113	—
Research and development contracts	12,393	10,602	1,780	11	—
Consulting	547	180	267	100	—
<b>Total</b>	<b>\$ 23,451</b>	<b>\$ 15,096</b>	<b>\$ 7,285</b>	<b>\$ 1,070</b>	<b>—</b>

(1) Including scheduled interest payments.

Research and development contracts principally include contracts for human clinical studies, animal studies and clinical manufacturing. The future research and development contract obligations in the table of Contractual Obligations above assume that each of the studies and related manufacturing contracts is completed as planned. In the event a study or manufacturing contract is terminated prior to planned completion by mutual agreement between the contractor and us, the amount paid under such contracts may be less than the amounts presented.

Under various license agreements, substantially all of which are related to our early-stage discovery programs, we may be obligated to pay up to an aggregate of \$3.9 million if specified development and commercialization milestones are met, as follows (in thousands). These amounts are not included in the table of Contractual Obligations above.

Milestone	Amount
Phase 1 clinical trials	\$ 150
Phase 2 clinical trials	250
Phase 3 clinical trials	350
Completion of Phase 3 clinical trials	75
FDA new drug approval	1,875
European market approval	500
Other	650
<b>Total</b>	<b>\$ 3,850</b>

In August 2006, we exercised our option to extend our 45 Hartwell Avenue, Lexington, Massachusetts laboratory and office facility lease for an additional five years beginning in December 2006 through November 2011.

In August 2006, we exercised our option to extend our 91 Hartwell Avenue, Lexington, Massachusetts office facility lease for one additional year beginning in February 2007 through February 2008.

Future minimum rents payable under the lease extensions are approximately \$44,000 in the remainder of 2006 and \$931,000, \$576,000, \$523,000, \$523,000 and \$479,000 in 2007, 2008, 2009, 2010 and 2011, respectively.

In November 2004, we entered into an agreement for a revolving property and equipment lease line of credit, which was amended in 2005. Under the agreement, we may periodically directly lease, or sell and lease back up to \$6.0 million of equipment and leasehold improvements, with repayment

periods of 36 or 48 months and a \$1.00 purchase option at the end of each lease period. In the years ended December 31, 2004 and 2005 and in the nine months ended September 30, 2006, we sold and leased back under this agreement an aggregate of approximately \$7.1 million of our previously purchased equipment and leasehold improvements, of which approximately \$2.7 million and \$4.4 million were capitalized and will be paid over 36 and 48 month periods, respectively.

### ***Funding Requirements***

We expect to incur substantial expenses and generate significant operating losses as we continue to advance our drug candidates into preclinical studies and clinical trials and as we:

- initiate a pivotal Phase 3 clinical trial of STA-4783 for the treatment of metastatic melanoma in 2007 and initiate Phase 2 clinical trials of STA-4783 in additional cancer indications in 2007;
- begin to establish sales and marketing functions and commercial manufacturing arrangements for STA-4783;
- complete the current Phase 2a clinical trials of apilimod for the treatment of rheumatoid arthritis and CVID, and possibly initiate Phase 2 clinical trials of apilimod in additional inflammatory disease indications;
- initiate additional Phase 3 clinical trials of STA-4783 and one or more Phase 3 clinical trials of apilimod, if supported by Phase 2 results;
- complete preclinical development of STA-9090 and initiate clinical trials, if supported by positive preclinical data;
- complete preclinical development of STA-9584 and initiate clinical trials, if supported by positive preclinical data;
- advance our preclinical CRAC ion channel inhibitor program into clinical trials, if supported by positive preclinical data;
- discover, develop, and seek regulatory approval for backups of our current drug candidates and other new drug candidates;
- identify additional compounds or drug candidates and acquire rights from third parties to those compounds or drug candidates through licenses, acquisition or other means;
- commercialize any approved drug candidates;
- hire additional clinical, scientific, and management personnel; and
- add operational, financial, and management information systems and personnel.

Our funding requirements will depend on a number of factors, including:

- the progress of our research and development programs, including the completion of preclinical and clinical trials for our current drug candidates and the results from these studies and trials;
- the number of drug candidates we advance into later-stage clinical trials and the scope of our research and development programs;
- our ability to discover additional drug candidates using our drug discovery technology and advance them into clinical development;
- the costs involved in preparing, filing, prosecuting, maintaining and enforcing patent claims for our drug discovery technology and drug candidates and avoiding infringing the intellectual property of others;
- the time and costs involved in obtaining regulatory approvals for our drug candidates;
- our ability to establish and maintain collaborative arrangements;

- the potential in-licensing of other products or technologies or the acquisition of complementary businesses;
- the cost of manufacturing, marketing and sales activities, if any; and
- the timing, receipt and amount of revenue, if any, from our drug candidates.

We do not anticipate that we will generate product revenue for the next several years. We expect our continuing operating losses to result in increases in cash used in operations over the next several years. Our future capital requirements will depend on a number of factors including the progress and results of our clinical trials, the costs, timing and outcome of regulatory review of our drug candidates, our revenue, if any, from successful development and commercialization of our products, the costs of commercialization activities, the scope, progress, results and costs of preclinical development, laboratory testing and clinical trials for other drug candidates, the emergence of competing therapies and other market developments, the costs of preparing, filing and prosecuting patent applications and maintaining, enforcing and defending intellectual property rights, the extent to which we acquire or invest in other drugs and technologies, and our ability to establish collaborations and obtain milestone, royalty or other payments from any collaborators.

Based on our current operating plans, we expect the proceeds of this offering, together with our existing resources, to be sufficient to fund our planned operations, including our continued research and drug development, through at least . However, we may require significant additional funds earlier than we currently expect to conduct additional clinical trials and seek regulatory approval of our drug candidates. Because of the numerous risks and uncertainties associated with the development and commercialization of our drug candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials.

Additional funding may not be available to us on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of our stockholders. For example, if we raise additional funds by issuing equity securities or by selling debt securities, if convertible, further dilution to our existing stockholders may result. To the extent our capital resources are insufficient to meet our future capital requirements, we will need to finance our future cash needs through public or private equity offerings, collaboration agreements, debt financings or licensing arrangements.

If adequate funds are not available, we may be required to terminate, significantly modify or delay our research and development programs, reduce our planned commercialization efforts, or obtain funds through collaborators that may require us to relinquish rights to our technologies or drug candidates that we might otherwise seek to develop or commercialize independently. We may elect to raise additional funds even before we need them if the conditions for raising capital are favorable.

#### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements or relationships with unconsolidated entities of financial partnerships, such as entities often referred to as structured finance or special purpose entities.

#### **Tax Loss Carryforwards**

In 2005, we completed an analysis to determine if there were changes in ownership, as defined by Section 382 of the Internal Revenue Code, that would limit our ability to utilize certain net operating loss and tax credit carryforwards. We determined that we experienced a change in ownership, as defined by Section 382, in connection with the acquisition of Principia on September 20, 2002. As a result, the utilization of our federal tax net operating loss carryforwards generated prior to the ownership change is limited. As of December 31, 2005, we have net operating loss carryforwards for

U.S. federal tax purposes of approximately \$151.5 million, after taking into consideration net operating losses expected to expire unused as a result of this limitation. In addition, as of December 31, 2005, we have state net operating loss carryforwards of approximately \$136.2 million. The utilization of these net operating loss carryforwards may be further limited as we experience future ownership changes as defined in Section 382, including changes resulting from the issuance of common stock in this offering.

### **Recently Issued Accounting Pronouncements**

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Correction*, or SFAS No. 154. SFAS No. 154 is a replacement of APB Opinion No. 20, *Accounting Changes*, or APB Opinion No. 20, and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements*. This statement applies to all voluntary changes in accounting principle, and changes the accounting for, and reporting of, a change in accounting principle. SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable to do so. APB Opinion No. 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. SFAS No. 154 carries forward many provisions of APB Opinion No. 20 without change, including the provisions related to the reporting of a change in accounting, a change in the reporting entity, and the correction of an error. SFAS No. 154 does not change the transition provisions of any existing account pronouncements, including those that are in a transition phase as of the effective date of the statement. We adopted the provisions of SFAS No. 154 on January 1, 2006, and the adoption of the new standard did not have a material impact on our consolidated financial position or consolidated statement of operations.

In June 2005, the FASB issued FSP 150-5. The FSP clarifies that freestanding warrants and similar instruments on shares that are redeemable should be accounted for as liabilities under SFAS No. 150, regardless of the timing of the redemption feature or price, even though the underlying shares may be classified as permanent or temporary equity. The FSP was effective for the first reporting period beginning after June 30, 2005. We adopted FSP 150-5 in 2006 and the impact was not material to our consolidated financial position or consolidated statement of operations.

In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FAS 109*, or Interpretation No. 48. This interpretation clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interpretation No. 48 is effective for fiscal years beginning after December 15, 2006. Earlier application is encouraged if a company has not yet issued financial statements, including interim financial statements, in the period that Interpretation No. 48 is adopted. We are currently evaluating the impact the adoption of this interpretation will have on our consolidated results of operations and financial position.

### **Qualitative and Quantitative Disclosures About Market Risk**

We are exposed to market risk related to changes in interest rates. As of September 30, 2006, we had cash, cash equivalents and marketable securities of \$58.7 million consisting of cash and highly liquid, short-term investments. Our cash is deposited in and invested through highly rated financial institutions in North America. Our marketable securities are subject to interest rate risk and will fall in value if market interest rates increase. If market interest rates were to increase immediately and uniformly by 10% from levels at September 30, 2006, we estimate that the fair value of our investments will decline by an immaterial amount, and therefore, our exposure to interest rate changes is not significant.

## BUSINESS

### Overview

We are a biopharmaceutical company focused on discovering, developing and commercializing small molecule drugs that address severe medical conditions with large potential markets, including cancer and chronic inflammatory diseases. We have a diverse pipeline of clinical- and preclinical-stage, small molecule drug candidates with distinct mechanisms of action and novel chemical structures. We discovered and developed each of our drug candidates internally, using our unique chemical compound library and the chemistry, biology, and pharmaceutical development assets and capabilities built over the combined history of Synta and its predecessor companies. At present, we retain all rights to all of our drug candidates and programs, across all geographic markets and therapeutic indications.

#### ***Our Lead Drug Candidate, STA-4783***

Our most advanced clinical-stage drug candidate, STA-4783, is a novel, injectable, small molecule compound with a unique mechanism of action that has potential for the treatment of a broad range of solid tumor cancers. In September 2006, we announced positive results for STA-4783 in combination with paclitaxel, a leading chemotherapeutic agent, in a double-blind, randomized, controlled, multicenter Phase 2b clinical trial in patients with stage IV metastatic melanoma. We believe this is the first blinded clinical trial of a drug candidate for the treatment of metastatic melanoma in 30 years to meet its primary endpoint with statistical significance. In November 2006, we received fast track designation from the FDA for the development of STA-4783 for the treatment of metastatic melanoma. Based on these results, we expect to initiate a pivotal Phase 3 clinical trial in metastatic melanoma and Phase 2 clinical trials in additional cancer types in 2007.

Our Phase 2b clinical trial enrolled a total of 81 metastatic melanoma patients at 21 centers in the United States. This clinical trial was conducted in a double-blind, randomized, controlled fashion and compared the effects of STA-4783 in combination with paclitaxel, the most widely used taxane, versus paclitaxel alone. The primary endpoint for assessing efficacy was progression-free survival. Progression-free survival measures for each patient the time from when the patient was assigned to a treatment group in the trial until the earlier of tumor progression or death. The FDA has previously indicated this endpoint is acceptable for registration in metastatic melanoma and other cancer types. In this trial, patients who received STA-4783 plus paclitaxel had a statistically significant improvement in progression-free survival compared to those who received paclitaxel alone.

In the intent-to-treat analysis, which includes all 81 patients, patients treated with STA-4783 plus paclitaxel experienced a statistically significant increase in progression-free survival, with a p-value of 0.035. In this analysis, median progression-free survival increased from 1.84 months for patients treated with paclitaxel alone to 3.68 months for patients treated with STA-4783 plus paclitaxel. The percentage of patients who survived and were free of tumor progression at six months more than doubled from 15% for patients treated with paclitaxel alone to 35% for patients treated with STA-4783 plus paclitaxel.

In the per-protocol analysis, which includes the 77 patients who could be evaluated for efficacy as specified in the trial protocol, patients treated with STA-4783 plus paclitaxel also experienced a statistically significant increase in progression-free survival, with a p-value of 0.017. The median progression-free survival in this analysis increased from 1.84 months for patients treated with paclitaxel alone to 4.40 months for patients treated with STA-4783 plus paclitaxel. The percentage of patients who survived and were free of tumor progression at six months more than doubled from 15% for patients treated with paclitaxel alone to 37% for patients treated with STA-4783 plus paclitaxel.

We have also performed an analysis to determine if factors other than treatment with STA-4783, known as confounding factors, could be responsible for the differences observed between the two

treatment groups in this clinical trial. In particular, we analyzed differences in patient characteristics and disease status that can influence disease progression. To date, we have identified no potentially confounding variables which alter the interpretation of the trial results.

Including the patients treated in the Phase 2b metastatic melanoma clinical trial, we have treated a total of approximately 300 patients at over 50 medical centers in the United States and Canada with STA-4783. STA-4783 has been well tolerated, with toxicities of the STA-4783 plus paclitaxel combination generally similar to those of paclitaxel alone.

### ***Our Other Drug Candidates and Research Programs***

STA-4783 was discovered and developed internally from our chemical compound library and using our drug discovery capabilities. In addition to STA-4783, we have discovered and developed three other drug candidates currently in clinical or preclinical development, each of which has a distinct chemical structure, mechanism of action, and presents a differentiated market opportunity. We also have one research-stage program, which is in the lead optimization stage of preclinical development.

#### ***Oncology***

**STA-9090.** STA-9090 is a novel, injectable, small molecule drug candidate we are developing for the treatment of cancer. STA-9090 inhibits heat shock protein 90, or Hsp90, a chaperone protein that regulates the activity of numerous signaling proteins that trigger uncontrolled proliferation in cancer cells, in particular kinase proteins. Examples of kinase proteins include c-Kit, Bcr-Abl, and others that are the targets of approved direct kinase inhibitors such as Gleevec. We believe that inhibiting kinases indirectly, by disrupting the chaperone activities of Hsp90, provides two advantages: first, a means to simultaneously attack multiple cancer-promoting kinases; and, second, an ability to kill tumor cells with mutated kinases that have lost responsiveness to a direct kinase inhibitor. We have shown in preclinical experiments that STA-9090 is significantly more potent against certain types of cancer cells than Gleevec, as well as the two Hsp90 inhibitors furthest along in clinical development, 17-AAG and 17-DMAG. STA-9090 is further differentiated from these Hsp90 inhibitors in that it is a novel chemical structure that is not a derivative or analog of the natural product geldanamycin. We believe this creates a distinct activity profile for STA-9090 and is a competitive advantage. This program is currently in preclinical development.

**STA-9584.** STA-9584 is a novel, injectable, small molecule compound that disrupts the blood vessels that supply tumors with oxygen and essential nutrients. In preclinical experiments, STA-9584 has shown strong anti-tumor activity in a broad range of cancer models, including prostate, lung, breast, melanoma, and lymphoma. In preclinical testing, STA-9584 has been shown to act against established tumor vessels, a mechanism that is differentiated from the mechanism of anti-angiogenesis inhibitors such as Avastin, which prevents the formation of new tumor vessels. This program is currently in preclinical development.

#### ***Autoimmune and inflammatory diseases***

**Apilimod (STA-5326).** Apilimod is a novel, orally administered, small molecule drug candidate we are developing for the treatment of autoimmune and other chronic inflammatory diseases. Apilimod inhibits the production of the cytokines interleukin-12, or IL-12, and interleukin-23, or IL-23, and thereby down-regulates the inflammation pathways that underlie certain autoimmune and inflammatory diseases. We are currently conducting a Phase 2a clinical trial of apilimod in patients with rheumatoid arthritis and sponsoring a Phase 2a clinical trial in patients with gastrointestinal manifestations of common variable immunodeficiency, or CVID. We expect to report results from these trials in 2007.

**CRAC ion channel inhibitor.** We have developed novel, small molecule inhibitors of calcium release activated calcium, or CRAC, ion channels expressed on immune cells. The CRAC ion channel



is the primary route for calcium entry into T cells and other immune cells, regulating multiple immune cell processes important for initiating and maintaining an inflammatory immune response. We have demonstrated in preclinical experiments that our CRAC ion channel inhibitors selectively inhibit the production of critical pro-inflammatory cytokines, such as IL-2 and TNF $\alpha$ , by immune cells, and that these compounds are effective in multiple animal models of immune diseases, including models of arthritis. This program is in the lead optimization stage of preclinical development.

## Our Drug Candidate Pipeline

The following table summarizes our most advanced drug candidates currently in clinical or preclinical development:

	Product Candidate	Disease	Stage	Status	Worldwide Commercial Rights
Oncology	<b>STA-4783</b> Hsp70 inducer	Metastatic melanoma	Phase 2b	Completed — met primary endpoint	Synta
			Phase 3	Initiate in 2007	
		Additional cancers	Phase 2	Initiate in 2007	Synta
	<b>STA-9090</b> Hsp90 inhibitor	Cancer	Preclinical development	Ongoing	Synta
	<b>STA-9584</b> Vascular disrupting agent	Cancer	Preclinical development	Ongoing	Synta
Inflammatory Diseases	<b>Apilimod (STA-5326)</b> Oral IL-12/23 inhibitor	Rheumatoid arthritis	Phase 2a	Results expected in 2007	Synta
		Common variable immunodeficiency	Phase 2a	Results expected in 2007	Synta
	<b>Oral CRAC ion channel inhibitor</b>	Autoimmune diseases, transplant	Lead optimization	Ongoing	Synta

In the above table, lead optimization indicates that compounds have shown activity, selectivity, and efficacy in *in vivo* models, as well as an acceptable preliminary safety profile. These compounds are being optimized for potency, drug-like properties, and safety before entering into preclinical development. Preclinical development activities include manufacturing, formulation, and full toxicology studies in preparation for a Phase 1 clinical trial. Phase 1 indicates initial clinical safety testing and pharmacological profiling in healthy volunteers, with the exception that Phase 1 clinical trials in oncology are typically performed in patients with cancer. Phase 2 involves efficacy testing and continued safety testing in patients with a specific disease, and may include separate Phase 2a and Phase 2b clinical trials. Phase 2a clinical trials typically test the drug candidate in a small number of

patients and are designed to provide early information on drug safety and efficacy. Phase 2b clinical trials typically involve larger numbers of patients and comparison with placebo, standard treatments, or other active comparators. Phase 3 indicates a confirmatory study of efficacy and safety in a larger patient population, and typically involves comparison with placebo, standard treatments, or other active comparators.

## **Oncology Programs**

We have one clinical-stage program and two preclinical-stage programs in oncology:

- *STA-4783*. Our most advanced clinical-stage drug candidate, STA-4783, has achieved positive results in a double-blind, randomized, controlled, multicenter Phase 2b clinical trial in patients with stage IV metastatic melanoma. We expect to initiate a pivotal Phase 3 clinical trial in metastatic melanoma and Phase 2 clinical trials in additional cancer types in 2007.
- *STA-9090*. STA-9090, our novel, small molecule Hsp90 inhibitor, is in preclinical development.
- *STA-9584*. STA-9584, our novel small molecule compound that disrupts the blood vessels that supply tumors with oxygen and essential nutrients, is in preclinical development.

## ***Oncology Background***

Cancers are diseases characterized by abnormal and uncontrolled cell growth and division, typically leading to tumor formation. As a tumor grows, it can directly disrupt organ function at its site of origin. In addition, cancer cells can also spread to other organs, such as the brain, bones and liver, by a process called metastasis. The growth of metastatic tumors at these new sites can disrupt the function of these other organs. There are many kinds of cancer, but all are characterized by uncontrolled growth of abnormal cells.

The World Health Organization estimates that more than 11 million people are diagnosed with cancer every year worldwide, and seven million people die from the disease annually. The American Cancer Society estimates that approximately 1.4 million people in the United States will be diagnosed with cancer in 2006, and approximately 565,000 people will die from the disease.

Chemotherapeutics are the second largest therapeutic class of pharmaceuticals in the world, with global sales of \$28.5 billion in 2005.

## ***Melanoma***

Melanoma is the deadliest type of skin cancer and is the sixth most commonly diagnosed cancer in the United States. The National Cancer Institute has estimated that the prevalence of melanoma in the United States, or the number of patients alive who have been diagnosed with the disease, currently is more than 660,000. The American Cancer Society estimates that in 2006 the incidence, or number of newly diagnosed cases, in the United States will be approximately 62,000, with 8,000 deaths from the disease. According to GLOBOCAN, the worldwide incidence of melanoma in 2002 was 160,177, with 40,781 deaths from the disease.

Melanoma is classified into four stages, which are based on well-defined criteria, including characteristics of the primary tumors, involvement of the regional lymph nodes, and the extent and location of metastases. When melanoma is discovered and treated in the early stages, where the cancer is confined to a local area, patients have a relatively high rate of survival. For example, stage I patients have a five-year survival rate of between 90 and 95%. Once melanoma has advanced to stage III, where the cancer has spread to the regional lymph nodes, or stage IV, where the cancer has spread to distant organs, the prognosis for patients is much worse. The five-year survival rate for patients with stage IV melanoma is extremely poor: less than 20%. In 2001, the American Joint Committee on Cancer

estimated that approximately 15% of patients with melanoma were initially diagnosed with advanced-stage disease, which consists of stage III and stage IV melanoma. However, recent scientific articles suggest that this percentage may grow significantly with the increased use of improved diagnostic techniques. In a study reported in the February 2003 issue of *The Journal of the American College of Surgeons*, approximately 38% of 175 patients originally diagnosed with stage I or stage II melanoma should have been categorized with stage III melanoma.

#### *Limitations of current treatments for metastatic melanoma*

For early stage melanoma, surgical removal of the primary melanoma lesion is the standard of care. Surgical removal may also be performed to remove distant skin metastases, lymph nodes or other organs to which the cancer has spread. Sometimes interferon alpha-2b is administered to patients as an adjuvant to surgery to reduce the rate of disease relapse. This is the only drug approved by the FDA for use in such a role.

For metastatic melanoma, treatment options are limited. Single-agent chemotherapy has typically shown progression-free survival of less than two months. Randomized trials comparing combination chemotherapy against single agent chemotherapy have shown significant toxicity with no significant improvement in survival. Dacarbazine, also known as DTIC, has been one of the most studied drugs in this setting, either alone or in combination, and is the only FDA-approved chemotherapy for the treatment of metastatic melanoma. However, when DTIC is used as a single agent, it has been shown to have limited clinical benefits. Various other single-agent chemotherapies such as temozolomide, fotemustine and Genasense have been tested against or in combination with DTIC. Response rates from controlled studies have typically been between 15% to 25% with median time to progression/ progression-free survival of 1.8 to 2.4 months. Immunotherapy with interleukin-2, or IL-2, has been approved by the FDA based on longer duration responses than typically observed with chemotherapy, but these responses occur only in a small subset of patients, and treatment with IL-2 is accompanied by severe toxicities. No agents other than DTIC or IL-2 have been approved by the FDA for the treatment of metastatic melanoma. Therefore, we believe there is an urgent need in metastatic melanoma for additional therapies demonstrating meaningful clinical benefit, favorable safety, and broad patient applicability.

#### ***Taxanes***

The class of drugs known as taxanes is the market-leading class of chemotherapeutic drugs, with approximately \$2.7 billion in worldwide sales in 2005. Approved taxanes include Taxol, a formulation of paclitaxel first approved in 1992 and marketed by Bristol-Myers Squibb, which achieved peak sales of approximately \$1.6 billion in 2000 before patent expiry; Taxotere (docetaxel), which is marketed by Sanofi-Aventis and had global sales of approximately \$2.0 billion in 2005; Abraxane, a paclitaxel protein conjugate marketed by Abraxis Pharmaceutical Partners; and several generic versions of paclitaxel. Taxanes have shown efficacy across a wide range of cancer types and have been approved by the FDA for the treatment of prostate, ovarian, breast, and non-small cell lung cancers, as well as Kaposi's sarcoma. Additionally, we believe taxanes are prescribed off-label for other cancer types, including metastatic melanoma, head and neck, uterine, stomach, esophageal, and bladder. In metastatic melanoma, the response rate of single agent paclitaxel has been reported as less than 20%. A study published in 2002 in *Cancer Investigation* showed that combining DTIC and paclitaxel for the treatment of metastatic melanoma was not superior to using each agent alone. Other anticancer agents that are sometimes added to taxanes in an attempt to improve efficacy include Paraplatin, a formulation of carboplatin marketed by Bristol-Myers Squibb. While in some cases the addition may increase treatment efficacy, carboplatin has been shown to add substantial toxicity. As a result, we believe there is a significant opportunity for agents that can enhance the anti-tumor effects of taxanes without adding undesirable side effects.

## **Our Lead Clinical Development Program—STA-4783**

STA-4783 is a novel, small molecule drug candidate that induces a stress response in a wide variety of cancer cell types and has demonstrated, in preclinical models, synergistic anti-tumor activity with the two leading taxanes, paclitaxel and docetaxel. The stress response induced by STA-4783 results in two changes that may be important to the role of STA-4783 in tumor cell killing in combination with taxanes: a dramatic increase in the production of Hsp70 and other heat shock and stress-related proteins, which can enhance immune-mediated killing of tumor cells, and the alteration of certain signal transduction pathways, which can affect cell proliferation and induce programmed cell death, or apoptosis.

We have completed six clinical trials with STA-4783 in cancer patients, in which a total of approximately 300 patients have been treated at over 50 medical centers in the United States and Canada. Based on the positive results observed in our recently completed Phase 2b clinical trial in metastatic melanoma, we are now preparing for a pivotal Phase 3 clinical trial in metastatic melanoma, which we expect to initiate in 2007, and additional Phase 2 clinical trials in other cancer indications, which we also expect to initiate in 2007. STA-4783 has received Fast Track designation from the FDA for the treatment of metastatic melanoma. The FDA grants Fast Track designation for drug candidates intended to treat serious or life threatening conditions and that demonstrate the potential to address unmet medical needs. We also intend to seek orphan drug designations in both the United States and Europe for STA-4783 for the treatment of metastatic melanoma.

### ***Our Phase 2b Clinical Trial in Metastatic Melanoma***

#### ***Summary***

Our Phase 2b clinical trial enrolled a total of 81 metastatic melanoma patients at 21 centers in the United States. This clinical trial was conducted in a double-blind, randomized, controlled fashion and compared the effects of STA-4783 in combination with paclitaxel, the most widely used taxane, versus paclitaxel alone. The primary endpoint for assessing efficacy was progression-free survival. Progression-free survival is considered an acceptable endpoint for registration in metastatic melanoma and other cancer types, as supported by the current FDA draft guidance set forth in *Clinical Trial Endpoints for the Approval of Cancer Drugs and Biologics* issued in April 2005, and by the EMEA guidance set forth in the draft of Appendix 1 *Methodological Considerations for Using Progression-Free Survival (PFS) as Primary Endpoint in Confirmatory Trials for Registration* issued in July 2006 to the *Guideline on the Evaluation of Anticancer Medicinal Products in Man*, which became effective in June 2006.

In September 2006, we presented the results from this clinical trial at the joint meeting of Perspectives in Melanoma X and the Third International Melanoma Research Congress, held in The Netherlands. Patients who received STA-4783 plus paclitaxel showed a statistically significant improvement in progression-free survival compared to those who received paclitaxel alone.

Consistent with safety data for STA-4783 gathered from other clinical trials, STA-4783 was well tolerated in this clinical trial, with toxicities of the STA-4783 plus paclitaxel combination generally similar to those of paclitaxel alone.

#### ***Clinical trial design***

The primary objective of this Phase 2b clinical trial was to assess the efficacy in stage IV metastatic melanoma patients of once-weekly treatment of STA-4783 plus paclitaxel versus paclitaxel alone, based on the endpoint of progression-free survival. Secondary endpoints were objective response rate, duration of tumor responses, and studies of adverse events and laboratory abnormalities. Once-weekly treatments of STA-4783 (213 mg/m<sup>2</sup>) plus paclitaxel (80 mg/m<sup>2</sup>) or paclitaxel alone (80 mg/m<sup>2</sup>) were delivered for three weeks, followed by one week off-treatment. Investigators were

permitted to repeat these four-week cycles until disease progression. Tumor assessments were performed at baseline and every other cycle thereafter.

Disease progression and tumor response were defined based on industry standard Response Evaluation Criteria in Solid Tumors, or RECIST, which are the unified response assessment criteria agreed to by the World Health Organization, United States National Cancer Institute, and European Organisation for Research and Treatment of Cancer. RECIST defines disease progression and tumor response based on the sum of the longest diameters of a set of target tumor lesions identified at baseline. A 20% or greater increase in the sum of diameters in target lesions, or unequivocal progression in non-target lesions, or the appearance of a new lesion is defined as disease progression. A reduction in the sum of the diameters of at least 30% as compared to baseline is defined as a partial response. A complete disappearance of target and non-target lesions (and the normalization of any tumor markers) constitutes a complete response. Both partial and complete responses must be confirmed by repeat assessments at least four weeks after the partial or complete response was first documented. Stable disease refers to patients who exhibit neither response nor disease progression. Non-progression refers to patients who exhibit complete response, partial response, or stable disease. Objective response rate is typically defined as the sum of the partial and complete response rates.

In this clinical trial, we enrolled patients who had received up to one prior chemotherapy treatment. An unlimited number of prior immunotherapy treatments were also allowed, provided that a period of four weeks subsequent to the last treatment elapsed prior to trial entry. Patients with Eastern Cooperative Oncology Group, or ECOG, performance status greater than 2 were excluded, as were patients with any brain metastases. The ECOG performance status is a standard patient assessment tool used in determining the care of cancer patients. Patients with an ECOG score of 3 or 4 are significantly disabled by their disease and are often excluded from clinical trials.

Two-thirds of patients were assigned to treatment with STA-4783 plus paclitaxel, with the remaining one-third of patients assigned to treatment with paclitaxel alone. We chose this 2:1 weighting ratio so as to contribute more productively to the safety database for STA-4783 than an even randomization, while still allowing for a statistical comparison of treatment effects. Patients who progressed on paclitaxel alone were given the option to crossover to STA-4783 plus paclitaxel and were then treated until further progression.

#### *Clinical trial results*

In the intent-to-treat analysis, which includes all 81 patients, patients treated with STA-4783 plus paclitaxel experienced a statistically significant increase in progression-free survival, with a p-value of 0.035. The median progression-free survival in this analysis increased from 1.84 months for patients treated with paclitaxel alone to 3.68 months for patients treated with STA-4783 plus paclitaxel. The percentage of patients who survived and were free of tumor progression at six months more than doubled from 15% for patients treated with paclitaxel alone to 35% for patients treated with STA-4783 plus paclitaxel. The Hazard ratio for progression-free survival in this analysis was 0.5, which indicates that patients treated with STA-4783 plus paclitaxel had a 50% reduction in the risk of disease progression relative to patients treated with paclitaxel alone.

The per-protocol population consists of only those patients who could be evaluated for efficacy as specified in the the protocol, in that they received at least one treatment with either paclitaxel or STA-4783 plus paclitaxel and completed at least one tumor assessment following the baseline measurement. Of the 81 patients who were enrolled, 77 qualified for the per-protocol population. In this per-protocol analysis, patients treated with STA-4783 plus paclitaxel also experienced a statistically significant increase in progression-free survival, with a p-value of 0.017. The median progression-free survival in this analysis increased from 1.84 months for patients treated with paclitaxel alone to 4.40 months for patients treated with STA-4783 plus paclitaxel. The percentage of patients who survived

and were free of tumor progression at six months more than doubled from 15% for patients treated with paclitaxel alone to 37% for patients treated with STA-4783 plus paclitaxel. The Hazard ratio for progression-free survival in this analysis was 0.42, which indicates that patients treated with STA-4783 plus paclitaxel had a 58% reduction in the risk of disease progression relative to patients treated with paclitaxel alone.

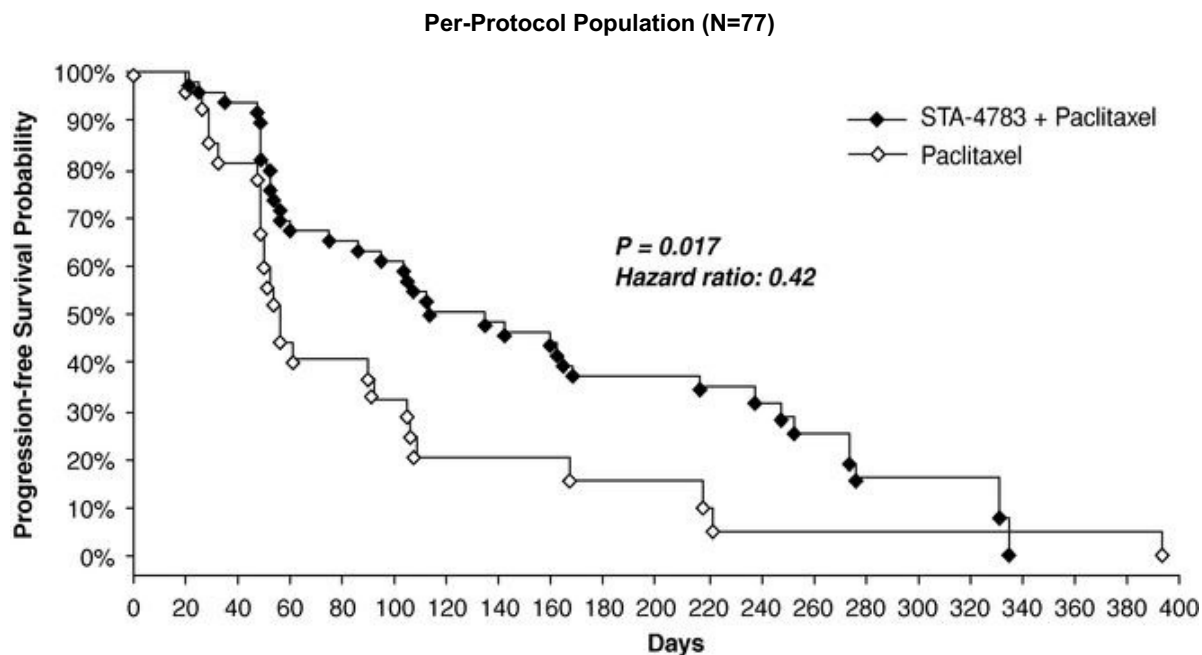
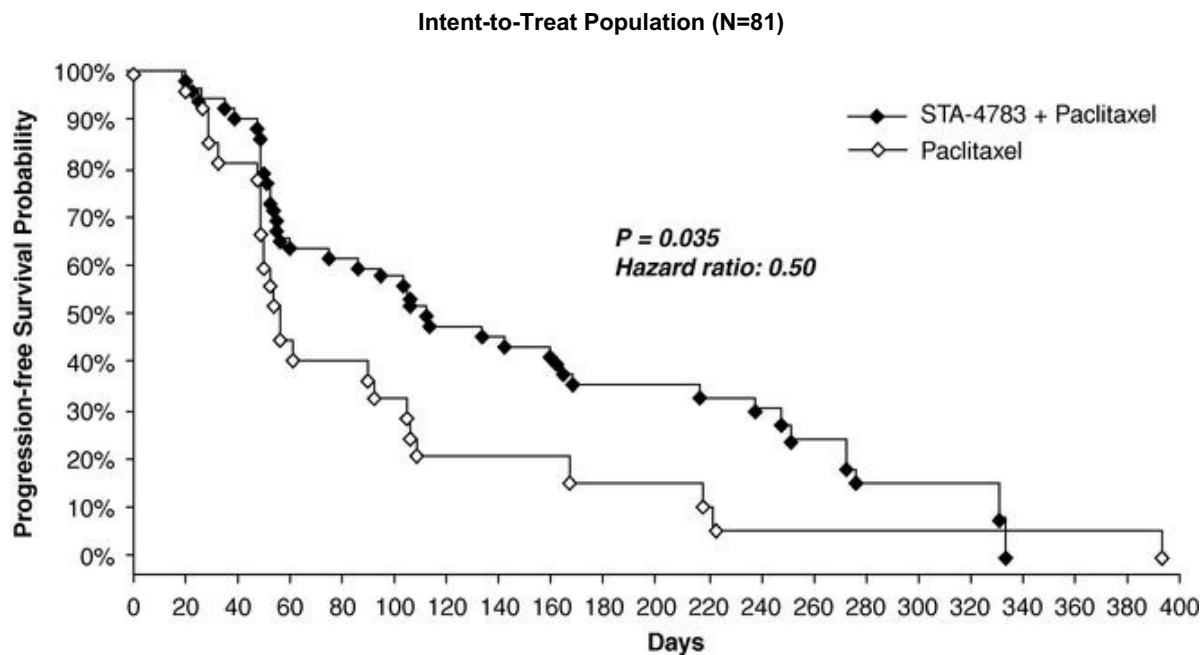
The objective response rate was also assessed, and in the intent-to-treat analysis, found to occur in 15.1% of patients treated with STA-4783 plus paclitaxel, versus 3.6% of patients treated with paclitaxel alone (p-value=0.153). For the per-protocol analysis, the objective response rates were 16% and 3.7% respectively (p-value=0.149). These results showed an encouraging trend but did not reach statistical significance. We were able to obtain complete progression data on only three of the nine patients that were responders in the trial, and as a result, we had insufficient data to perform an analysis on duration of response.

The table below summarizes the median progression-free survival, the progression-free survival at six months, the Hazard ratio, and the objective response rates for the intent-to-treat and the per-protocol populations.

		<b>STA-4783 + Paclitaxel</b>	<b>Paclitaxel alone</b>	<b>P- value<sup>(1)</sup></b>	<b>Hazard ratio<sup>(2)</sup></b>
		<u>N=53</u>	<u>N=28</u>		
<b>Intent-to-treat</b>	Progression-free survival:			0.035	0.50
<b>analysis</b>	• Median (months)	3.68	1.84		
<b>(N=81)</b>	• At 6 months (% of patients)	35%	15%		
	Objective response rate <sup>(3)</sup>	15.1%	3.6%	0.153	
		<u>N=50</u>	<u>N=27</u>		
<b>Per-protocol</b>	Progression-free survival:			0.017	0.42
<b>analysis</b>	• Median (months)	4.40	1.84		
<b>(N=77)</b>	• At 6 months (% of patients)	37%	15%		
	Objective response rate <sup>(3)</sup>	0.149	16%	3.7%	

- (1) P-value measures the probability that the difference is due to chance alone. A p-value of less than 0.05 is considered statistically significant and unlikely to be due to chance alone.
- (2) Hazard ratio is an estimate of comparative risk between the two treatment groups. A hazard ratio of 1 can be interpreted as no decrease in risk, while a hazard ratio of 0.42 can be thought of as a 58% reduction in risk of occurrence for the event as compared to the control group.
- (3) Objective response rate is defined as the sum of complete and partial tumor response rates, as assessed by RECIST.

The figures below show the Kaplan-Meier plots of progression-free survival in this clinical trial for (1) the intent-to-treat population and (2) the per-protocol population.



### Safety profile

STA-4783 was well tolerated in this clinical trial. As shown in the table below, the incidence of any specific high severity adverse event, as reported by investigators, was less than 10%. We believe this compares favorably with treatments such as carboplatin that have reported substantially greater incidences of high severity adverse events. The incidence of such events that occurred in 2% or more of the patients treated with STA-4783 plus paclitaxel was as follows:

#### Grade 3 or Higher Adverse Events (1)(2)

	STA-4783 + Paclitaxel (N=52)	Paclitaxel (N=28)
Neutropenia	4 (7.7%)	0 (0%)
Back pain	2 (3.8%)	2 (7.1%)
Fatigue	2 (3.8%)	2 (7.1%)
Neuropathy	2 (3.8%)	1 (3.6%)

- (1) As specified in the clinical trial protocol, the patient population for evaluating safety includes only those patients who received at least one treatment with STA-4783 plus paclitaxel or paclitaxel alone. This represents 80 of the total 81 patients enrolled in the trial.
- (2) Grade refers to the National Cancer Institute's Common Terminology Criteria, or CTC, for adverse events. The CTC are based on a 5-point severity scale with the following classifications: mild=1, moderate=2, severe=3, life-threatening=4, and fatal=5, and are commonly used in cancer clinical trials.

The adverse events seen across all severity grades in this clinical trial were typical of those expected from paclitaxel alone. The most common adverse events seen in the STA-4783 plus paclitaxel group included fatigue, alopecia, constipation, nausea, hypoaesthesia, arthralgia, insomnia, diarrhea, and anemia.

#### Tests for confounding factors

In order to determine whether any imbalances in the characteristics of the patients between the two treatment arms might have influenced the outcome of this clinical trial, we studied certain factors that might have an impact on progression-free survival. None of the potentially confounding factors we have analyzed to date have been found to have influenced the trial outcome. The factors we studied were:

- *Demographic characteristics.* Demographic characteristics, such as age, sex, ethnicity, race, and ECOG status, were found to have been distributed evenly between the treatment groups.
- *Days between tumor assessment.* To address a potential bias in assessment interval between treatment groups, we examined the number of days between the last tumor assessment prior to progression and progression and found this interval to be closely comparable. For the STA-4783 plus paclitaxel and paclitaxel treatment groups, the means were 55.4 days (standard deviation 14.4) and 52.8 days (standard deviation 12.2), respectively, and the medians were 56.0 and 55.5 days, respectively.
- *Elevated LDH levels.* An elevated level of the enzyme lactate dehydrogenase, or LDH, is considered a negative predictor of outcome and correlates with shorter progression-free survival. Accordingly, a comparable distribution of patients with elevated LDH across treatment arms is important in clinical trials of metastatic melanoma. In our Phase 2b clinical trial, patients with



elevated LDH levels prior to treatment were distributed evenly between treatment groups: STA-4783 plus paclitaxel (43%) and paclitaxel alone (44%).

- *Liver metastases.* The presence of liver metastases is considered a negative predictor of outcome and correlates with shorter progression-free survival. Accordingly, a comparable distribution of patients with liver metastases is important in clinical trials of metastatic melanoma. In our trial, patients with liver metastases at baseline were also distributed evenly between treatment groups: STA-4783 plus paclitaxel (32%) and paclitaxel alone (32%).
- *M-class.* We also studied the relationship between the nature of patients' distant metastases and progression-free survival. Within stage IV metastatic melanoma there are three classifications, or M-classes, for the nature of distant metastases: M1a, M1b, and M1c. M1a patients have metastases limited to skin and subcutaneous tissue. M1b patients have metastases to lungs. M1c patients have metastases to liver or other distant organs or have elevated LDH. In general, the higher the M-class, the more advanced the disease and the worse the prognosis. In this clinical trial, patients with different M-classes by investigator assessment were distributed as follows, with some imbalance observed at each M-class: STA-4783 plus paclitaxel and paclitaxel alone, respectively: M1a: 13%, 7%; M1b: 34%, 18%; and, M1c: 53%, 75%.

In order to understand the impact of these prognostic factors, we performed a Cox proportional hazards regression analysis. The Cox analysis is designed to allow for a comparison of treatment arms while adjusting for different patient characteristics. For this clinical trial we tested the following characteristics, in addition to treatment with STA-4783, that are believed to be associated with an effect on the clinical outcome of progression-free survival: LDH level, presence of liver metastases, and M1 sub-class. Elevated LDH and the presence of liver metastases were found, as expected, to significantly worsen progression-free survival with p-values of <0.0001 and 0.0136, respectively. M1 stage, as assessed by investigators in this clinical trial, was not found to have an impact on progression-free survival (p-value=0.841). The treatment effect of STA-4783 on progression-free survival in the full Cox analysis, of all patients in the trial, which adjusts for the three variables above, remained statistically significant, with an adjusted hazard ratio of 0.54 and a p-value of 0.023.

#### *Crossover analysis*

A total of 19 patients in our Phase 2b clinical trial who were treated with paclitaxel alone elected, subsequent to disease progression, to receive treatment with STA-4783 plus paclitaxel. Of those 19 patients, known as crossover patients, complete data on time to progression subsequent to the crossover are available for 14 patients. The progression-free survival times for these 14 patients ranged from 0.72 to 5.5 months. Three of these 14 patients had progressed rapidly on paclitaxel alone, but experienced a prolonged stabilization of disease after crossing over. These three patients progressed at 0.95, 1.6, and 1.7 months on paclitaxel alone; following treatment with STA-4783 plus paclitaxel their subsequent progression occurred after 2.3 months, 5.5 months, and 4.2 months, respectively.

#### *Results from the lead-in, Phase 2a stage of the trial*

Our clinical trial employed a two-stage, lead-in design, with an open-label, single-arm Phase 2a stage prior to the commencement of the blinded, randomized, controlled Phase 2b stage. The objective of the Phase 2a stage was to evaluate the safety of STA-4783 plus paclitaxel and to assess whether it demonstrated sufficient activity to warrant further study. A total of 31 patients were enrolled in this stage, of which 28 were treated at the STA-4783 dose of interest (213 mg/m<sup>2</sup>). Of these 28 patients, four achieved an objective response as assessed by RECIST, and an additional 11 achieved stable disease, for a total non-progression rate of 15 out of 28 (54%). This met the pre-specified efficacy criteria, supporting the decision to proceed with enrolling the 81 additional patients for the Phase 2b stage of the trial. The addition of STA-4783 to paclitaxel was well tolerated on the weekly schedule.

### ***Plans for Our Phase 3 Clinical Trial***

We intend to meet with the FDA in early 2007 to review our results for STA-4783 to date and our plans for a Phase 3 clinical trial that could support the filing of a New Drug Application. We intend to initiate the Phase 3 clinical trial in 2007.

### ***Additional Clinical Trial Results***

We completed a Phase 1 clinical trial of STA-4783 in combination with paclitaxel in October 2004. This clinical trial, which enrolled 35 patients, was designed to assess the safety, pharmacokinetics, and efficacy of STA-4783 with paclitaxel in a broad cancer patient population. The combination of STA-4783 plus paclitaxel was well tolerated, with minimal toxicity attributed to STA-4783 at all doses tested. Partial response or stable disease was observed in several cancer types, including melanoma, ovarian, Kaposi's sarcoma, angiosarcoma, parotid gland adenocarcinoma, colorectal, pancreatic and paraganglioma. In some of these patients, their cancers had previously progressed to more advanced stages during treatment with paclitaxel alone.

In addition to measuring safety, efficacy, and pharmaceutical properties in our Phase 1 clinical trial, we also measured biological markers of activity, including levels of circulating Hsp70 in the blood. We observed time-dependent and dose-dependent increases in levels of Hsp70 circulating in the blood of patients following administration of STA-4783 plus paclitaxel. At the most relevant therapeutic doses, following treatment with STA-4783 plus paclitaxel, every patient was observed to have substantial increases of circulating Hsp70.

Based on the promising signs of activity and safety results we observed in our Phase 1 clinical trial, we initiated Phase 2 clinical trials in malignant melanoma, soft tissue sarcoma, and non-small cell lung cancer. Together these trials have enrolled approximately 300 patients at over 50 medical centers throughout the United States and Canada. These trials were designed to assess response rates, non-progression rates, and progression-free survival, and to further expand the safety database for STA-4783.

We completed a Phase 2 clinical trial of STA-4783 in 84 patients with soft tissue sarcoma in 2005, the results of which were inconclusive. We designed this two-stage Phase 2 clinical trial to assess activity based on response rate and non-progression rate, or NPR. This clinical trial utilized a single-arm design. All patients received weekly treatments of the combination of paclitaxel ( $80 \text{ mg/m}^2$ ) and STA-4783 ( $213 \text{ mg/m}^2$ ) for three weeks, followed by one week off-treatment. These four-week cycles were repeated until the earlier of disease progression, or a minimum of four months. We enrolled patients with soft tissue sarcoma who had failed at least one prior chemotherapy treatment. In the first stage, 30 eligible patients were evaluated for objective response or disease stabilization after three months and met the predefined criteria for expansion of enrollment. Upon completion of the trial, the Kaplan-Meier estimate of NPR at three months was 35%, with a 95% confidence interval of between 24.3% and 45.8%. A recent publication by Van Glabbeke, et al., proposed a criterion of NPR at three months  $\geq 40\%$  to suggest drug activity in this indication. Given that the observed confidence interval includes 40%, this result did not definitively establish evidence of clinical activity or lack thereof. The observed safety profile of STA-4783 plus paclitaxel was acceptable. We are in the process of analyzing these data further to assess future development plans in sarcoma.

We completed a Phase 2 clinical trial of STA-4783 in 103 patients with non-small cell lung cancer in 2005. We designed this two-stage trial to compare the effect of a standard first-line lung cancer combination therapy, paclitaxel and carboplatin, with the effect of this same combination therapy plus STA-4783. Patients included in this study were diagnosed with either stage IIIb or stage IV non-small cell lung cancer and had not received prior chemotherapy. The objective of the first stage, open-label portion was to determine the recommended dose for the second stage. In the second stage, patients were randomly assigned either to receive STA-4783 plus paclitaxel and carboplatin, or to receive

paclitaxel and carboplatin alone. Patients received one treatment of paclitaxel and carboplatin, with or without STA-4783, every three weeks. These three-week cycles were repeated until the earlier of disease progression or completion of six cycles. Efficacy was assessed using RECIST, and the primary endpoint in this clinical trial was time-to-progression. No improvement was observed in time-to-progression between STA-4783 plus paclitaxel plus carboplatin, compared to paclitaxel plus carboplatin. In comparison to patients in our Phase 2b metastatic melanoma trial, patients in this clinical trial received both a less frequent dose of STA-4783 (once every three weeks compared to once a week for three weeks), and a lower total dose of STA-4783 during each monthly cycle (266mg/m<sup>2</sup> compared to 639mg/m<sup>2</sup>). We are considering the possibility of performing a future study of STA-4783 in non-small cell lung cancer at a more frequent dosing schedule and higher total monthly dose.

### ***STA-4783 Mechanism of Action***

STA-4783 is a novel, small molecule drug candidate that induces a stress response in a wide variety of cancer cell types. Among the consequences of this stress response are two changes that we believe may be important to the role of STA-4783 in tumor cell killing in combination with taxanes:

- a dramatic increase in the production of Hsp70 and other heat shock and stress-related proteins, and
- the alteration of certain signal transduction pathways in tumor cells.

Treatment with STA-4783 increases the amount of Hsp70 in the cytoplasm and on the surface of tumor cells, as well as the amount of Hsp70 secreted from tumor cells. Although Hsp70 has some transient ability to protect cells under stress, a sustained stress response leads to tumor cell death via multiple mechanisms. Extracellular and cell surface Hsp70 are known to act as tumor-specific signals that attract and activate NK cells, resulting in the migration of these cells towards Hsp70-positive tumor cells and increased tumor killing activity. In addition, Hsp70 can activate dendritic cells and increase antigen presentation, leading to enhanced immune-mediated killing of tumor cells. We believe that the known effects of paclitaxel on NK cells, including inducing the secretion from NK cells of proteins called perforins, which help in tumor cell killing, may be one element of the complementary role of STA-4783 and paclitaxel in the activation of this immune cell type.

Treatment with STA-4783 also alters certain signal transduction pathways in cells that affect cell proliferation. Paclitaxel is known to have not only anti-tumor effects but also proliferative, or pro-tumor, effects that act through certain of these pathways. We believe that another element of the complementary role of STA-4783 and paclitaxel may be that STA-4783 inhibits those pathways critical to the proliferative effects of paclitaxel.

STA-4783 displays minimal anti-tumor activity in the preclinical animal models studied to date when administered as a single agent. In contrast, STA-4783 significantly enhances the efficacy of the taxanes paclitaxel and docetaxel in preclinical animal models of cancer. We have observed this synergy between STA-4783 and paclitaxel in a variety of different such models including breast, lung, lymphoma, colorectal, and melanoma. We have not observed, however, STA-4783 enhancement of paclitaxel activity in tumor models conducted in severely immune-compromised mice that are deficient in B cells, T cells, and NK cells. This observation supports the hypothesis that the immune system plays a role in the mechanism of action of STA-4783 plus paclitaxel.

Preclinical safety studies showed that this increase in antitumor activity was accompanied by minimal increase in toxicity with STA-4783 in combination with taxanes.

### ***Additional Cancer Types for Future Clinical Development***

Based on the activity seen in a broad range of tumor models in preclinical experiments, and our understanding of the mechanism of action, which is not specific to melanoma, we believe that STA-4783

has the potential to treat many forms of cancer. We prioritize our clinical development plans based on a number of criteria, including scientific rationale and degree of unmet medical need. Based on these criteria, we believe there are several attractive opportunities for the further clinical development of STA-4783, including:

- *Cancers in which taxanes are used.* Based on the synergistic activity of STA-4783 and taxanes seen in our melanoma clinical trial and in our preclinical models in other cancer types, we believe other cancers in which taxanes are used may be promising opportunities. Prostate, breast, ovarian, and lung cancers are commonly treated with taxanes. In addition, taxanes have been tested in pancreatic cancer, with significant room for improvement and a high unmet need. In our Phase 2 clinical trial in non small-cell lung cancer, we studied a dosing regimen of once every three weeks; we believe a more frequent dosing schedule, with a higher total monthly drug exposure, such as we used in our melanoma trial, may warrant further exploration.
- *Cancers in which we have observed signs of activity of STA-4783 in our Phase 1 clinical trial.* In our Phase 1 clinical trial, partial response or disease stabilization was observed in several cancer types, including melanoma, ovarian, Kaposi's sarcoma, angiosarcoma, parotid gland adenocarcinoma, colorectal, pancreatic and paraganglioma. In particular, one patient with a history of recurrent ovarian cancer had a documented partial response to treatment with STA-4783 plus paclitaxel after having failed multiple prior chemotherapeutic regimens. This patient received a Special Protocol Exception from the FDA in order to continue on STA-4783 plus paclitaxel beyond the end of the clinical trial and received a total of eight cycles of treatment. We believe that these cancer types may warrant further exploration.
- *Immune-sensitive cancers.* Our preclinical results suggesting an immune-mediated component to the mechanism of action, and our positive clinical results in melanoma, a cancer type believed to be sensitive to therapies with immune-mediated mechanisms, suggest application to other cancer types considered to be immune-sensitive, such as renal cell carcinoma and cancer of the bladder.
- *Adjuvant treatment of earlier-stage melanoma.* Adjuvant therapy with interferon alfa-2b, an immunotherapy marketed as Intron A by Schering-Plough, is FDA-approved for use following surgical removal of melanoma to reduce the likelihood of disease recurrence. We believe the possible immune-mediated component of the mechanism of action of STA-4783 suggests a potential role in adjuvant therapy.

We are evaluating these opportunities and expect to initiate Phase 2 clinical trials in one or more of these indications in 2007.

#### ***New Formulations***

To date, all of our clinical trials have been conducted using the free acid form of STA-4783, which we intend to continue to use in our clinical trials planned for 2007 as well as our commercial product if STA-4783 is approved. This form is dissolved in the paclitaxel solution, diluted in a saline infusion bag and co-administered via the same infusion line. In order to use the free acid form of STA-4783 with other oncology products, including taxanes other than paclitaxel, it must be dissolved in an organic solvent, which may cause increased toxicity. We have also developed a water soluble salt form of STA-4783 that may be more easily used with other taxanes and oncology products that have a different formulation than paclitaxel. We intend to explore the use of this new salt form of STA-4783 in future clinical trials in order to expand its potential use in combination with other chemotherapies. In addition, in preclinical studies, we have observed oral bioavailability of STA-4783, and are exploring the possibilities of an oral formulation, such as a tablet or capsule.

## Other Oncology Programs

### **STA-9090 and Our Hsp90 Inhibitor Program**

We are using our internal chemistry and drug optimization expertise in the area of heat shock proteins to develop novel synthetic small molecule inhibitors of Hsp90 for the treatment of cancer. STA-9090 is a novel chemical entity that selectively inhibits the activity of Hsp90. This program is currently in preclinical development.

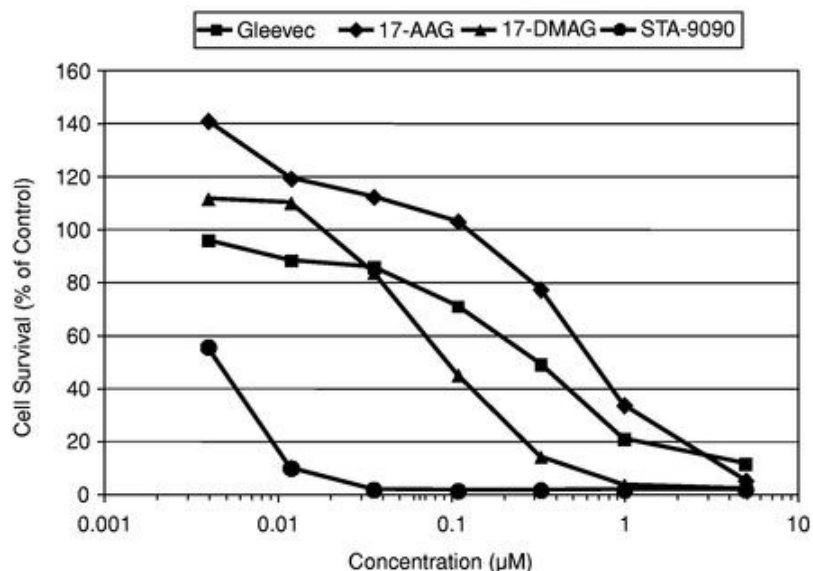
Hsp90 is a chaperone protein that regulates the folding, stability, and function of numerous signaling proteins that trigger uncontrolled proliferation in cancer cells. Many of the proteins that require Hsp90 for their folding and activity are kinases that regulate tumor survival, proliferation, and angiogenesis. These include well-recognized cancer targets such as Bcr-Abl, Her2, EGFR, c-Kit, c-Met, Flt3, and BRAF, which are the targets of approved anticancer drugs such as Gleevec, Herceptin, Tarceva, and Erbitux, all of which are direct inhibitors of these kinase proteins. We believe that inhibiting kinases indirectly, by disrupting the chaperone activities of Hsp90, provides two advantages: first, a means to simultaneously attack multiple cancer-promoting kinases; and, second, an ability to kill tumor cells with mutated kinases that have lost responsiveness to direct kinase inhibitors. Furthermore, since cancer cells have far greater levels of active Hsp90 than normal cells, we believe that inhibitors of Hsp90 may selectively halt proliferation of tumor cells and thereby cause cancer cell death.

A number of companies have programs targeting inhibition of Hsp90 for the treatment of various forms of cancer. Based on results from experiments we conducted in both cell models and preclinical animal models, we believe that our lead compound, STA-9090, displays substantially higher potency than competing Hsp90 inhibitors in development. In addition to the higher potency of STA-9090 in certain cancer types, these experiments also demonstrated that STA-9090 may be active against cancer cell types for which other Hsp90 inhibitors have not shown activity. We believe these findings suggest a potential competitive advantage for STA-9090 in treating those cancers.

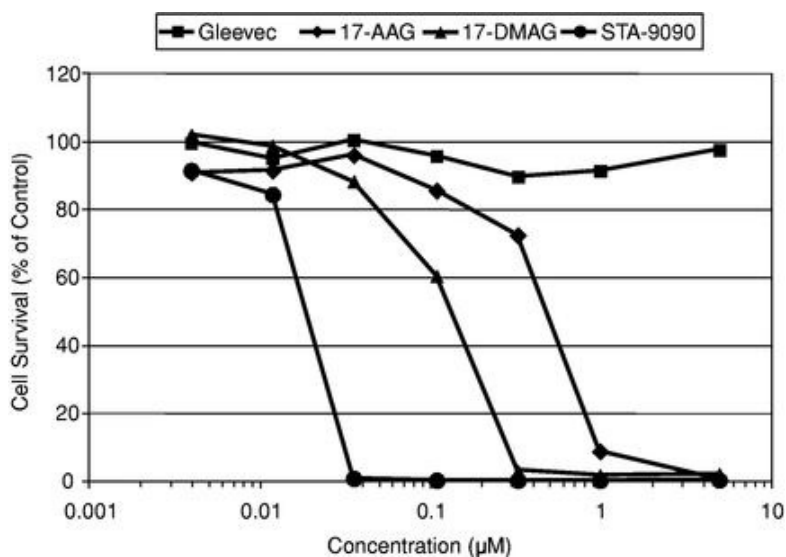
To our knowledge, the Hsp90 inhibitors that are furthest along in clinical development are 17-AAG, or tanespimycin, and 17-DMAG, or alvespimycin. These compounds are being developed by Kosan for several cancer types including multiple myeloma, breast cancer, and melanoma. Both of these compounds are derivatives of the natural product, geldanamycin, and have been observed to have certain serious side effects, including liver toxicities. In contrast, STA-9090 is a novel small molecule compound that is not a geldanamycin derivative or analog. In addition, while 17-AAG and 17-DMAG have complex routes of synthesis, STA-9090 has a relatively simple route of synthesis.

In the figures below we illustrate what we believe are the two key potential advantages of our Hsp90 inhibitor, STA-9090: improved potency and the activity against cancers that have developed resistance to kinase inhibitors.

**Improved potency.** One of the several kinases that we have observed in preclinical testing to be more sensitive to STA-9090 than to other Hsp90 inhibitors is c-Kit. c-Kit plays a critical role in two cancer types: gastro-intestinal stromal tumors, or GIST, and acute myelogenous leukemia, or AML. The c-Kit gene is often mutated in cancers and can drive uncontrolled cancer cell proliferation. Inhibition of Hsp90 leads to the degradation and loss of c-Kit. In preclinical testing we have found that STA-9090 is more effective in causing the loss of c-Kit relative to other Hsp90 inhibitors such as 17-AAG and 17-DMAG. This loss of c-Kit leads to the death of those cancer types that depend upon c-Kit for their growth and survival. The figure below shows the result of an *in vitro* experiment we conducted comparing the activity of STA-9090 against human AML tumor cells with the two leading Hsp90 inhibitors, 17-AAG and 17-DMAG, and with the Bcr-Abl and c-Kit kinase inhibitor Gleevec. This figure shows that STA-9090 was 25-fold to 170-fold more effective in tumor cell killing than these other agents in this experiment, as measured by the IC<sub>50</sub> (the dose that killed 50% of tumor cells).



*Activity against cancers that develop resistance to kinase inhibitors.* In patients who are treated for cancers with kinase inhibitors such as Gleevec, an initial period of responding to treatment can be followed by a relapse, in which the disease rapidly worsens and no longer responds to further treatment with that kinase inhibitor. This relapse is believed to be due to the appearance of new mutations in the target kinase. In contrast to direct kinase inhibitors, STA-9090 is an indirect kinase inhibitor that acts by inhibiting Hsp90 rather than the kinases themselves. STA-9090 therefore has the potential to be effective in inhibiting both the original and the mutant kinases. The figure below illustrates this point. In an *in vitro* experiment, a tumor cell line with a Gleevec-resistant mutation in c-Kit is no longer killed by Gleevec. In contrast, STA-9090 demonstrates potent killing of these cells. This figure also shows that STA-9090 is substantially more potent than the competing Hsp90 inhibitors, 17-AAG or 17-DMAG, in this model, as with the previous model.



In addition to the activity shown in cancer cells in the figures above, we have shown that STA-9090 is more potent than 17-AAG in a range of additional cancer cell models as well as in multiple

preclinical animal models of human cancer types including lung, prostate carcinoma, breast, gastric, melanoma, lymphoma, multiple myeloma, acute myelogenous leukemia, and chronic myeloid leukemia.

We believe that our preclinical data suggest the potential for using STA-9090 to treat patients whose cancers have relapsed following treatment with small molecule kinase inhibitors such as Gleevec or Tarceva. In addition, we believe that knowledge of which cancer-causing proteins are most susceptible to treatment with STA-9090 will help us to focus our clinical development on cancer types most likely to respond to treatment with our drug candidate.

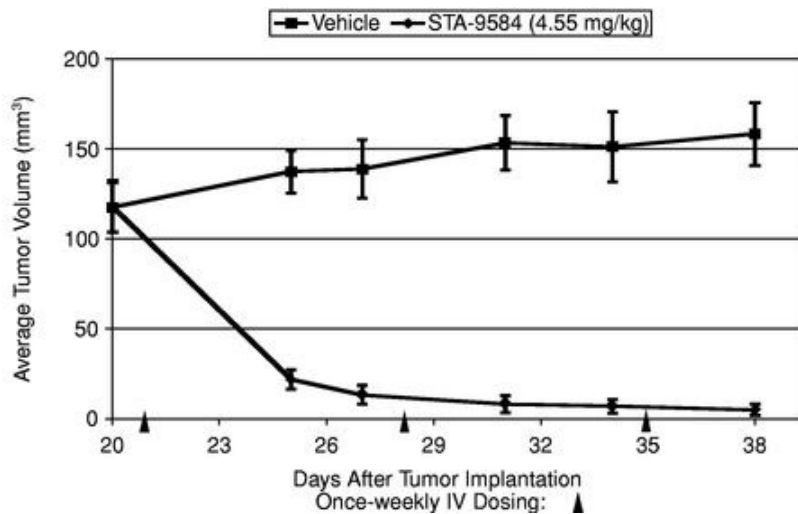
#### ***STA-9584—Our Vascular Disrupting Agent***

STA-9584 is a novel anticancer agent with a dual mechanism of action: STA-9584 disrupts the vessels feeding tumors, which can choke off the supply of oxygen and nutrients, and, in addition, STA-9584 directly causes tumor cell death by inhibiting microtubules, which are cellular structures that play an important role in cell division and proliferation. STA-9584, has demonstrated strong activity in a range of animal models of human tumors, including prostate, lung, breast, melanoma, and lymphoma. This program is in preclinical development.

Because rapidly growing cancer cells have a high demand for oxygen and nutrients, tumors cause new blood vessels to grow in order to supply those needs. Those new vessels differ from normal blood vessels in that they are fragile and weak, forming disorganized and tortuous networks. We believe that drugs that disrupt tumor vessels, or tumor vasculature, could therefore starve tumor cells of oxygen and nutrients, leading to the rapid death of these cells, including tumor cells resistant to other therapies. Vascular disruption contrasts with anti-angiogenic approaches, such as the proposed mechanism of action of approved cancer drugs such as Avastin, which inhibit the growth of new tumor blood vessels but are not believed to affect established tumor vasculature.

To our knowledge, of the drug candidates in the category of vascular disrupting agents, combrestatin is one of the furthest along in development. We believe the dual mechanism of action of STA-9584 represents an important difference from combretastatin, in that STA-9584 both disrupts tumor vasculature and directly kills tumor cells through inhibiting microtubules. Consistent with this dual mechanism, we have observed in our preclinical models that STA-9584 causes tumor cell death throughout the tumor, both at the tumor core and rim, whereas vascular disrupting agents such as combretastatin cause tumor cell death primarily at the core of tumors, where the demand for oxygen and nutrients is most pronounced.

We believe the high potency of STA-9584 and acceptable therapeutic index in our preclinical models makes this compound a promising candidate for treatment of a wide range of solid-tumor cancers. An example of the potency of STA-9584 is shown in the figure below, in which STA-9584 leads to complete tumor elimination in a preclinical model of prostate cancer. In this preclinical study, PC-3 human prostate cancer cells were implanted subcutaneously into nude mice. Once tumors reached over 100 mm<sup>3</sup> in size, mice were treated with a placebo control or STA-9584 by intravenous injection once per week. Three doses of STA-9584 caused the regression of tumors.



## Inflammatory Disease Programs

We have the following two inflammatory disease programs in development:

- Apilimod (STA-5326).** Apilimod is our novel, orally administered, small molecule drug candidate that inhibits the production of the cytokines interleukin-12, or IL-12, and interleukin-23, or IL-23, which are believed to be important regulators of the biological processes underlying certain autoimmune and inflammatory diseases. We are currently conducting a Phase 2a clinical trial in patients with rheumatoid arthritis and sponsoring a Phase 2a clinical trial in patients with COVID. We expect to report results from both of these trials in 2007.
- CRAC ion channel inhibitors.** We are developing inhibitors of calcium release-activated calcium, or CRAC, ion channels expressed on immune cells, for the treatment of autoimmune diseases, transplant rejection, asthma, and allergy. We have discovered a family of novel, small molecule, orally administered CRAC ion channel inhibitors that are both selective and highly potent.

### Inflammatory Disease Background

Inflammatory diseases are typically caused by aberrant activity of the immune system. The immune system normally protects the body from injury and infection, but in autoimmune diseases it attacks and damages the body's own tissues. Major autoimmune diseases include rheumatoid arthritis, psoriasis, Crohn's disease, and multiple sclerosis. Together, these diseases afflict over seven million people in the United States and over 21 million people worldwide.

Despite the availability of numerous therapeutic options for these diseases, inflammatory diseases remain major causes of impairment of daily activities, reduced quality of life, significant disability, and sometimes death. Current therapeutic treatments for chronic inflammatory diseases have the potential to cause musculo-skeletal, endocrinologic, neurologic, and metabolic side effects, which can limit their long-term use. The limitations of conventional treatments, together with a growing understanding of the pathogenesis of inflammatory diseases, have stimulated significant interest in the development of targeted immune modulators for the management of chronic inflammatory diseases.

### Apilimod (STA-5326) and Our Oral IL-12/23 Inhibitor Program

We believe we have discovered the first oral, small molecule, selective inhibitors of the cytokines IL-12 and IL-23. We have conducted or sponsored eleven Phase 1 and Phase 2 clinical trials with our lead compound, apilimod, also designated STA-5326, or its salt form, apilimod mesylate, also



designated STA-5326m. To our knowledge, there are no other oral, selective IL-12 and IL-23 inhibitor drug candidates from other companies currently in clinical development. Although our clinical trials in psoriasis and Crohn's disease did not achieve their primary endpoints, we have ongoing Phase 2a clinical trials of apilimod for rheumatoid arthritis and CVID, and we continue to believe that oral small molecules targeting IL-12 and IL-23 represent a promising therapeutic approach. We may continue to pursue this program with new generations of compounds.

The IL-12 cytokine is an important "master switch" that triggers the immune response of the T cell known as T helper type 1, or T<sub>H</sub>1. T cells play a critical role in the coordination of the body's immune response, and while T<sub>H</sub>1 cells are normally involved in the body's defense against intracellular attack by bacteria and other micro-organisms, an overactive T<sub>H</sub>1 response can lead to various autoimmune or inflammatory diseases including Crohn's disease, psoriasis, rheumatoid arthritis, multiple sclerosis, and CVID. The IL-23 cytokine is critical to the generation of the T cells which produce other pro-inflammatory proteins believed to be important to maintaining the immune response. We believe that the Phase 2 clinical trial results observed with anti-IL-12/23 antibody therapies validate the inhibition of IL-12/23 activity as a promising approach for the treatment of inflammatory and autoimmune diseases.

#### *Rheumatoid arthritis*

Rheumatoid arthritis is a chronic autoimmune disease that is primarily characterized by joint synovial inflammation that can lead to long-term joint damage, chronic pain, loss of function and disability. Over two million people suffer from the disease in the United States. We are currently conducting a randomized, placebo-controlled Phase 2a clinical trial of apilimod in rheumatoid arthritis patients with moderate to severe disease. All patients in this clinical trial are to be treated with methotrexate, a commonly used drug to treat rheumatoid arthritis, in addition to receiving either apilimod or placebo. The primary endpoint of this trial is based on an assessment of markers of inflammation in joint tissue after four to eight weeks of treatment. We believe that tissue assessments will provide an objective measure that will allow conclusions regarding potential efficacy to be based on a smaller number of patients. We plan to enroll approximately 20 patients and expect results from this trial to be available in 2007.

#### *Common variable immunodeficiency*

CVID is a disease characterized by the defective production of antibodies, which exposes patients to increased risk of life-threatening infections and, in some patients, autoimmune conditions and gastrointestinal diseases. In addition, CVID patients are at increased risk of cancer and inflammatory conditions. The incidence of CVID is poorly understood and is estimated to be between 1:25,000 and 1:66,000, with the highest incidence seen in Caucasian and European populations. More than 10% of CVID patients experience gastrointestinal manifestations that are believed to be associated with high levels of IL-12 expression in the digestive tract. In collaboration with the National Institutes of Health, we initiated an exploratory open-label Phase 2a clinical trial of apilimod in up to five CVID patients with gastrointestinal manifestations. This study is designed to assess changes in clinical symptoms, changes in objective measures of disease activity, including tests for malabsorption, and changes in biopsy samples of the gastrointestinal tract, including measurements of IL-12 production in the gut, before and after treatment with apilimod. We expect results from this trial to be available in 2007.

#### *Psoriasis*

Psoriasis is a chronic, inflammatory skin disorder that is characterized by thickened, red areas of skin that are covered with scales. The area of skin affected can range from discrete, localized patches, to extensive areas of the body. The joints, nails, and mucous membranes may also be affected by the disease. Chronic plaque psoriasis is the most common form of psoriasis. This disease involves the

formation of plaques, which are circular-to-oval, elevated, and often scaly skin lesions that contain swollen blood vessels and infiltrating immune cells. Affected areas are characterized by itching, swelling, and pain, all of which can impair daily activities and sleep.

We conducted two complementary Phase 2 clinical trials of apilimod for the treatment of moderate to severe chronic plaque psoriasis. In each of these trials patients were treated for 12 consecutive weeks. One psoriasis trial was an open-label Phase 2a clinical trial designed to assess the biological response to apilimod through histological studies of skin biopsies. While the data showed signs of activity, as assessed both histologically and clinically, strong clinical benefit was not demonstrated. Another psoriasis trial was a double-blind, randomized, placebo-controlled, multicenter Phase 2b clinical trial of 212 patients. Despite observing a difference between apilimod and placebo, the primary endpoint of the trial was not achieved, and the magnitude of clinical benefit did not warrant advancement into Phase 3 clinical trials at the doses and with the formulation tested. We are exploring whether inadequate distribution of apilimod to the skin could underlie the insufficient clinical benefit observed in these clinical trials and are developing a topical formulation of apilimod to test this hypothesis.

#### *Crohn's disease*

Crohn's disease is a chronic inflammatory bowel disease characterized by inflammation at points throughout the length of the gastrointestinal, or digestive, tract. Symptoms can be severe and include abdominal pain, frequent diarrhea and intestinal bleeding. In addition, patients with Crohn's disease may experience malnutrition and an increased risk of colorectal cancer.

We initiated three Phase 2 clinical trials in moderate-to-severe Crohn's disease: a 73-patient Phase 2a clinical trial, a planned 282-patient Phase 2b clinical trial and a planned 12-patient biomarker trial. The Phase 2a clinical trial was an open-label, dose-escalating study to assess the safety, pharmacokinetics, and efficacy of apilimod. In this trial, a capsule formulation containing the free base form of apilimod was studied. Promising signs of activity were observed. In the Phase 2b study, we switched formulation to a tablet containing the mesylate form of apilimod. This Phase 2b study was a double-blind, randomized, placebo-controlled, multicenter clinical trial with two treatment arms and one placebo arm. As specified in the protocol, an interim analysis was performed after half the patients expected to be enrolled in the trial had completed treatment. This analysis indicated a low likelihood of achieving the primary endpoint in the trial, and thus, the Phase 2b and biomarker trials were terminated at that point.

We are currently exploring whether the change in formulation and drug form, from the free base capsule form used in the Phase 2a study to the mesylate tablet form used in the Phase 2b study, could underlie the lower response rates observed in the Phase 2b study, or whether the Phase 2a response rates were contaminated with substantial placebo effect bias. We have initiated work on the next-generation of IL-12/23 inhibitors, which we believe may have improved pharmaceutical properties.

## CRAC Ion Channel Inhibitors

Ion channels have proven to be very attractive targets for small molecule drug development. Examples of successful ion channel modulating drugs include Norvasc, which is marketed by Pfizer for the treatment of hypertension, and Ambien, which is marketed by Sanofi-Aventis for the treatment of insomnia. Ion channel modulators developed to date target channels on excitable cells, which are cells that transmit electrical signals, such as muscle cells and nerve cells, and have been primarily developed for treating cardiac or central nervous system conditions. While ion channels in excitable cells are involved in the electrical signaling of those cells, ion channels are also known to play an important role in the signaling pathways and function of certain non-excitable cell types, such as immune cells.

We are developing small molecule inhibitors of calcium release-activated calcium, or CRAC, ion channels expressed on immune cells. The CRAC ion channel is the primary route for calcium entry into T cells and mast cells. Calcium entry regulates multiple immune cell processes, including T cell proliferation and cytokine secretion, which are important for initiating and sustaining an inflammatory immune response. The relevance of inhibiting this biological pathway has been validated by the clinical and market success of the calcineurin inhibitors, cyclosporin and tacrolimus, in treating autoimmune diseases and transplant rejection. The calcineurin inhibitors, however, act on both immune and non-immune cell types and have substantial toxicities. By more selectively inhibiting the same biological pathway, therapies that inhibit CRAC ion channels offer the potential of modulating the immune system with fewer toxicities. Such therapies may hold promise for treating immune disorders such as rheumatoid arthritis, psoriasis, multiple sclerosis, transplant rejection, allergy, or asthma.

We have discovered a family of novel, small molecule, orally administered CRAC ion channel inhibitors that are both selective and highly potent. We have demonstrated in preclinical experiments that these compounds inhibit the production by immune cells of multiple critical pro-inflammatory cytokines, such as  $\text{TNF } \alpha$  and IL-2, which are critical to immune disorders such as rheumatoid arthritis and transplant rejection. We have also demonstrated that some of these compounds inhibit mast cell degranulation and the release of histamines, which is believed to be important for the treatment of allergy and asthma. We have shown that our compounds are effective in multiple animal models of immune diseases, including models of arthritis. This program is in the lead optimization stage of preclinical development.

## Our Drug Discovery Capabilities

Our drug discovery approach is based on the close integration and rapid cycle times among our chemistry, biology, and pharmaceutical development groups. Drug candidates are typically identified using novel chemical structures from our chemical compound library in cell-based assays that are designed to preserve the complexity of biological signaling. Early *in vivo* testing and a rapid optimization process allow us to generate a high number of promising leads from our screening hits, improve the profiles of our compounds, and, in some cases, discover novel pathways or mechanisms of action with the potential to define entirely new categories of treatment.

Our approach integrates the following capabilities and resources:

- *Unique chemical compound library.* Our chemical library contains over 100,000 small molecules and numerous plant extracts collected from universities, non-profit institutions, other organizations, and commercial sources. Many of our compounds are proprietary and not available from commercial sources. This library represents a diverse and distinct set of chemical structures that was not generated using combinatorial chemistry and continues to be a valuable source of lead compounds for drug discovery. We are continuing our compound collection efforts. In addition, for each of our discovery programs we build focused libraries dedicated to particular drug targets. We have the three-dimensional structure of most of our compounds, allowing us to use computer-based, or *in silico*, screening to identify new drug candidates.

- *Broad set of screening assays.* We have high throughput screening capabilities linked to our chemical library that facilitate the rapid identification of new drug candidates. We have developed a wide variety of biochemical and cell-based *in vitro* assays designed to identify promising compounds for treating cancer, immune disorders and other diseases, which form the basis of our initial screening efforts. In addition to assays for identifying new compounds, we have also developed assays we use for early optimization of safety and pharmacokinetic properties.
- *Robust in vivo testing capabilities.* We have substantial *in vivo* testing facilities that we use for evaluating the safety, efficacy, and pharmaceutical properties of our compounds, including absorption, distribution, metabolism, excretion, and toxicology properties. These facilities are equipped for detailed experimental measurements and surgical tasks, such as the rodent microsurgery we use for sophisticated toxicology assessments. We have experience with a wide range of animal models of disease, including multiple models in cancer, inflammatory diseases and metabolic diseases. We believe the ability to complete early testing of compounds *in vivo*, internally and without dependencies on third parties, is a valuable advantage in our ability to rapidly optimize the pharmaceutical properties of our most promising compounds.
- *Multi-functional chemistry capabilities.* We possess a full range of chemistry capabilities, including medicinal chemistry, analytical chemistry, physical chemistry, process development and computational chemistry. Our approach to medicinal chemistry applies the rigorous exploration of permutations of biologically active molecular components to optimize lead compounds. Our in-house process development capability of characterizing and specifying manufacturing processes for our compounds allows us to reduce dependencies on third parties and is an important advantage in our ability to successfully commercialize our drug candidates.
- *Methods for novel target elucidation and validation.* Our scientists use expression profiling, RNA interference, affinity purification, proteomics, electrophysiology, and other methods to identify the therapeutic intervention points of novel, promising compounds.

## Our Business Strategy

Our mission is to extend and enhance the lives of patients by discovering, developing, and commercializing novel pharmaceutical products for treating severe medical conditions. The key elements of our strategy are to:

- *Maximize the value and commercial potential of our lead drug candidate, STA-4783.* Our plans to maximize the potential of STA-4783 include: (1) initiating a pivotal, Phase 3 clinical trial in metastatic melanoma in 2007; (2) initiating Phase 2 clinical trials in additional cancer indications in 2007; (3) developing new forms or formulations that may allow for increased market penetration and ease of use; and (4) using our discovery capabilities to continue to identify new potential uses, develop follow-on compounds, and strengthen our intellectual property position.
- *Advance the development of our four other pipeline programs.* We intend to continue to advance the research and development efforts for our pipeline drug programs, apilimod, STA-9090, STA-9584, and our CRAC ion channel inhibitor program by: (1) advancing these programs through a robust series of exploratory clinical trials; (2) improving our understanding of the underlying science behind these compounds and their impact on the target diseases, in order to enhance our ability to identify those patients most likely to benefit; and (3) using our discovery capabilities to identify new potential uses, develop follow-on compounds, and strengthen our intellectual property position.
- *Build a commercial infrastructure for specialty markets.* Our drug candidates target markets primarily treated by specialist physicians. If approved by regulatory agencies, our lead drug

candidate STA-4783 will be prescribed in the United States primarily by oncologists, allowing us to market STA-4783 with a relatively small specialty sales force and to use less costly, more focused marketing campaigns. An oncology-focused specialty market commercial infrastructure may allow us to retain greater financial returns from, and preserve control of, our lead drug candidate and any subsequent anti-cancer products we develop.

- *Partner selectively with pharmaceutical companies to enhance the overall value of our programs.* At present we have retained worldwide rights to all of our drug candidates in all geographic markets and in all therapeutic indications. For certain drug candidates, we may in the future establish collaborations with other pharmaceutical companies in order to enhance the overall value of those programs through increased scientific and commercial resources and capabilities.
- *Continue to use our drug discovery assets and capabilities to generate novel small molecule drug candidates for severe medical conditions.* All of our current drug candidates were discovered and developed internally. We believe that our proprietary chemical compound library and our experience and expertise in identifying and developing promising new chemical compounds are valuable competitive advantages. We also believe that small molecule therapies have certain cost and convenience advantages, and that specialty therapeutic markets have certain commercial advantages, which represent attractive opportunities. We therefore intend to continue to invest in our drug discovery platform and expand our pipeline of drug candidates that have distinct mechanisms of action and novel chemical structures.

## **Manufacturing**

Our drug candidates and preclinical compounds are small molecules that can be readily synthesized by processes that we have developed. Utilizing our medicinal chemistry and process development capabilities, we have developed manufacturing processes to produce the active pharmaceutical ingredients, or API, for our drug candidates. We also have the internal capability to synthesize small molecule compounds in quantities of up to several hundred grams for use in our preclinical studies, including proof-of-concept studies in animal models, early pharmacokinetic assays, initial toxicology studies, and formulation development. We currently contract with third parties for the synthesis of all materials used in our clinical trials and rely on third party manufacturers for the supply of our drug candidates in bulk quantities and for the production of suitable dosage forms.

The starting materials and reagents required for synthesizing our drug candidates and preclinical compounds are commercially available from multiple sources. We have established a quality control and quality assurance program, including a set of standard operating procedures, analytical methods, and specifications, designed to ensure that our drug candidates are manufactured in accordance with the FDA's current Good Manufacturing Practices, or cGMP, and other applicable domestic and foreign regulations. We have selected manufacturers that we believe comply with cGMP and other applicable regulatory standards. We do not currently expect to manufacture cGMP material internally for our clinical trials nor undertake the commercial scale manufacture of our drug candidates after approval. We are discussing with our current suppliers and other third party manufacturers the long-term supply and manufacture of these and other drug candidates we may develop.

### **STA-4783**

We are currently working with two contract manufacturers to produce STA-4783 in its free acid form, which is the active pharmaceutical ingredient, or API, that will be used in the Phase 3 clinical trial of STA-4783 for metastatic melanoma and any Phase 2 clinical trials we may initiate in other cancer indications in 2007. We intend to use one of these manufacturers as the primary supplier of STA-4783 API and the other as a backup manufacturer for the clinical trials initiated in 2007 and potentially, for commercial supply in the future. We have contracts with each of these manufacturers to

produce STA-4783 API in quantities we believe will be sufficient for our current clinical trial needs, but to date, these manufacturers have only produced pilot batches of STA-4783, and there can be no assurances that they will be able to produce STA-4783 API in the quantities and to the specifications needed for our clinical trials. If the primary manufacturer we choose to provide STA-4783 API should become unavailable to us for any reason, we believe the backup manufacturer will be able to provide us with sufficient STA-4783 API with little or no delays in our trials. If both of these manufacturers should become unavailable, we believe that there are a number of potential replacements, as our processes are not technically complex nor manufacturer-specific. However, we may incur some added cost and delay in identifying or qualifying such replacements, including delays associated with transferring the process to the new manufacturer and conducting manufacturing runs. We do not currently have a contract with any manufacturer for commercial supply of STA-4783 API.

We intend to use a single manufacturer for the preparation of STA-4783 drug product. This preparation involves highly specialized processing, including the automated filling of vials with STA-4783 API under sterile conditions. We believe that our selected manufacturer may be one of a limited number of third party contract manufacturers currently capable of conducting this process on our behalf. To date, this third-party manufacturer has verbally agreed and provided a term sheet to meet our manufacturing requirements for the planned Phase 3 clinical trial of STA-4783 for metastatic melanoma and additional Phase 2 trials of STA-4783 for other cancer indications in 2007. Although we are currently in discussions with this manufacturer regarding a contract for the supply of STA-4783 drug product for clinical trials and potentially, for commercial supply, there can be no assurances that we will be able to enter into a contract with this or another manufacturer on acceptable terms, if at all.

It is our intention to have an adequate inventory of STA-4783 drug product to complete our planned Phase 3 clinical trial for metastatic melanoma and any Phase 2 trials in additional cancer indications, prior to beginning any such trial.

## **Sales and Marketing**

We currently have no marketing, sales or distribution capabilities. In order to commercialize any of our drug candidates, we must develop these capabilities internally or through collaboration with third parties. In selected therapeutic areas where we feel that any approved products can be commercialized by a specialty sales force that calls on a limited and focused group of physicians, we currently plan to commercialize these drug candidates. In therapeutic areas that require a large sales force selling to a large and diverse prescribing population, we currently plan to partner our drug candidates for commercialization.

Our plan is to retain commercial rights to our lead oncology drug candidate, STA-4783, in North America either exclusively or through a co-development and/or co-promotion arrangement with a larger company. While the primary diagnosing physicians for melanoma are dermatologists and primary care physicians, care of patients with metastatic melanoma is referred to oncologists, surgical oncologists and dermatological oncologists. In the United States, oncology is a highly concentrated specialty, with approximately 650 community cancer programs and oncology private practices and approximately 9,000 oncologists in private practice. We believe this concentration of target physicians can be effectively addressed by a small focused sales force. Companies with comparable products target oncologists with sales forces of approximately 70 to 100 sales representatives. As we obtain additional label indications for STA-4783 in other types of cancer, we may choose to increase our sales force size to promote these new uses. Due to their concentrated and focused nature, specialty target audiences may be reached with more focused and cost-effective marketing campaigns. Outside North America, we may choose to license rights to STA-4783 to a strategic partner.

We intend to build the commercial infrastructure necessary to bring STA-4783 to market alone or in collaboration with a co-development and/or co-promotion partner. In addition to a specialty sales

force, sales management, internal sales support, and an internal marketing group, we will need to establish capabilities to manage key accounts, such as managed care organizations, group purchasing organizations, specialty pharmacies, and government accounts including Veterans Affairs and the Department of Defense. We will also use this key account group to obtain reimbursement and to gain formulary approval for our drugs. We may choose to employ medical sales liaisons personnel to support the product.

## Competition

The development and commercialization of new drugs is highly competitive. We will face competition with respect to all drug candidates we may develop or commercialize in the future from pharmaceutical and biotechnology companies worldwide. The key competitive factors affecting the success of any approved product will be its efficacy, safety profile, price, method of administration and level of promotional activity. The efficacy and safety profile of our drug candidates relative to competitors will depend upon the results of our clinical trials and experience with the approved product in the commercial marketplace.

*STA-4783.* If approved, STA-4783 may compete with:

- Drugs that are approved by the FDA for the treatment of metastatic melanoma. Currently, in the United States, there are only two drugs approved for the treatment of metastatic melanoma: dacarbazine/DTIC and the injectable protein interleukin 2, or IL-2. In addition, interferon alfa-2b, also an injectable protein, is the only drug approved for use as an adjuvant to surgery to prevent relapse of melanoma;
- Drugs that are not approved for the treatment of metastatic melanoma, but are used "off-label" to treat the disease, including taxanes, temozolomide, vincristine, carmustine, melphalan, and platinum-chemotherapeutics, such as cisplatin and carboplatin; and
- Compounds in development for metastatic melanoma. Compounds in clinical development may be grouped into five categories: (1) the kinase inhibitors such as Nexavar, being developed by Bayer and Onyx, Sutent, being developed by Pfizer, and ispinesib, being developed by Cytokinetics and GlaxoSmithKline; (2) the anti-CTLA-4 monoclonal antibodies, ipilimumab and tiviclimumab; (3) the anti-integrin volociximab; (4) cancer vaccines such as M-Vax and MDX-1379; and (5) derivatives, analogs, or reformulations of known chemotherapies, such as Abraxane, or other chemotherapies.

*Apilimod.* If approved, apilimod is expected to compete against the currently approved therapies for the treatment of chronic inflammatory diseases, including:

- large-molecule, injectable TNF $\alpha$ -antagonists, including: Remicade, marketed by Johnson & Johnson; Enbrel, marketed by Amgen and Wyeth Pharmaceuticals; and Humira, marketed by Abbott Laboratories; and
- broadly immunosuppressive small molecule agents including corticosteroids and azathioprine.

Apilimod may also compete with CNTO-1275 and ABT-874, two injectable antibody-based clinical candidates targeting IL-12 currently in clinical trials that are being developed by Johnson & Johnson and Abbott Laboratories, respectively. We expect that as an oral, small molecule drug, apilimod may prove competitive relative to current and future biologic therapies in manufacturing costs and convenience of administration. We are not aware of any orally administered, selective inhibitors of IL-12 production in clinical trials. Other novel, oral agents in development for inflammatory diseases represent potential competition to apilimod. These include chemokine inhibitors, oral fumarates, and calcineurin inhibitors.

**STA-9090.** If approved, STA-9090 may compete against the currently approved therapies for the treatment of cancers and other cancer treatments currently under development. In particular, STA-9090 may compete with 17-AAG, being developed by Kosan, and other agents that inhibit Hsp90, including Hsp90 inhibitors from Medimmune/Infinity, BiogenIdec, and Novartis/Vernalis.

**STA-9584.** If approved, STA-9584 may compete with the currently approved therapies for the treatment of cancers, and other cancer treatments currently under development, including other vascular disrupting agents, such as ABT-751, being developed by Abbott; AS1404, being developed by Antisoma; CA4P, being developed by Oxigene; EXEL-0999, being developed by Exelixis; and ZD6126, being developed by Angiogene.

Many of our potential competitors have substantially greater financial, technical, and personnel resources than us. In addition, many of these competitors have significantly greater commercial infrastructures. Our ability to compete successfully will depend largely on our ability to leverage our experience in drug discovery, development and commercialization to:

- discover and develop medicines that are superior to other products in the market;
- attract high-quality scientific, product development, and commercial personnel;
- obtain patent and/or proprietary protection for our medicines and technologies;
- obtain required regulatory approvals;
- selectively commercialize certain drug candidates in indications treated by specialist physicians; and
- selectively partner with pharmaceutical companies in the development and commercialization of certain drug candidates.

## **Patents and Proprietary Rights**

Our success depends in part on our ability to obtain and maintain proprietary protection for our drug candidates, technology, and know-how, to operate without infringing on the proprietary rights of others, and to prevent others from infringing our proprietary rights. Our policy is to seek to protect our proprietary position by, among other methods, filing U.S. and foreign patent applications related to our proprietary technology, inventions, and improvements that are important to the development of our business. We also rely on trade secrets, know-how, continuing technological innovation, and in-licensing opportunities to develop and maintain our proprietary position.

As of November 17, 2006, our patent portfolio had a total of 494 patents and patent applications worldwide, including specific patent filings with claims to the composition-of-matter and methods of use of our two clinical stage compounds. We own or have exclusively licensed a total of 23 issued U.S. patents and 112 U.S. patent applications, as well as 359 foreign counterparts to these patents and patent applications. With respect to STA-4783, we have two issued U.S. patents that claim the chemical structure of STA-4783 that expire no earlier than 2022. Both of these issued U.S. patents also claim related chemical structures, pharmaceutical compositions, and methods for treating a subject with cancer. In addition, we have filed several U.S. patent applications that have the potential to extend the patent life of STA-4783, including U.S. patent applications claiming aspects of the treatment regimen for metastatic melanoma which, if issued, would expire no earlier than 2026. We have also filed a U.S. patent application claiming the salt form of STA-4783 which, if issued, would expire no earlier than 2025.

With respect to apilimod, we have two issued U.S. patents that claim the chemical structure of apilimod and methods for treating specific disorders using apilimod, respectively. These patents expire no earlier than 2021.



We have pending U.S. applications covering compositions-of-matter, methods of treatment and other aspects of our preclinical- and research-stage programs, including STA-9090, STA-9584 and our CRAC ion channel program. The patent term of our U.S. patents may be extended under applicable law or regulations, such as the Patent Term Restoration Act. Counterpart filings to these patents and patent applications have been made in a number of other jurisdictions, including Europe and Japan.

We have also in-licensed various technologies to complement our ongoing clinical and research programs. These licenses generally extend for the term of the related patent and contain customary royalty, termination, and other provisions. We have license agreements with Beth Israel Deaconess Medical Center and The Queen's Medical Center, Inc. that provide us with the exclusive commercial right to certain patent filings made by Beth Israel and Queen's Medical in the field of ion channels. We also have an exclusive license with Dana-Farber Cancer Institute for certain patent applications relating to rare event detection, such as circulating cancer cell detection. We do not believe that these license agreements are currently material to our business. We have exclusive license rights to a patent application filed by Dana-Farber covering combinations of ingredients that could potentially cover our STA-4783/taxane combination therapy, should such patent claims issue. We would owe nominal royalty payments to Dana-Farber if any of the claims which ultimately issue under the Dana-Farber patent application or that are pending in such application cover our commercial product. We also have a non-exclusive license to a U.S. patent assigned to Columbia University that could potentially cover a possible aspect of the STA-4783 mechanism. This license is not royalty bearing unless we include specific mechanism language on the label of any approved product, in which case a nominal royalty would be owed.

## **Government Regulation and Product Approval**

Government authorities in the United States, at the federal, state and local level, and other countries extensively regulate, among other things, the research, development, testing, manufacture, labeling, packaging, promotion, storage, advertising, distribution, marketing and export and import of products such as those we are developing. Our drugs must be approved by the FDA through the new drug application, or NDA process before they may be legally marketed in the United States.

### ***United States Government Regulation***

#### ***NDA approval processes***

In the United States, the FDA regulates drugs under the Federal Food, Drug and Cosmetic Act, FDCA, and implementing regulations. Failure to comply with the applicable United States requirements at any time during the product development process, approval process or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include:

- the FDA's refusal to approve pending applications;
- license suspension or revocation;
- withdrawal of an approval;
- a clinical hold;
- warning letters;
- product recalls;
- product seizures;
- total or partial suspension of production or distribution; or
- injunctions, fines, civil penalties or criminal prosecution.

Any agency or judicial enforcement action could have a material adverse effect on us. The process of obtaining regulatory approvals and the subsequent substantial compliance with appropriate federal, state, local, and foreign statutes and regulations require the expenditure of substantial time and financial resources.

The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests according to Good Laboratory Practices;
- submission of an IND, which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials according to Good Clinical Practices to establish the safety and efficacy of the proposed drug for its intended use;
- submission to the FDA of a NDA;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with current good manufacturing practice, or cGMP, to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity; and
- FDA review and approval of the NDA.

Once a pharmaceutical candidate is identified for development, it enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry, toxicity and formulation, as well as animal studies. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information and analytical data, to the FDA as part of the IND. Some preclinical or nonclinical testing may continue even after the IND is submitted. In addition to including the results of the preclinical studies, the IND will also include a protocol detailing, among other things, the objectives of the clinical trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated if the first phase lends itself to an efficacy determination. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, specifically places the sponsor on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with good clinical practice regulations. These regulations include the requirement that all research subjects provide informed consent. Further, an institutional review board, or IRB, at each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution. Each new clinical protocol must be submitted to the FDA as part of the IND. Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur.

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

- *Phase 1.* The drug is initially introduced into healthy human subjects or patients with the disease and tested for safety, dosage tolerance, pharmacokinetics, pharmacodynamics, absorption, metabolism, distribution and excretion. In the case of some products for severe or life-threatening diseases, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients.
- *Phase 2.* Involves studies in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.
- *Phase 3.* Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical study sites. These studies are intended to establish the overall risk-benefit ratio of the product and provide, if appropriate, an adequate basis for product labeling.

Phase 1, Phase 2, and Phase 3 testing may not be completed successfully within any specified period, if at all. The FDA or an IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk.

During the development of a new drug, sponsors are given an opportunity to meet with the FDA at certain points. These points are prior to submission of an IND, at the end of Phase 2, and before an NDA is submitted. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date, for the FDA to provide advice, and for the sponsor and FDA to reach agreement on the next phase of development. Sponsors typically use the end of Phase 2 meeting to discuss their Phase 2 clinical results and present their plans for the pivotal Phase 3 clinical trial that they believe will support approval of the new drug. If a Phase 2 clinical trial is the subject of discussion at an end of Phase 2 meeting with the FDA, a sponsor may be able to request a special protocol assessment, or SPA, the purpose of which is to reach agreement with the FDA on the design and size of the Phase 3 clinical trial. If such an agreement is reached, it will be documented and made part of the administrative record. This agreement may not be changed by the sponsor or the FDA after the trial begins, except (1) with the written agreement of the sponsor and the FDA or (2) if the FDA determines that a substantial scientific issue essential to determining the safety or effectiveness of the drug was identified after the testing began.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the product in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the drug candidate and the manufacturer must develop methods for testing the quality, purity and potency of the final drugs. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the drug candidate does not undergo unacceptable deterioration over its shelf-life.

The results of product development, preclinical studies and clinical studies, along with descriptions of the manufacturing process, analytical tests conducted on the chemistry of the drug, results of chemical studies and other relevant information are submitted to the FDA as part of an NDA requesting approval to market the product. The submission of an NDA is subject to the payment of user fees, but a waiver of such fees may be obtained under specified circumstances. The FDA reviews all NDAs submitted before it accepts them for filing. It may request additional information rather than accept a NDA for filing. In this event, the NDA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing.

Once the submission is accepted for filing, the FDA begins an in-depth review. The FDA may refuse to approve an NDA if the applicable regulatory criteria are not satisfied or may require additional clinical or other data. Even if such data is submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP-compliant to assure and preserve the product's identity, strength, quality and purity. Before approving an NDA, the FDA will inspect the facility or facilities where the product is manufactured and tested.

Satisfaction of FDA requirements or similar requirements of state, local and foreign regulatory authorities typically takes at least several years and the actual time required may vary substantially, based upon, among other things, the type, complexity and novelty of the product or disease. Government regulation may delay or prevent marketing of potential products for a considerable period of time and impose costly procedures upon our activities. Success in early stage clinical trials does not assure success in later stage clinical trials. Data obtained from clinical activities are not always conclusive and may be susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. The FDA may not grant approval on a timely basis, or at all. Even if a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial application of the product. Further, even after regulatory approval is obtained, later discovery of previously unknown problems with a product may result in restrictions on the product or even complete withdrawal of the product from the market. Delays in obtaining, or failures to obtain, regulatory approvals for any drug candidate could substantially harm our business and cause our stock price to drop significantly. In addition, we cannot predict what adverse governmental regulations may arise from future U.S. or foreign governmental action.

#### *Expedited review and approval*

The FDA has various programs, including Fast Track, priority review, and accelerated approval, that are intended to expedite or simplify the process for reviewing drugs, and/or provide for approval on the basis of surrogate endpoints. Even if a drug qualifies for one or more of these programs, we cannot be sure that the FDA will not later decide that the drug no longer meets the conditions for qualification or that the time period for FDA review or approval will be shortened. Generally, drugs that may be eligible for these programs are those for serious or life-threatening conditions, those with the potential to address unmet medical needs, and those that offer meaningful benefits over existing treatments. Fast Track designation applies to the combination of the product and the specific indication for which it is being studied. Although Fast Track and priority review do not affect the standards for approval, FDA will attempt to facilitate early and frequent meetings with a sponsor of a Fast Track designated drug and expedite review of the application for a drug designated for priority review. Drugs that receive an accelerated approval may be approved on the basis of adequate and well-controlled clinical trials establishing that the drug product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit or on the basis of an effect on a clinical endpoint other than survival or irreversible morbidity. As a condition of approval, the FDA may require that a sponsor of a drug receiving accelerated approval perform post-marketing clinical trials. We have applied for and received Fast Track designation from the FDA for STA-4783 for the treatment of metastatic melanoma. However, we cannot assure you that this will mean that STA-4783 will be reviewed or approved more expeditiously than would otherwise have been the case.

#### *Orphan drug designation*

Under the Orphan Drug Act, the FDA may grant orphan drug designation to drugs intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than

200,000 individuals in the United States, or more than 200,000 individuals in the United States and for which there is no reasonable expectation that the cost of developing and making available in the United States a drug for this type of disease or condition will be recovered from sales in the United States for that drug. Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same indication, except in very limited circumstances, for seven years. Orphan drug exclusivity, however, also could block the approval of one of our products for seven years if a competitor obtains approval of the same drug as defined by the FDA or if our drug candidate is determined to be contained within the competitor's product for the same indication or disease.

We intend to file for orphan drug designation for STA-4783 for the treatment of stage IV metastatic melanoma and potentially for other indications for STA-4783 and for other drug candidates that meet the criteria for orphan designation. We may not be awarded orphan exclusivity for STA-4783 or any of our other drug candidates or indications. In addition, obtaining FDA approval to market a product with orphan drug exclusivity may not provide us with a material commercial advantage.

#### *Pediatric exclusivity*

The FDA Modernization Act of 1997 included a pediatric exclusivity provision that was extended by the Best Pharmaceuticals for Children Act of 2002. Pediatric exclusivity is designed to provide an incentive to manufacturers for conducting research about the safety of their products in children. Pediatric exclusivity, if granted, provides an additional six months of market exclusivity in the United States for new or currently marketed drugs. Under Section 505A of the FDCA, six months of market exclusivity may be granted in exchange for the voluntary completion of pediatric studies in accordance with an FDA-issued "Written Request." The FDA may not issue a Written Request for studies on unapproved or approved indications or where it determines that information relating to the use of a drug in a pediatric population, or part of the pediatric population, may not produce health benefits in that population.

We have not requested or received a Written Request for such pediatric studies, although we may ask the FDA to issue a Written Request for such studies in the future. To receive the six-month pediatric market exclusivity, we would have to receive a Written Request from the FDA, conduct the requested studies in accordance with a written agreement with the FDA or, if there is no written agreement, in accordance with commonly accepted scientific principles, and submit reports of the studies. The FDA would then have to accept the reports. The FDA may not issue a Written Request for such studies or accept the reports of the studies. The current pediatric exclusivity provision is scheduled to end on October 1, 2007, and it may not be reauthorized.

#### *Post-approval requirements*

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory standards is not maintained or if problems occur after the product reaches the market. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further FDA review and approval. In addition, the FDA may require testing and surveillance programs to monitor the effect of approved products that have been commercialized, and the FDA has the power to prevent or limit further marketing of a product based on the results of these post-marketing programs.

Any drug products manufactured or distributed by us pursuant to FDA approvals are subject to continuing regulation by the FDA, including, among other things:

- record-keeping requirements;
- reporting of adverse experiences with the drug;
- providing the FDA with updated safety and efficacy information;
- drug sampling and distribution requirements;
- notifying the FDA and gaining its approval of specified manufacturing or labeling changes;
- complying with certain electronic records and signature requirements; and
- complying with FDA promotion and advertising requirements.

Drug manufacturers and their subcontractors are required to register their establishments with the FDA and some state agencies, and are subject to periodic unannounced inspections by the FDA and some state agencies for compliance with cGMP and other laws.

We rely, and expect to continue to rely, on third parties for the production of clinical and commercial quantities of our products. Future FDA and state inspections may identify compliance issues at the facilities of our contract manufacturers that may disrupt production or distribution, or require substantial resources to correct.

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the approval, manufacturing and marketing of products regulated by the FDA. In addition, FDA regulations and guidance are often revised or reinterpreted by the agency in ways that may significantly affect our business and our products. It is impossible to predict whether legislative changes will be enacted, or FDA regulations, guidance or interpretations changed or what the impact of such changes, if any, may be.

### ***Foreign Regulation***

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products. Whether or not we obtain FDA approval for a product, we must obtain approval by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

Under European Union regulatory systems, we may submit marketing authorization applications either under a centralized or decentralized procedure. The centralized procedure, which is compulsory for medicines produced by biotechnology and optional for those which are highly innovative, provides for the grant of a single marketing authorization that is valid for all European Union member states. The decentralized procedure provides for mutual recognition of national approval decisions. Under this procedure, the holder of a national marketing authorization may submit an application to the remaining member states. Within 90 days of receiving the applications and assessments report each member state must decide whether to recognize approval. If a member state does not recognize the marketing authorization, the disputed points are eventually referred to the European Commission, whose decision is binding on all member states.

As in the United States, we may apply for designation of a product as an orphan drug for the treatment of a specific indication in the European Union before the application for marketing authorization is made. Orphan drugs in Europe enjoy economic and marketing benefits, including up to

10-years of market exclusivity for the approved indication unless another applicant can show that its product is safer, more effective or otherwise clinically superior to the orphan-designated product.

### **Reimbursement**

Sales of pharmaceutical products depend in significant part on the availability of third-party reimbursement. We anticipate third-party payors will provide reimbursement for our products. It is time consuming and expensive for us to seek reimbursement from third-party payors. Reimbursement may not be available or sufficient to allow us to sell our products on a competitive and profitable basis.

The passage of the Medicare Prescription Drug and Modernization Act of 2003, or the MMA, imposes new requirements for the distribution and pricing of prescription drugs for Medicare beneficiaries, which may affect the marketing of our products. The MMA also introduced new reimbursement methodologies, which went into effect in 2004, 2005 and 2006. For example, new reimbursement methodologies under the MMA with respect to drugs administered by physicians, such as STA-4783 if approved, became effective in 2005 and 2006. Under these reimbursement methods, physicians and hospitals are reimbursed under a Medicare Part B methodology at a rate equal to 106% of the average sales price, or ASP, of the physician-administered drug. The Centers for Medicare & Medicaid Services, or CMS, monitors the calculation of a product's ASP and publishes a product's ASP quarterly in advance of the quarter in which it is applicable. Physicians in the physician clinic setting have a choice between obtaining and billing for these kinds of drugs under the ASP plus 6% methodology or to obtain drugs from vendors selected by the CMS under the competitive acquisition program, or CAP. Physicians who select to obtain drugs under CAP do not purchase or obtain reimbursement directly for such drugs. It is not clear what effect the MMA will have on the prices paid for currently approved drugs and the pricing options for new drugs approved after January 1, 2006. Moreover, while the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own payment rates. Any reduction in payment that results from the MMA may result in a similar reduction in payments from non-governmental payors.

In addition, in some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market.

We expect that there will continue to be a number of federal and state proposals to implement governmental pricing controls. While we cannot predict whether such legislative or regulatory proposals will be adopted, the adoption of such proposals could have a material adverse effect on our business, financial condition and profitability.

### **Employees**

We believe that our success will depend greatly on our ability to identify, attract, and retain capable employees. As of November 17, 2006, we had 124 full time employees, including a total of 53 employees who hold M.D. or Ph.D. degrees. Ninety-seven of our employees are primarily engaged in research and development activities, and 27 are primarily engaged in general and administrative activities. Our employees are not represented by any collective bargaining unit, and we believe our relations with our employees are good.

## Properties

Our operations are based primarily in Lexington, Massachusetts, which is located approximately 10 miles west of Boston, Massachusetts. We lease a total of 68,730 square feet of office and laboratory space in Lexington and 8,700 square feet of office and laboratory space in the neighboring town of Bedford, Massachusetts. We lease the following properties:

Location	Approximate Square Feet	Use	Lease Expiration Date
45 Hartwell Avenue Lexington, Massachusetts	24,420	Office and Laboratory	Nov. 2011
125 Hartwell Avenue Lexington, Massachusetts	22,480	Office and Laboratory	Jan. 2008
6-8A Preston Court Bedford, Massachusetts	8,700	Office and Laboratory	May 2009
91 Hartwell Avenue Lexington, Massachusetts	21,830	Office	Feb. 2008

We believe our facilities are adequate for our current needs.

## Legal Proceedings

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



## MANAGEMENT

### Executive Officers, Key Employees and Directors

The following table sets forth certain information concerning our executive officers, key employees, and directors as of November 21, 2006:

Name	Age	Position
<i>Executive Officers and Key Employees</i>		
Safi R. Bahcall, Ph.D.	38	President and Chief Executive Officer and Director
Keizo Koya, Ph.D.	49	Senior Vice President, Drug Development
Suresh R. Babu, Ph.D.	53	Vice President, Drug Product Development
James G. Barsoum, Ph.D.	50	Senior Vice President, Research
Jeremy G. Chadwick, Ph.D.	44	Senior Vice President, Program Management and Clinical Operations
Keith S. Ehrlich, C.P.A.	55	Vice President, Finance and Administration, Chief Financial Officer
Eric W. Jacobson, M.D.	49	Senior Vice President, Clinical Research and Regulatory Affairs, Chief Medical Officer
Robert Kloppenburg	50	Vice President, Investor Relations and Corporate Communications
Wendy E. Rieder, Esq.	38	Vice President, Intellectual Property and Legal Affairs, General Counsel
Lijun Sun, Ph.D.	43	Vice President, Chemistry
Martin D. Williams	41	Senior Vice President, Commercial and Business Development, Chief Business Officer
<i>Non-Employee Directors</i>		
Keith R. Gollust(1)(2)(3)	61	Chairman of the Board of Directors
Lan Bo Chen, Ph.D.	63	Director
Judah Folkman, M.D.	73	Director
Bruce Kovner(2)(3)	61	Director
William S. Reardon, C.P.A.(1)	60	Director
Robert N. Wilson(1)(2)(3)	66	Director

- (1) Member of our Audit Committee. Mr. Reardon is the chairman of the committee.
- (2) Member of our Compensation Committee. Mr. Wilson is the chairman of the committee.
- (3) Member of our Nominating and Governance Committee. Mr. Gollust is the chairman of the committee.

*Safi R. Bahcall, Ph.D.* co-founded Synta with Dr. Lan Bo Chen and has been our Chief Executive Officer and a member of our board of directors since July 2001. Dr. Bahcall has served as our President since December 2003. From 1998 to 2001, Dr. Bahcall was a consultant at McKinsey & Company, a management consulting firm, serving investment banks and pharmaceutical companies on key issues of strategy, technology, and operations. Dr. Bahcall also co-founded a drug discovery company focused on novel ion channel research in November 2001, which was acquired by Synta in December 2002. He received his B.A. *summa cum laude* from Harvard University, was awarded his

Ph.D. from Stanford University in theoretical physics, and was a Miller postdoctoral research fellow at the University of California, Berkeley.

*Keizo Koya, Ph.D.* has served as our Senior Vice President, Drug Development since September 2002. From September 1997 to August 2002, Dr. Koya worked for Shionogi BioResearch Corp. as Vice President, Research and Development. From April 1995 to August 1997, Dr. Koya was the Director, Drug Discovery and Development at Fuji ImmunoPharmaceuticals Corp., now EMD Lexigen Research Center Corp., a biopharmaceutical company. From October 1990 to March 1995 he was employed by Fuji Photo Film Co., Ltd., a global imaging and information company, where he was most recently the Head of Pharmaceutical R&D, U.S. Representative Office. He earned his Ph.D. in organic chemistry at Kyushu University.

*Suresh R. Babu, Ph.D.* has served as our Vice President, Drug Product Development since January 2006. From May 2003 to January 2006, Dr. Babu was the Director, Solids Formulation Development Group at Pfizer Inc., a pharmaceutical company. From September 2000 to April 2003, Dr. Babu was the Director of the Candidate Enabling & Development Group at Pfizer. Prior to Pfizer's acquisition of Warner Lambert Co., Dr. Babu held various positions from June 1990 to August 2000 at Parke-Davis Pharmaceutical Research, a Warner-Lambert Co., most recently as the Section Director of the IND Optimization Group. From April 1987 to May 1990, Dr. Babu served as a Research Scientist at McNeil Consumer Products Company, a medical products company. From 1981 to 1987, Dr. Babu, in parallel to pursuing his doctoral degree, was a Teaching and Research Assistant in the School of Pharmacy at the University of Connecticut, and a lecturer in the Mathematics Department in the School of Mathematics at the University of Connecticut. Dr. Babu received a Ph.D. in Pharmaceutics from the University of Connecticut.

*James G. Barsoum, Ph.D.* has served as our Senior Vice President, Research since October 2006. He served as our Vice President, Biology from February 2003 to September 2006. From February 1987 to February 2003, Dr. Barsoum held various leadership roles at Biogen, Inc., now Biogen Idec Inc., a publicly traded biopharmaceutical company, most recently as the Director of Molecular and Cellular Biology. From January 1984 to January 1987, Dr. Barsoum held research fellowships at Stanford University and the Whitehead Institute for Biomedical Research. Dr. Barsoum received a Ph.D. in Biology from the Massachusetts Institute of Technology.

*Jeremy G. Chadwick, Ph.D.* has served as our Senior Vice President, Program Management and Clinical Operations since October 2006. He served as our Vice President, Program Management and Clinical Operations from May 2004 to September 2006. From January 2002 to May 2004, Dr. Chadwick served as Vice President, Development Operations at Vertex Pharmaceuticals, Inc., a publicly traded biopharmaceutical company. From December 1995 to September 1998, Dr. Chadwick held various positions at Parexel International, a publicly traded pharmaceutical services company, most recently as Vice President, U.S. Biostatistics and Data Management. From September 1985 to October 1995, Dr. Chadwick held various positions at Glaxo Group Research, most recently as Senior Manager, Medical Data Sciences Division. From September 1998 to October 2001, Dr. Chadwick was the Chief Operating Officer at Foliage Software Systems, a privately held software development company. Dr. Chadwick obtained both his Masters and Ph.D. in statistics from the University of London, U.K.

*Keith S. Ehrlich, C.P.A.* has served as our Chief Financial Officer since October 2006 and as our Vice President, Finance and Administration since March 2004. From November 2003 to February 2004, Mr. Ehrlich served as a financial consultant to us. From September 1999 to April 2003, Mr. Ehrlich was Vice President, Finance and Administration and Chief Financial Officer and Treasurer at Argentys Corporation, a private software development company. From January 1998 to July 1999, Mr. Ehrlich served as Senior Vice President, Finance and Administration, Chief Financial Officer and Treasurer of Dyax Corp., a publicly traded biopharmaceutical company. From October 1993 to January 1998, he served as Vice President, Finance and Administration and Chief Financial Officer and Treasurer of

Oravax, Inc., a publicly traded biopharmaceutical company since acquired by Peptide Therapeutics Group. From May 1991 to October 1993, he served as Treasurer and Director of Finance of Vertex Pharmaceuticals, Inc., a publicly traded biopharmaceutical company. From January 1980 to April 1991, Mr. Ehrlich was an auditor with Coopers & Lybrand LLP. Mr. Ehrlich received his B.A. in Biology from Drew University and his M.B.A. in Finance and Accounting from Rutgers University.

*Eric W. Jacobson, M.D.* has served as our Senior Vice President, Clinical Research and Regulatory Affairs since October 2006 and as our Chief Medical Officer since January 2006. He served as our Vice President, Medical Research from April 2005 to December 2005. From January 2002 until April 2005, Dr. Jacobson held positions of increasing responsibility at Millennium Pharmaceuticals, Inc., a publicly traded biopharmaceutical company, most recently serving as Senior Director, Clinical Research and previously as Director, Clinical Research. From June 2000 until January 2002, Dr. Jacobson was the U.S. Medical Director, New Clinical Therapies for Serono Laboratories, Inc., a publicly traded biotechnology company. Dr. Jacobson was employed as an Academic Rheumatologist at the University of Massachusetts Medical Center from April 1991 until June 2000. From 1998 through 2000, he was also a consultant for the Center for Clinical and Lifestyle Research assisting with study design, data interpretation, report generation and journal publication. From July 1993 through June 1995, Dr. Jacobson was Adjunct Faculty at Northeastern University in their Physician Assistant Program, and previous to this Dr. Jacobson was a Rheumatologist at the North Carolina Arthritis and Allergy Care Center from July 1989 until April 1991. Dr. Jacobson received his B.S. at the University of Illinois at Champaign/Urbana and his M.D. at Rush Medical College of Rush University. Dr. Jacobson has had numerous academic appointments and has published over 25 abstracts, papers and book chapters.

*Robert Kloppenburg* joined us as our Vice President, Investor Relations and Corporate Communications in November 2006. From October 2003 to November 2006, Mr. Kloppenburg was Senior Vice President and head of the Boston Life Sciences practice of Fleishman-Hillard, Inc., a strategic communications company. Mr. Kloppenburg was Senior Director of Corporate Communications with Millennium Pharmaceuticals, Inc. from 2001 to 2003. From 1995 to 2001, he held increasingly senior roles in communications and public affairs at Bayer Corp., first in Canada and later in the North American Pharmaceutical Division headquarters in West Haven, Connecticut. Mr. Kloppenburg served on the staff of the Federal Ministers of Health, National Defence and Supply and Services (now Public Works and Government Services) in Canada. He currently is a member of the Board of Directors of the Institute for Healthcare Communications. Mr. Kloppenburg received his B.A. in Political Science and Economics from Carleton University in Ottawa, Canada.

*Wendy E. Rieder, Esq.* has served as our General Counsel since October 2006 and as our Vice President, Intellectual Property and Legal Affairs since December 2002. In August 1998, Ms. Rieder co-founded Microbiotix, Inc., a privately held biotechnology company developing small-molecule anti-infectives, and served as its Chief Operating Officer and Vice President, Business Development and Intellectual Property from January 2000 to December 2002. From August 1997 to December 1999 Ms. Rieder served as the Vice President, Business Development and Intellectual Property at LipoGenics, Inc., a subsidiary of a publicly traded biopharmaceutical company. Ms. Rieder was a patent attorney at Boehringer Ingelheim Pharmaceuticals, a U.S. affiliate of Boehringer Ingelheim GmbH, a global pharmaceutical company, from August 1995 to July 1997, and a patent agent at Fish & Neave LLP from January 1991 to July 1995. Ms. Rieder received an M.S. in organic chemistry from Columbia University and a J.D. from Fordham Law School.

*Lijun Sun, Ph.D.* has served as our Vice President, Chemistry since December 2003. From November 1997 to August 2002, Dr. Sun worked for Shionogi BioResearch Corp. in various capacities, most recently as Senior Director of Chemistry. He received his Ph.D. in synthetic organic chemistry from Emory University and was a postdoctoral fellow in chemical biology at the Emory University School of Medicine.

*Martin D. Williams* has served as our Senior Vice President, Commercial and Business Development since October 2006 and as our Vice President, Commercial and Business Development, Chief Business Officer since February 2006. From December 2004 until December 2005, Mr. Williams was Head of Corporate Development for Altus Pharmaceuticals Inc., a publicly traded biopharmaceutical company. From July 2001 to June 2004, Mr. Williams was Senior Vice President, Corporate Development and Marketing at Oscient Pharmaceuticals Corporation, a publicly traded biopharmaceutical company. From November 1999 to March 2001, Mr. Williams was President and Chief Executive Officer of U.S. Marketer, Inc., an information technology and software company. From 1987 to 1993, he held various sales and sales management positions with Glaxo Laboratories (now GlaxoSmithKline, Inc.). From 1993 to 1995, Mr. Williams was international marketing director of anti-infectives for Lederle Laboratories/Wyeth. From 1995 to 1996, Mr. Williams was Group Director, Metabolic Products Business Development & Strategic Planning at Hoffman-La Roche and from 1997 to 1999, he was Vice President, Business Development, Sales & Marketing at Pentose Pharmaceuticals. Mr. Williams holds an M.B.A. from Harvard Business School, an M.S. from the University of Manchester, England, and a B.A. in biology from the University of Humberside, Hull, England.

*Keith R. Gollust* has been a member of our board of directors since July 2002 and has been our Chairman since September 2002. Mr. Gollust is a private investor and founded Gollust, Tierney, and Oliver, a private investment firm, in 1978. Mr. Gollust also was a Managing Director of Caxton Associates, L.L.C., a hedge fund firm, from July 2003 through December 2004. Mr. Gollust received a B.A. from Princeton University and an MSIA from Carnegie Mellon University.

*Lan Bo Chen, Ph.D.* co-founded Synta with Dr. Safi Bahcall and has been a member of our board of directors since July 2001, and a member of our scientific advisory board and its Chairman since July 2001. Dr. Chen is a Professor of Pathology, Emeritus, at Harvard Medical School. He has been at the Dana-Farber Cancer Institute and Harvard Medical School since July 1977. Dr. Chen is the founder of several biotechnology companies, including Fuji ImmunoPharmaceuticals Corp. and Shionogi BioResearch Corp. Dr. Chen received his B.S. in chemistry from National Taiwan University and his Ph.D. in cell biology from the Massachusetts Institute of Technology.

*Judah Folkman, M.D.* has been a member of our board of directors since September 2005. Judah Folkman, M.D., has been a member of our board of directors since September 2005 and has been a member of our scientific advisory board since September 2003. He began his career in 1965 as an Instructor in Surgery for Harvard's Surgical Service at Boston City Hospital, and he became the Julia Dyckman Andrus Professor of Pediatric Surgery in 1968. For 14 years, he served as Surgeon-in-Chief at Children's Hospital Boston. Since 1971, when Dr. Folkman founded the field of angiogenesis research, he has made seminal discoveries on the mechanisms of angiogenesis that have opened a field of investigation now pursued worldwide. His laboratory reported the first purified angiogenesis molecule, the first angiogenesis inhibitor and proposed the concept of angiogenic disease. All of these discoveries have been translated into numerous clinical trials. Dr. Folkman is currently the Director of the Vascular Biology Program in the Department of Surgery at Children's Hospital. He holds honorary degrees from 17 universities and is the author of more than 400 original peer-reviewed papers and 109 book chapters and monographs. Dr. Folkman received his B.A. (*cum laude*) from Ohio State University in 1953 and his M.D. (*magna cum laude*) from Harvard Medical School in 1957. He is a member of the National Academy of Sciences, the American Academy of Arts and Sciences, and the American Philosophical Society.

*Bruce Kovner* has been a member of our board of directors since July 2002. In 1983, Mr. Kovner founded Caxton Corporation, a diversified trading company and manager of client funds active in currency, interest rate, commodity and equity markets, and has acted as its Chairman since its inception. He is also Chairman of Caxton Associates, L.L.C., which succeeded to a significant portion of Caxton Corporation's trading and investment activities in 1996. Prior to the formation of Caxton, Mr. Kovner served as a Vice President of Commodities Corporation, a private commodities trading

company since acquired by Goldman Sachs. Mr. Kovner is also Chairman of the Board of the American Enterprise Institute, Chairman of the Board of the Juilliard School, and Vice Chairman of Lincoln Center for the Performing Arts. In addition, he is the Founder and Chairman of the School Choice Scholarships Foundation, which provides scholarships to low-income students in New York City to attend primary schools of their choice. Mr. Kovner received his B.A. from Harvard College in 1966. He continued his studies at the John F. Kennedy School of Government until 1970.

*William S. Reardon, C.P.A.* has been a member of our board of directors since August 2004. Until his retirement in 2002 from PricewaterhouseCoopers LLP, an international accounting firm, where he was employed from June 1973 to July 2002, Mr. Reardon was a business assurance (audit) partner at the firm's Boston office and leader of its life sciences industry practice for New England and the eastern United States. From 1998 to 2000, Mr. Reardon served on the board of the emerging companies section of the Biotechnology Industry Organization. He also served on the board of the Massachusetts Biotechnology Council from 2000 until his retirement in 2002. Mr. Reardon is currently a member of the board of directors and the chairman of the audit committees of Idera Pharmaceuticals, Inc., and Oscient Pharmaceuticals Corporation, both of which are publicly traded pharmaceutical companies. He is also an advisor to the audit committee at Momenta Pharmaceuticals, Inc., a publicly traded pharmaceutical company. Mr. Reardon received both his undergraduate degree in East Asian history and his M.B.A. from Harvard University.

*Robert N. Wilson* has been a member of our board of directors since June 2003. Mr. Wilson served as Vice Chairman of the board of directors of Johnson & Johnson, a global manufacturer of healthcare products, from 1986 until 2003. Mr. Wilson joined Johnson & Johnson in 1964. He was appointed to Johnson & Johnson's executive committee in 1983 and was elected to its board of directors in 1986. Mr. Wilson is also a director of The Charles Schwab Corporation, a publicly traded retail brokerage firm, U.S. Trust Corporation, United States Trust Company of New York and Amerada Hess Corporation, an integrated oil and gas company and is the Chairman of Caxton Health Holdings LLC, a healthcare investment firm that is an affiliate of Caxton Associates, L.L.C. Mr. Wilson received his B.A. in business administration from Georgetown College in Kentucky, and completed the Executive Program at Columbia University Graduate School of Business.

### **Scientific Advisory Board**

We have established a scientific advisory board comprised of leading experts in their fields. Members of our scientific advisory board consult with us regularly on matters relating to:

- our research and development programs;
- the design and implementation of our clinical programs;
- market opportunities from a clinical perspective;
- new technologies relevant to our research and development programs; and
- scientific and technical issues relevant to our business.

The current members of our scientific advisory board are:

Name	Professional Affiliations/Honors
Lan Bo Chen, Ph.D., Chairman	See biography above.
Sir James W. Black, O.M., F.R.S.	Emeritus Professor of Analytical Pharmacology at King's College London; previously conducted research with Imperial Chemical Industries plc, SmithKline French and Wellcome Laboratories; was awarded the Nobel Prize in Medicine in 1989 for his work in pharmotherapeutic potential of receptor blocking drugs; knighted by the Queen of England in 1981; received the Order of Merit from the Queen in 2000.
Judah Folkman, M.D.	See biography above.
Nir Hacohen, Ph.D.	Assistant Professor at Massachusetts General Hospital and Harvard Medical School; founder of the RNAi consortium, a group of Harvard and Massachusetts Institute of Technology researchers who are working to create and apply genome-wide gene silencing libraries to accelerate gene discovery in humans; honors include the Sandler Memorial first prize Ph.D. thesis award, Helen Hay Whitney Fellowship with David Baltimore and Whitehead Institute Fellowship.
Jean-Pierre Kinet, M.D.	Professor of Pathology at Harvard Medical School; Director of the Division of Allergy and Immunology at the Beth Israel Deaconess Medical Center; previously the head of the Molecular Allergy and Immunology section of the National Institute of Allergy and Infectious Diseases at the National Institutes of Health; scientific founder of Astarix Institute, Inc., an early-stage drug discovery company later sold to Heska Corporation.
Christopher J. Logothetis, M.D.	Professor and Chairman of the Department of Genitourinary Medical Oncology at the University of Texas M.D. Anderson Cancer Center; Principal Investigator of the M.D. Anderson SPORE in Prostate Cancer; Director of the Genitourinary Cancer Center and the Prostate Cancer Research Program, which are multidisciplinary collaborations of physicians and scientists dedicated to genitourinary cancer treatment, research, prevention, and education; leader in the Therapy Consortium, an active group of researchers involved in the development of innovative therapy for prostate cancer.
Reinhold Penner, M.D., Ph.D.	Director of Research at the Center for Biomedical Research at Queen's Medical Center; professor at the University of Hawaii; previously served as research head at the Max Planck Institute for Biophysical Chemistry.

Mace L. Rothenberg, M.D.

Ingram Professor of Cancer Research at the Vanderbilt-Ingram Cancer Center and Professor of Medicine at Vanderbilt University Medical Center; Medical Oncologist with appointments at the Vanderbilt University Medical Center and the Department of Veterans Affairs Medical Center; Director of the Phase 1 Drug Development Program at Vanderbilt-Ingram Cancer Center; serves on a number of committees including the Vanderbilt-Ingram Cancer Center Gastrointestinal Cancer SPORE Executive Committee and Lung Cancer SPORE Steering Committee, the Clinical Cancer Research Committee for the American Association for Cancer Research, and the Medical Oncology Committee for the American College of Surgeons.

Daniel D. Von Hoff, M.D.

Professor of Medicine, Pathology, Molecular and Cellular Biology, at the University of Arizona; Director of the Arizona Health Sciences Center's Cancer Therapeutics Program; Executive Vice President of the Translational Genomics Research Institute, or TGen; Director of TGen's Translational Drug Development Division; Head, Pancreatic Cancer Research Program; Chief Medical Officer for U.S. Oncology, the nation's largest health-care services network devoted exclusively to cancer treatment and research; past President of the American Association for Cancer Research; past board member of the American Society of Clinical Oncology; founder and editor emeritus of Investigational New Drugs — The Journal of New Anticancer Agents; editor-in-chief of Molecular Cancer Therapeutics; appointed to President Bush's National Cancer Advisory Board in June 2004.

Michael E. Weinblatt, M.D.

Co-Director of Clinical Rheumatology at the Brigham and Women's Hospital and Professor of Medicine at Harvard Medical School; published over 127 papers, reviews and invited chapters in the field of rheumatology primarily rheumatoid arthritis therapeutics; co-editor of the textbook, Treatment of Rheumatic Diseases, the textbook, Rheumatology 3<sup>rd</sup> edition; author of the Arthritis Action Program; co-received in 1997 the Arthritis Foundation Virginia P. Engalitcheff Award for Impact on Quality of Life for work on methotrexate; served as an Associate Editor of Arthritis and Rheumatism; currently sits on the editorial board of Journal of Rheumatology; was a member of the Rheumatology Subspecialty Board of the American Board of Internal Medicine; in 2001, served as the President of the American College of Rheumatology.

Bruce R. Zetter, Ph.D.

Charles Nowiszewski professor in the departments of cell biology and surgery at Harvard Medical School; Chief Scientific Officer at Boston Children's Hospital; has won numerous national and international awards for his work in the field of cancer research including a Faculty Research Award from the American Cancer Society and the MERIT award from the National Cancer Institute; served as an expert witness on cancer to the U.S. Senate.

## **Board of Directors**

### ***Board Composition***

Our restated certificate of incorporation and restated bylaws to be effective upon completion of this offering provide that the authorized number of directors may be changed only by resolution of the board of directors. We currently have seven directors. In accordance with our restated certificate of incorporation and restated bylaws, immediately upon the closing of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders commencing with the meeting in 2008, the successors to the directors whose terms then expire will be elected to serve until the third annual meeting following the election. At the closing of this offering, our directors will be divided among the three classes as follows:

- The Class I directors will be \_\_\_\_\_, and their terms will expire at the annual meeting of stockholders to be held in 2008;
- The Class II directors will be \_\_\_\_\_, and their terms will expire at the annual meeting of stockholders to be held in 2009; and
- The Class III directors will be \_\_\_\_\_, and their terms will expire at the annual meeting of stockholders to be held in 2010.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

### ***Committees of the Board of Directors***

Our board of directors has an audit committee, a compensation committee, and a nominating and governance committee, each of which has the composition and responsibilities described below.

*Audit committee.* Our audit committee is composed of Messrs. Gollust, Reardon (chairman) and Wilson and is authorized to:

- approve and retain the independent auditors to conduct the annual audit of our books and records;
- review the proposed scope and results of the audit;
- review and pre-approve the independent auditor's audit and non-audit services rendered;
- approved the audit fees to be paid;
- review accounting and financial controls with the independent auditors and our financial and accounting staff;
- review and approve transactions between us and our directors, officers and affiliates;



- recognize and prevent prohibited non-audit services;
- establish procedures for complaints received by us regarding accounting matters;
- oversee internal audit functions, if any; and
- prepare the report of the audit committee that SEC rules require to be included in our annual meeting proxy statement.

*Compensation committee.* Our compensation committee is composed of Messrs. Gollust, Kovner and Wilson (chairman) and is authorized to:

- review and recommend the compensation arrangements for management, including the compensation for our President and Chief Executive Officer;
- establish and review general compensation policies with the objective to attract and retain superior talent, to reward individual performance and to achieve our financial goals;
- administer our stock incentive plan; and
- prepare the report of the compensation committee that SEC rules require to be included in our annual meeting proxy statement.

*Nominating and governance committee.* Our nominating and governance committee is composed of Messrs. Gollust (chairman), Kovner and Wilson and is authorized to:

- identify and nominate members of the board of directors;
- develop and recommend to the board of directors a set of corporate governance principles applicable to our company; and
- oversee the evaluation of the board of directors and management.

## Compensation of Directors

We reimburse each member of our board of directors who is not an employee for reasonable travel and other expenses in connection with attending meetings of the board of directors.

Prior to the adoption of our Director Compensation Policy in January 2005 (as discussed below) we granted the following stock options to our non-employee directors in consideration for service as a director:

Name of Director	Number of Stock Options	Exercise Price	Date of Grant
Keith R. Gollust	500,000(1)	\$ 2.7108	7/15/2002
	300,000(2)	2.7108	5/27/2004
Bruce Kovner	500,000(1)	2.7108	7/15/2002
William S. Reardon, C.P.A.	60,000(1)	3.50 (3)	8/25/2004
Robert N. Wilson	250,000(1)	2.7108	6/17/2003

- (1) The options vest as to 25% of the shares on the first anniversary of the grant date and an additional 6.25% of the shares at the end of each successive three-month period thereafter.
- (2) The option vests as to 50% of the shares upon grant and an additional 6.25% of the shares at the end of each successive three-month period thereafter.
- (3) The option was originally granted at an exercise price of \$4.00 per share and was repriced on March 1, 2006 to \$3.50 per share.

## ***Director Compensation Policy***

In January 2005, our board of directors approved our Director Compensation Policy. Pursuant to this policy, each non-employee director receives an option to purchase 60,000 shares of our common stock upon his or her initial appointment to our board of directors. These options vest as to 25% of such grant on the first anniversary of the grant date and as to an additional 6.25% of such grant on the last day of each calendar quarter thereafter, subject to the non-employee director's continued service as a director. However, in the event of termination of service of a non-employee director, such option will vest to the extent of a pro rata portion through the non-employee director's last day of service based on the number of days accrued in the applicable period prior to his or her termination of service. Each non-employee director stock option will terminate on the earlier of ten years from the date of grant and three months after the recipient ceases to serve as a director, except in the case of death or disability, in which event the option will terminate one year from the date of the director's death or disability. The exercise price of these options is equal to the fair market value of our common stock on the date of grant.

Under this policy, each non-employee director is compensated on an annual basis for providing services to Synta. Director compensation is paid for the period from July 1 through June 30 of each year. Each non-employee director receives compensation consisting of one of the following combinations of cash and/or a grant of our common stock, at the election of each non-employee director, as follows:

- \$40,000 cash;
- \$30,000 cash and such number of shares of restricted common stock with a value of \$10,000 on the date of grant of the shares;
- \$20,000 cash and such number of shares of restricted common stock with a value of \$20,000 on the date of grant of the shares;
- \$10,000 cash and such number of shares of restricted common stock with a value of \$30,000 on the date of grant of the shares;  
or
- such number of shares of restricted common stock with a value of \$40,000 on the date of grant of the shares.

The number of shares to be received by a non-employee director is calculated by dividing the total dollar amount that the non-employee director has elected to be paid in shares of common stock by the fair market value of the shares of our common stock on the last business day prior to the date of grant of the shares. Shares granted are subject to a lapsing repurchase right such that the shares are subject to forfeiture to us if a non-employee director does not continue to serve as a member of the board of directors as of the end of the applicable quarter as follows: the repurchase right lapses as to 25% of each such grant on each of September 30, December 31, March 31 and June 30 thereafter, provided such non-employee director continues to serve as a member of the board of directors as of the

applicable date. Under the Director Compensation Policy our non-employee directors have received the following in annual fees for service as a member of our board of directors:

Director	Annual Fees Paid
Keith R. Gollust	3,636 shares of restricted common stock(1) 7,273 shares of restricted common stock(2) 11,429 shares of restricted common stock(3)
Judah Folkman, M.D.	Options to purchase 60,000 shares of common stock(4) \$30,000(5) 11,429 shares of restricted common stock(3)
Bruce Kovner	3,636 shares of restricted common stock(1) 7,273 shares of restricted common stock(2) 11,429 shares of restricted common stock(3)
William S. Reardon, C.P.A.	\$10,000 and 1,818 shares of restricted common stock(1) \$30,000 and 1,818 shares of restricted common stock(2) \$30,000 and 2,857 shares of restricted common stock(3)
Robert N. Wilson	3,636 shares of restricted common stock(1) 7,273 shares of restricted common stock(2) 11,429 shares of restricted common stock(3)

- (1) Payment for service from January 1, 2005 through June 30, 2005. The shares issued as set forth above were issued on January 18, 2005 based on a fair market value of \$5.50 per share as of such date. All shares are currently vested.
- (2) Payment for service from July 1, 2005 through June 30, 2006. The shares issued as set forth above were issued on October 14, 2005 based on a fair market value of \$5.50 per share as of such date. All shares are currently vested.
- (3) Payment for service from July 1, 2006 through June 30, 2007. The shares issued as set forth above were issued on November 17, 2006. Twenty-five percent of the shares subject to each grant are currently vested. The remaining shares are subject to our repurchase right, which lapses as to 25% of the shares on each of December 31, 2006, March 31, 2007 and June 30, 2007.
- (4) Options granted on September 15, 2005 upon Dr. Folkman's initial appointment to our board of directors. These options were originally granted at an exercise price of \$5.50 per share and were repriced on March 1, 2006 to \$3.50 per share. These options vested as to 25% of the shares on September 15, 2006 and vest as to an additional 6.25% of the shares on the last day of each calendar quarter thereafter, subject to Dr. Folkman's continued service as a director. On October 17, 2005, Dr. Folkman transferred all right, title and interest in these options to Children's Medical Center Corporation pursuant to a stock option transfer agreement in which Children's Medical Center Corporation has agreed to be subject to all of the conditions and restrictions under the options.
- (5) Payment for service from October 1, 2005 through June 30, 2006.

Pursuant to the Director Compensation Policy, each non-employee director also receives an annual fee of \$5,000 for each committee of the board of directors on which such individual serves. However, the chairman of each committee, other than the audit committee, receives an annual fee of \$10,000, and the chairman of the audit committee receives an annual fee of \$15,000 for services as chairman.

Under this policy each non-employee director has received the following fees for service on committees of our board of directors in 2005 and in the nine months ended September 30, 2006:

Director	Year	Fees Paid for Service on Board Committees
Keith R. Gollust	2006	\$ 15,000
	2005	\$ 20,000
Bruce Kovner	2006	\$ 7,500
	2005	\$ 10,000
William S. Reardon, C.P.A.	2006	\$ 11,250
	2005	\$ 15,000
Robert N. Wilson	2006	\$ 15,000
	2005	\$ 20,000

#### Compensation Committee Interlocks and Insider Participation

Our compensation committee is composed of Messrs. Gollust, Kovner and Wilson. No member of our compensation committee has at any time been an employee of ours. None of our executive officers serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Each of Messrs. Gollust, Kovner and Wilson and affiliates of theirs have participated in transactions with us. For a detailed description of these transactions, see "Certain Relationships and Related Party Transactions."

## Executive Compensation

The following summary compensation table sets forth summary information as to compensation received by our President and Chief Executive Officer and our four other most highly compensated executive officers who were employed by us as of December 31, 2005 and earned more than \$100,000 in salary and bonus for the year ended December 31, 2005.

### Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus(1)	Long-Term Compensation Awards		All Other Compensation(2)
				Restricted Stock Awards	Securities Underlying Options/SARs (#)	
Safi R. Bahcall, Ph.D. President and Chief Executive Officer	2005	\$ 334,184	\$ 100,000	—	150,000	\$ 28,127
Matthew L. Sherman, M.D.(3) Former Senior Vice President and Chief Medical Officer	2005	283,003	81,000	—	110,500	—
Keizo Koya, Ph.D. Senior Vice President, Drug Development	2005	241,604	53,000	—	71,600	\$ 4,188
James G. Barsoum, Ph.D. Senior Vice President, Research	2005	215,418	53,000	—	71,600	—
Jeremy G. Chadwick, Ph.D. Senior Vice President, Program Management and Clinical Operations	2005	194,108	50,000	—	58,300	—

- (1) Reflects bonuses earned in 2004 and paid in 2005.
- (2) The amounts shown include \$28,127 of rental payments for a company apartment for Dr. Bahcall's use and \$4,188 in lease payments for an automobile for Dr. Koya's use.
- (3) Dr. Sherman's employment with Synta ended effective January 27, 2006.

### Option Grants in Last Fiscal Year

The following table shows information regarding stock options granted to the executive officers named in the summary compensation table above during our fiscal year ended December 31, 2005. Options were granted with an exercise price per share equal to the fair market value of our common stock on the date of grant, as determined by our board of directors. The potential realizable value is based on the assumption that our common stock appreciates at the annual rate shown, compounded annually, from the date of grant until the expiration of the ten-year term. These numbers are calculated based on SEC requirements and do not reflect projections or estimates of future stock price growth. Potential realizable values are computed by:

- multiplying the number of shares of common stock underlying each option by \$ \_\_\_\_\_ per share, the assumed initial public offering price per share;
- assuming that the total stock value derived from that calculation compounds at the annual 5% or 10% rate shown in the table for the entire ten-year term of the option; and
- subtracting from that result the total option exercise price.

Actual gains, if any, on stock option exercises will be dependent on the future performance of our common stock. The percentage of total options granted is based on an aggregate of 2,818,300 options granted by us during the year ended December 31, 2005, to our employees, including the executive officers listed in the table below.

Name	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (\$)	
	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Share)	Expiration Date	5%	10%
Safi R. Bahcall, Ph.D.	150,000	5.3%	\$ 3.50(1)	2/15/2015		
Matthew L. Sherman, M.D.(2)	110,500	3.9%	\$ 5.50	1/27/2006		
Keizo Koya, Ph.D.	71,600	2.5%	\$ 3.50(1)	2/15/2015		
James G. Barsoum, Ph.D.	71,600	2.5%	\$ 3.50(1)	2/15/2015		
Jeremy G. Chadwick, Ph.D.	58,300	2.0%	\$ 3.50(1)	2/15/2015		

(1) These options were originally granted at an exercise price of \$5.50 per share and were repriced on March 1, 2006 to \$3.50 per share.

(2) Dr. Sherman's employment with Synta ended effective January 27, 2006, at which time this option immediately terminated.

### Year-End Option Values

The following table sets forth certain information with respect to the total value of options held by each executive officer named in the summary compensation table above as of December 31, 2005. Because there was no public trading market for our common stock as of December 31, 2005, the value of the unexercised in-the-money options at year-end have been calculated using an assumed initial public offering price of \$ per share minus the applicable per share exercise price.

Name	Number of Securities Underlying Unexercised Options at December 31, 2005		Value of Unexercised In-the-Money Options at December 31, 2005	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Safi R. Bahcall, Ph.D.	—	150,000		
Matthew L. Sherman, M.D.(1)	175,000	285,500		
Keizo Koya, Ph.D.	657,500	154,100		
James G. Barsoum, Ph.D.	226,250	185,350		
Jeremy G. Chadwick, Ph.D.	65,625	142,675		

(1) Dr. Sherman's employment with Synta ended effective January 27, 2006, at which time all of Dr. Sherman's unexercisable options immediately terminated and all exercisable options had an exercise period of 90 days following which all unexercised options would terminate. On April 26, 2006, Dr. Sherman exercised his option to purchase 500 shares.

## Employment Contracts and Termination of Employment and Change-in-Control Arrangements

### Employment Agreement with Dr. Safi Bahcall

Pursuant to a letter agreement effective as of April 18, 2005, between us and Safi R. Bahcall, Ph.D., we agreed to employ Dr. Bahcall as our President and Chief Executive Officer on an at-will basis. We also agreed that so long as Dr. Bahcall continues to serve as our President and Chief

Executive Officer, he will be nominated by the board of directors for election as a director at each annual meeting preceding which his term as director expires. Under this agreement, Dr. Bahcall's current base salary is \$340,000 per year, subject to adjustment from time to time at the discretion of the board of directors or the compensation committee. Dr. Bahcall is also eligible to receive annual performance based bonuses and grants of stock options under our stock plans at the discretion of the board of directors or the compensation committee. In the event of termination without cause, as defined in the agreement, Dr. Bahcall is entitled to continue to receive his then-current base salary for a period of 24 months. Dr. Bahcall has also entered into a non-competition/non-solicitation agreement pursuant to which he has agreed not to compete with Synta or to solicit customers or employees of Synta for a period of 24 months after the termination of his employment.

#### ***Offer Letters***

Pursuant to a letter agreement dated October 1, 2002, between us and Keizo Koya, Ph.D., we agreed to employ Dr. Koya as Vice President of Drug Development on an at-will basis, beginning on October 1, 2002. Dr. Koya's base salary is currently \$260,000 per year and he is also eligible to receive annual performance based bonuses. Under this agreement, Dr. Koya has been granted an incentive stock option to purchase a total of 500,000 shares of common stock at an exercise price of \$2.7108 per share. This option vested as to 150,000 of the shares upon grant and vests as to an additional 6.25% per calendar quarter after December 31, 2002.

Pursuant to a letter agreement dated January 22, 2003, between us and James G. Barsoum, Ph.D., we agreed to employ Dr. Barsoum as Vice President of Biology on an at-will basis, beginning on February 26, 2003. Dr. Barsoum's base salary is currently \$230,000 per year and he is also eligible to receive annual performance based bonuses. Under this agreement, Dr. Barsoum has also been granted an incentive stock option to purchase 300,000 shares of common stock at an exercise price of \$2.7108 per share. This option vests as to 25% of the shares on the first anniversary of the grant date and an additional 6.25% of the shares per calendar quarter thereafter. In the event of termination without cause, as defined in the agreement, Dr. Barsoum is entitled to a one-time severance payment on the date of termination equal to three months of base pay.

Pursuant to a letter agreement dated April 15, 2004, between us and Jeremy G. Chadwick, Ph.D., we agreed to employ Dr. Chadwick as Vice President, Program Management and Clinical Operations on an at-will basis, beginning on May 17, 2004. In connection with the execution of the letter agreement, we paid Dr. Chadwick a lump sum bonus of \$20,000. Dr. Chadwick's base salary is currently \$220,000 per year and he is also eligible to receive annual performance based bonuses. Under this agreement, Dr. Chadwick was granted an incentive stock option to purchase 150,000 shares of common stock at an exercise price of \$4.00 per share, which was repriced to \$3.50 per share on March 1, 2006. This option vests as to 25% of the shares on the first anniversary of the grant date and an additional 6.25% of the shares quarterly thereafter. In the event of termination without cause, as defined in the agreement, Dr. Chadwick is entitled to a one-time severance payment on the date of termination equal to three months of base pay.

#### ***Severance Agreement and Consulting Agreement with Dr. Matthew L. Sherman***

On January 27, 2006, we entered into a severance agreement with Matthew L. Sherman, M.D., our former Senior Vice President and Chief Medical Officer, under which Dr. Sherman resigned his employment with us as of January 27, 2006. Under the agreement, we paid Dr. Sherman a lump sum payment of \$285,000 representing twelve months of Dr. Sherman's base salary. In addition, and in connection with Dr. Sherman's satisfying the conditions under the consulting agreement entered into with us on January 30, 2006, further discussed below, we paid Dr. Sherman \$20,000 on April 1, 2006 and \$10,000 on May 1, 2006. We also paid \$10,000 for outplacement assistance on Dr. Sherman's behalf. Dr. Sherman reaffirmed his continuing obligations under his invention and non-disclosure

agreement with us, agreed not to disparage us and to cooperate with us in connection with any litigation or administrative procedure or inquiry that involves us. Dr. Sherman also released us, our successors, assigns, former, current or future officers, directors, employees, agents, attorneys and representatives from all claims he may have had against us or them.

In connection with Dr. Sherman's resignation on January 27, 2006, we entered into a consulting agreement with Dr. Sherman on January 30, 2006, pursuant to which Dr. Sherman will provide medical consulting services to us on an independent contractor basis. The specific consulting services, compensation and times and periods for performance will be agreed to in writing from time to time and governed by the terms of the consulting agreement. The consulting agreement will terminate on the later of January 30, 2008 or the completion of all consulting services that have been agreed to prior to January 30, 2008. In addition, we may terminate the consulting agreement at any time in the event of a breach or threatened breach which cannot be cured or for any reason upon 30 days advance written notice. Dr. Sherman may terminate the consulting agreement upon two weeks advance written notice. To date, we have paid Dr. Sherman a total of \$23,868 for services provided under the consulting agreement. The consulting agreement also contains confidentiality and assignment of inventions provisions.

### ***Change-in-Control Arrangements***

Under our 2001 Stock Plan and 2006 Stock Plan, in the event of a change in control event where outstanding options are assumed or substituted or in the event of a change in control event that does not constitute a corporate transaction under our 2001 Stock Plan and 2006 Stock Plan, options will become immediately exercisable in full if on or prior to the date that is six months after the date of the change in control event (i) an option holder's service with us or our succeeding corporation is terminated by us or the succeeding corporation without cause, as defined in our 2001 Stock Plan and 2006 Stock Plan; (ii) a participant terminates his or her service with us as a result of being required to change the principal location where he or she renders services to a location more than 50 miles from his or her location of service immediately prior to the change in control event; or (iii) the participant terminates his or her service after there occurs a material adverse change in a participant's duties, authority or responsibilities which cause such participant's position with us to become of significantly less responsibility or authority than such participant's position was immediately prior to the change in control. Our 2001 Stock Plan and 2006 Stock Plan provide similar change in control vesting provisions for restricted stock under the plans and, under the 2006 Stock Plan, allows the board of directors to make appropriate adjustments for other stock-based awards.

### **Employee Benefit Plans**

#### ***2001 Stock Plan***

Our 2001 Stock Plan was adopted by our board of directors and approved by our stockholders in July 2001. In August 2002 and December 2003, our board of directors and stockholders approved amendments to our 2001 Stock Plan and in January 2005 and May 2005, our board of directors amended our 2001 Stock Plan. Under this plan, we may grant incentive stock options, nonqualified stock options and restricted and unrestricted stock awards. A maximum of 15,000,000 shares of common stock were authorized for issuance under our 2001 Stock Plan. In March 2006, we terminated the 2001 Stock Plan. All outstanding stock options granted and restricted stock issued under the 2001 Stock Plan as of the date of termination remained outstanding and subject to their respective terms and the terms of the 2001 Stock Plan. As of November 17, 2006, 286,437 shares have been issued upon the exercise of options, 1,176,363 shares have been issued pursuant to the grant of stock awards under this plan, 11,785,130 shares are subject to outstanding options under this plan, and no shares are available for future grant under this plan.



In accordance with the terms of the 2001 Stock Plan, our board of directors has authorized our compensation committee to administer our 2001 Stock Plan. In February 2005, the board of directors delegated authority to an option committee of the board of directors comprised of our President and Chief Executive Officer, Safi Bahcall, to grant options to purchase up to a total of 500,000 shares of our common stock. The board of directors intended that this share pool would be used primarily to grant options to new hires and that the number of shares the option committee had authority to grant would be periodically replenished. Due to administrative error, the board of directors did not take action to replenish the pool of options the option committee had authority to grant, and the option committee granted options to purchase a total of 903,000 shares of common stock. The grant of options in excess of the shares the option committee had authority to grant were ratified by the compensation committee in November 2006.

Our board of directors or any committee to which the board of directors delegates authority may, with the consent of the affected plan participants, amend outstanding awards consistent with the terms of the 2001 Stock Plan.

Upon a merger or other reorganization event, our board of directors, may, in their sole discretion, take any one or more of the following actions pursuant to our 2001 Stock Plan, as to some or all outstanding options:

- provide that all options shall be assumed or substituted by the successor corporation;
- upon written notice to a participant, provide that the participant's unexercised options will become exercisable in full and will terminate immediately prior to the consummation of such transaction unless exercised by the participant;
- in the event of a merger pursuant to which holders of our common stock will receive a cash payment for each share surrendered in the merger, make or provide for a cash payment to the participants equal to the difference between the merger price times the number of shares of our common stock subject to such outstanding options (at prices not in excess of the merger price), and the aggregate exercise price of all such outstanding options (all options being made fully vested and immediately exercisable prior to their termination), in exchange for the termination of such options; and
- provide that outstanding awards shall be assumed or substituted by the successor corporation, become realizable or deliverable, or restrictions applicable to an award will lapse, in whole or in part, prior to or upon the merger or reorganization event.

In addition, in the event of a change in control under our 2001 Stock Plan where outstanding options are assumed or substituted or in the event of a change in control that does not constitute a corporate transaction under our 2001 Stock Plan, options will become immediately exercisable in full if on or prior to the date that is six months after the date of the change in control (i) an option holder's service with us or our succeeding corporation is terminated by us or the succeeding corporation without cause, as defined in our 2001 Stock Plan; (ii) a participant terminates his or her service with us as a result of being required to change the principal location where he or she renders services to a location more than 50 miles from his or her location of service immediately prior to the change in control; or (iii) the participant terminates his or her service after there occurs a material adverse change in a participant's duties, authority or responsibilities which cause such participant's position with us to become of significantly less responsibility or authority than such participant's position was immediately prior to the change in control. Our 2001 Stock Plan provides similar change in control vesting provisions for restricted stock under the plan.

In February 2006, our board of directors approved the repricing of options issued under our 2001 Stock Plan having an exercise price at or above \$4.00 per share to \$3.50 per share, the fair market value of our common stock on the date of the repricing, as determined by our board of directors. This

repricing applied to all outstanding options under this plan held by our active employees and others having an ongoing relationship with us at the time of the repricing. The repricing was effective on March 1, 2006.

### **2006 Stock Plan**

Our 2006 Stock Plan was adopted by our board of directors in March 2006 and approved by our stockholders in March 2006. The 2006 Stock Plan provides for the grant of incentive stock options, nonqualified stock options, restricted and unrestricted stock awards and other stock-based awards. As of November 17, 2006, 9,625,000 shares of common stock were reserved for issuance under the 2006 Stock Plan. In addition, the 2006 Stock Plan contains an "evergreen provision" which allows for an annual increase in the number of shares available for issuance under the plan on the first day of each of our fiscal years during the period beginning in fiscal year 2007 and ending on the second day of fiscal year 2015. The annual increase in the number of shares shall be equal to the lowest of

- 5,225,000 shares;
- 5% of our outstanding shares on the first day of the fiscal year; and
- an amount determined by our board of directors.

Under this provision, no annual increase shall be made to the extent that the number of shares of common stock available for issuance under the 2006 Stock Plan and all other employee or director stock plans would exceed 25% of our outstanding shares on the first day of the applicable fiscal year.

As of November 17, 2006, 48,573 shares have been issued upon the exercise of options and the grant of stock awards under this plan, 271,000 shares are subject to outstanding options under this plan, and 9,305,427 shares are available for future grant under this plan.

In accordance with the terms of the 2006 Stock Plan, our board of directors has authorized our compensation committee to administer our 2006 Stock Plan however, our full board shall retain authority to make grants to our executive officers and members of our board of directors. In accordance with the provisions of the 2006 Stock Plan, our board of directors or compensation committee will determine the terms of options and other awards, including:

- the determination of which employees, directors and consultants will be granted options and other awards;
- the number of shares subject to options and other awards;
- the exercise price of each option which may not be less than fair market value on the date of grant;
- the schedule upon which options become exercisable;
- the termination or cancellation provisions applicable to options; the terms and conditions of other awards, including conditions for repurchase, termination or cancellation, issue price and repurchase price; and
- all other terms and conditions upon which each award may be granted in accordance with the 2006 Stock Plan.

No participant may receive awards for over 500,000 shares of common stock in any fiscal year.

In addition, our board of directors or any committee to which the board of directors delegates authority may, with the consent of the affected plan participants, reprice or otherwise amend outstanding awards consistent with the terms of the 2006 Stock Plan.

Upon a merger or other reorganization event, our board of directors, may, in their sole discretion, take any one or more of the following actions pursuant to our 2006 Stock Plan, as to some or all outstanding awards:

- provide that all options shall be assumed or substituted by the successor corporation;
- upon written notice to a participant, provide that the participant's unexercised options will become exercisable in full and will terminate immediately prior to the consummation of such transaction unless exercised by the participant;
- in the event of a merger pursuant to which holders of our common stock will receive a cash payment for each share surrendered in the merger, make or provide for a cash payment to the participants equal to the difference between the merger price times the number of shares of our common stock subject to such outstanding options (at prices not in excess of the merger price), and the aggregate exercise price of all such outstanding options (all options being made fully vested and immediately exercisable prior to their termination), in exchange for the termination of such options; and
- provide that outstanding awards shall be assumed or substituted by the successor corporation, become realizable or deliverable, or restrictions applicable to an award will lapse, in whole or in part, prior to or upon the merger or reorganization event.

In addition, in the event of a change in control under our 2006 Stock Plan where outstanding options are assumed or substituted or in the event of a change in control that does not constitute a corporate transaction under our 2006 Stock Plan, options will become immediately exercisable in full if on or prior to the date that is six months after the date of the change in control (i) an option holder's service with us or our succeeding corporation is terminated by us or the succeeding corporation without cause, as defined in our 2006 Stock Plan; (ii) a participant terminates his or her service with us as a result of being required to change the principal location where he or she renders services to a location more than 50 miles from his or her location of service immediately prior to the change in control; or (iii) the participant terminates his or her service after there occurs a material adverse change in a participant's duties, authority or responsibilities which cause such participant's position with us to become of significantly less responsibility or authority than such participant's position was immediately prior to the change in control. Our 2006 Stock Plan provides similar change in control vesting provisions for restricted stock under the plan and allows the board of directors to make appropriate adjustments for other stock-based awards.

#### **Limitation of Officers' and Directors' Liability and Indemnification**

The Delaware General Corporation Law authorizes corporations to limit or eliminate, subject to certain conditions, the personal liability of directors to corporations and their stockholders for monetary damages for breach of their fiduciary duties. Our restated certificate of incorporation and restated bylaws limit the liability of our directors to the fullest extent permitted by Delaware law.

We have obtained director and officer liability insurance to cover liabilities our directors and officers may incur in connection with their services to us, including matters arising under the Securities Act. Our restated certificate of incorporation and restated bylaws also provide that we will indemnify any of our directors and officers who, by reason of the fact that he or she is one of our officers or directors, is involved in a legal proceeding of any nature. We will repay certain expenses incurred by a director or officer in connection with any civil or criminal action or proceeding, specifically including actions by us or in our name (derivative suits). Such indemnifiable expenses include, to the maximum extent permitted by law, attorneys' fees, judgments, civil or criminal fines, settlement amounts and other expenses customarily incurred in connection with legal proceedings. A director or officer will not receive indemnification if he or she is found not to have acted in good faith and in a manner he or she

reasonably believed to be in, or not opposed to, our best interest. Prior to the completion of this offering, we plan to enter into agreements to indemnify our directors and officers. These agreements, among other things, will indemnify our directors and officers for certain expenses, including attorneys' fees, judgments, fines, and settlement amounts incurred by any such person in any action or proceeding, including any action by us arising out of such person's services as our director or officer, any of our subsidiaries from time to time or any other company or enterprise to which the person provides services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and officers.

Such limitation of liability and indemnification does not affect the availability of equitable remedies. In addition, we have been advised that in the opinion of the SEC, indemnification for liabilities arising under the Securities Act is against public policy as expressed in the Securities Act and is therefore unenforceable.

There is no pending litigation or proceeding involving any of our directors, officers, employees or agents in which indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that may result in a claim for such indemnification.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of the transactions we have engaged in (1) since January 1, 2003 with our directors and officers and beneficial owners of more than five percent of our voting securities and their affiliates and (2) since our inception in March 2000 with our founders, Dr. Safi R. Bahcall and Dr. Lan Bo Chen.

### Issuance of Common Stock to Our Founders

In July of 2001, in connection with the initial capitalization of Synta, we issued an aggregate of 20,400,000 shares of common stock to our founders, Dr. Bahcall and Dr. Chen, at a purchase price of \$0.0001 per share as follows:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
Safi R. Bahcall, Ph.D.	8,000,000	\$ 800
Lan Bo Chen, Ph.D.	12,400,000	1,240

Dr. Bahcall is also our President and Chief Executive Officer, a director and a beneficial owner of more than five percent of our voting securities. Dr. Chen is also a director and a beneficial owner of more than five percent of our voting securities. The purchase price per share was determined by the board of directors to be fair market value based on, among other things, the fact that Synta had just commenced operations.

### Private Placements of Our Common Stock

During the period from July 2001 to December 2001, we issued an aggregate of 6,800,000 shares of our common stock to 21 investors at a purchase price of \$0.50 per share, including 200,000 shares to John and Neta Bahcall, the parents of Dr. Bahcall, as follows:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
John and Neta Bahcall	200,000	\$ 100,000

The purchase price per share was the fair market value as determined by arms-length negotiations between sophisticated investors and Synta's management and board of directors, based on factors such as our stage of development and valuations of similarly situated private biopharmaceutical companies.

During the periods from April 2002 through May 2002 and from November 2002 through March 2003, we issued an aggregate of 22,969,505 shares of our common stock to 48 investors at a purchase price of \$2.7108 per share, including an aggregate of 12,356,132 shares to the following directors, officers, and beneficial owners of more than five percent of our voting securities, and their affiliates:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
Keith R. Gollust	368,895	\$ 1,000,000
CxSynta, LLC	11,987,237	32,495,000

Keith R. Gollust is one of our directors. CxSynta, LLC is a beneficial owner of more than five percent of our voting securities and an affiliated investment vehicle of the Caxton Corporation. Bruce Kovner, one of our directors, is the Chairman of the Caxton Corporation. The purchase price per share was the fair market value as determined by arms-length negotiations between sophisticated investors and Synta's management and board of directors, based on factors such as our stage of development and valuations of similarly situated private biopharmaceutical companies.

During the period from October 2003 through January 2004, we issued an aggregate of 12,500,000 shares of our common stock to 43 investors at a purchase price of \$4.00 per share, including an aggregate of 5,525,000 shares to the following directors, officers, and beneficial owners of more than five percent of our voting securities, and their affiliates:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
Robert N. Wilson	125,000	\$ 500,000
CxSynta, LLC	5,000,000	20,000,000
Wyandanch Partners, LP	400,000	1,600,000

Robert N. Wilson is one of our directors. Keith R. Gollust, one of our directors, is the president and sole stockholder of Gollust Management, Inc., which is the general partner of Wyandanch Partners, LP. The purchase price per share was the fair market value as determined by arms-length negotiations between sophisticated investors and Synta's management and board of directors, based on factors such as our stage of development and valuations of similarly situated private biopharmaceutical companies.

In November 2004, we issued an aggregate of 16,000,000 shares of our common stock to 76 investors at a purchase price of \$5.00 per share, including an aggregate of 6,223,289 shares to the following directors, officers, and beneficial owners of more than five percent of our voting securities, and their affiliates:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
Robert N. Wilson	500,000	\$ 2,500,000
Bruce Kovner	48,236	241,180
LAJ Holdings LLC	200,000	1,000,000
CxSynta, LLC	4,721,764	23,608,820
Wyandanch Partners, LP	753,289	3,766,445

Dr. Chen and his spouse, Lin-Huey Chen, are co-managing members of LAJ Holdings LLC. The purchase price per share was the fair market value as determined by arms-length negotiations between sophisticated investors and Synta's management and board of directors, based on factors such as our stage of development and valuations of similarly situated private biopharmaceutical companies.

#### Private Placement of Our Series A Convertible Preferred Stock

In June, 2006, we issued an aggregate of 8,000,000 shares of our Series A convertible preferred stock to 42 investors at a purchase price of \$5.00 per share, including an aggregate of 2,551,731 shares to the following directors, officers, and beneficial owners of more than five percent of our voting securities, and their affiliates:

Name	Number of Shares of Series A Preferred Stock	Aggregate Purchase Price
Robert N. Wilson	67,495	\$ 337,475
Bruce Kovner	30,131	150,655
CxSynta, LLC	2,154,105	10,770,525
Wyandanch Partners, L.P.	300,000	1,500,000

The purchase price per share was the fair market value as determined by arms-length negotiations between sophisticated investors and Synta's management and board of directors, based on factors such as our stage of development and valuations of similarly situated private biopharmaceutical companies.

## Issuance of Restricted Stock to Employees

On December 21, 2004, we granted an aggregate of 1,460,000 shares of restricted common stock to certain officers and key employees at a purchase price of \$0.0001 per share as a reward for their service and as a long-term incentive, including an aggregate of 980,000 shares to the following officers:

Name of Holder	Number of Registrable Shares
Safi R. Bahcall, Ph.D.	200,000
Keizo Koya, Ph.D.	160,000
James G. Barsoum, Ph.D.	160,000
Matthew L. Sherman, M.D.(1)	160,000
Keith S. Ehrlich, C.P.A.	100,000
Wendy E. Rieder, Esq.	100,000
Jeremy G. Chadwick, Ph.D.	100,000

- (1) Dr. Sherman is our former Senior Vice President and Chief Medical Officer. Dr. Sherman's employment with Synta ended effective January 27, 2006, and all of the shares of restricted common stock set forth above were forfeited.

These restricted shares of common stock are subject to repurchase by us at a repurchase price of \$0.0001 per share if the officer is no longer employed by us. This right of repurchase lapses as to 50% of the shares on January 4, 2007 and the remaining 50% on the earlier of January 4, 2009 or the date the FDA approves an NDA for one of our drug candidates. The fair value of the common stock issued was determined to be \$5.50 per share on the date of grant.

On December 12, 2005, we granted an aggregate of 350,000 shares of restricted common stock to certain officers and key employees at a purchase price of \$0.0001 per share as a reward for their service and as a long-term incentive, including the following grant:

Name of Holder	Number of Registrable Shares
Eric W. Jacobson, M.D.	100,000

These restricted shares of common stock are subject to repurchase by us at a repurchase price of \$0.0001 per share if the officer is no longer employed by us. This right of repurchase lapses as to 50% of the shares on January 4, 2008 and the remaining 50% on the earlier of January 4, 2010 or the date the FDA approves an NDA for one of our drug candidates. The fair value of the common stock issued was determined to be \$3.50 per share on the date of grant.

## Acquisition of Principia Associates, Inc. and SBR Pharmaceuticals Corp.

In September 2002, we acquired Principia Associates, Inc. and its subsidiary SBR Pharmaceuticals Corp. In this transaction, Principia became a wholly owned subsidiary of Synta as we acquired all of the outstanding capital stock of Principia in exchange for an aggregate of 4,939,500 shares of our common stock and warrants to purchase an aggregate of 959,126 shares of our common stock at a purchase price of \$0.50 per share. The consideration paid in this transaction was determined through negotiations between the shareholders of Principia and the management and independent directors of Synta, based on factors such as the early stage potential of the compounds under development, the assets acquired, and the price paid by Principia to acquire SBR Pharmaceuticals Corp. in July 2002.

CxSynta, LLC and Mr. Gollust owned a majority of the outstanding shares of Principia and received the following consideration in exchange for their Principia shares in this transaction:

Principia Shareholders	Principia Shares	Synta Shares Issued	Warrants Issued
CxSynta, LLC	500,000	1,899,808	575,476
Keith R. Gollust	300,000	1,139,884	115,095
Total:	800,000	3,039,692	690,571

Prior to this transaction, in July of 2002, Principia had acquired 98.8% of the outstanding capital stock of SBR Pharmaceuticals Corp., formerly Shionogi BioResearch Corp., at a purchase price of \$0.3267973 per share, for an aggregate purchase price of approximately \$12.2 million. Dr. Chen and affiliates of Dr. Chen were shareholders of Shionogi and received the following consideration in the transaction:

Shionogi Shareholders	Shionogi Shares	Aggregate Purchase Price
Lan Bo Chen, Ph.D.	1,140,000	\$ 372,549
Lin-Huey Chen	4,800,000	1,568,627
Lan Bo Chen and Lin-Huey Chen Irrevocable Trust dated 12/29/95	860,000	281,046

The Lan Bo Chen and Lin-Huey Chen Irrevocable Trust is for the benefit of Dr. Chen, his spouse and family.

In addition, in August and September 2002, we loaned a total of \$1.0 million to SBR Pharmaceuticals Corp. pursuant to two promissory notes with fixed interest rates of 7%. These notes were due on December 31, 2002 but were forgiven in connection with our acquisition of Principia described above. In December 2002, we paid the liability for the remaining 1.2% of the outstanding capital stock of SBR Pharmaceuticals, and Principia and SBR were merged with Principia as the surviving corporation, which was renamed SBR Pharmaceuticals Corp. We then merged this wholly owned subsidiary with and into Synta. We believe that the transactions described above were entered into on terms no less favorable to us than we could have obtained from unrelated third parties.

#### Acquisition of Diagon Genetics, Inc.

In December of 2002, we acquired Diagon Genetics, Inc. through the merger of Diagon with and into our wholly owned merger subsidiary, DGN Genetics Acquisition Corp., for consideration of approximately \$13.5 million, consisting of 3,145,854 shares of our common stock at a per share value of \$2.7108 and \$5.0 million in cash. Dr. Bahcall, Dr. Chen, the Ann Chen Trust and the Jane Chen Trust, owned all of the outstanding capital stock of Diagon and received the following consideration in exchange for their Diagon shares in this transaction:

Shareholder	Diagon Shares	Synta Shares Issued	Cash Paid
Safi R. Bahcall, Ph.D.	1,009	1,227,601	\$ 1,222,220
Lan Bo Chen, Ph.D.	838	—	3,777,780
Ann Chen Trust, and Jane Chen Trust, Lin-Huey Chen co-trustee	1,153	1,918,253	—
Total:	3,000	3,145,854	\$ 5,000,000

The Ann Chen Trust and Jane Chen Trust are for the benefit of Dr. Chen's daughters. Dr. Bahcall was also a member of the board of directors, the President and the Secretary of Diagon, and Dr. Chen was also a member of the board of directors of Diagon. The consideration paid in this transaction was



determined through negotiation between the shareholders of Diagon and the management and independent directors of Synta, based on factors such as the value of intellectual property and technologies to be acquired and an assessment of potential future cash flows from products that could be developed using the technologies acquired, and the valuations of similarly situated privately held biopharmaceutical companies. In December 2002, the wholly owned subsidiary resulting from this transaction was merged with and into Synta. We believe this transaction was entered into on terms no less favorable to us than we could have obtained from unrelated third parties.

#### **Acquisition of the Assets of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc., and SinglePixel Biomedical, Inc.**

In January of 2004, we acquired substantially all of the assets of each of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc., and SinglePixel Biomedical, Inc. in a single transaction for consideration of approximately \$2.2 million, consisting of 553,344 shares of our common stock, apportioned 25% to Cancer Genomics, 50% to Kava Pharmaceuticals, and 25% to SinglePixel Biomedical, at a per share value of \$4.00 and the assumption of SinglePixel Biomedical, Inc.'s responsibilities under a Dana-Farber Cancer Institute license agreement. In addition, we are required to make cash payments to Kava Pharmaceuticals and SinglePixel Biomedical, respectively, if certain milestones regarding such company's technology are achieved. Further, if commercialization is achieved from products or services covered by a Cancer Genomics or Kava Pharmaceuticals patent we may owe royalties on the gross revenue achieved by such a product.

Dr. Chen and his affiliates hold a non-voting membership interest in an unrelated entity CMAC, LLC, that is the majority stockholder of these three companies. Dr. Chen and his affiliates own substantially all of an entity, Three L Enterprises, that was a greater than 10% stockholder in Cancer Genomics, Inc., and SinglePixel Biomedical, Inc. The consideration paid in, and the terms of, this transaction were determined through negotiation between the shareholders of these entities and the management and independent directors of Synta, based on factors such as the value of intellectual property and technologies to be acquired and an assessment of potential future cash flows from products that could be developed using the technologies acquired, and the valuations of similarly situated privately held biopharmaceutical companies. We believe this transaction was entered into on terms no less favorable to us than we could have obtained from unrelated third parties.

#### **License Agreement with SBR**

In April 2002, we entered into an exclusive license agreement with SBR for certain small molecule technology and know-how. Pursuant to this license, we paid SBR an initial fee of \$1.0 million, and were obligated to make milestone payments and pay royalties. At the time of this transaction, Dr. Chen and his affiliates were significant shareholders of SBR as described above. This agreement was terminated in connection with our acquisition of Principia described above. We believe this transaction was entered into on terms no less favorable to us than we could have obtained from unrelated third parties.

#### **Sublease with Affiliated Entities of Dr. Lan Bo Chen**

In October 2001, we entered into an arrangement to sublet office space from Munchi BioTherapeutics Corp., formerly known as Asiana Pharmaceuticals Corporation, an entity affiliated with and controlled by Dr. Chen. Three L Enterprises is the sole stockholder of this entity. Under the terms of this oral arrangement, we pay the monthly lease fees payable pursuant to the underlying lease, and we are obligated to pay the lease fees through the termination of the lease on May 30, 2009. In the alternative, we may find another tenant to sublet the space, but we are obligated to pay any difference between the monthly rent paid by the other tenant and the amount owed under the lease. Pursuant to this arrangement, we paid a total of approximately \$14,000, \$174,000, \$194,000, \$213,000 and \$96,485 in 2001, 2002, 2003, 2004 and 2005, respectively. On May 25, 2005, this lease was assigned to us. We

believe this transaction was entered into on terms no less favorable than we could have obtained from unrelated third parties.

#### **Consulting Agreement with Dr. Lan Bo Chen**

In 2002, we entered into an oral consulting agreement with Dr. Chen pursuant to which Dr. Chen provided consulting services as mutually determined by us and Dr. Chen from time to time. This consulting agreement had no definitive term. Under the terms of the agreement, we provided compensation to Dr. Chen of \$25,000 per month. Dr. Chen was paid \$75,000, \$300,000, \$300,000 and \$87,500 in 2002, 2003, 2004 and 2005, respectively, under this arrangement. In April 2005, we entered into a written consulting agreement with Dr. Chen pursuant to which he has agreed to provide consulting services to us and to serve as the chairman and/or a member of our scientific advisory board. This written agreement supersedes the aforementioned oral agreement. Under the terms of this agreement, we pay Dr. Chen \$25,000 per month for these services. This written agreement has no definitive term and may be terminated by us or Dr. Chen upon 15 days advance written notice. The agreement also contains a one-year post termination non-competition and non-solicitation provision. We paid Dr. Chen \$212,500 in 2005 and \$225,000 through the nine months ended September 30, 2006 under this agreement.

#### **Agreement and Release with Dr. Lan Bo Chen**

In January 2005, we entered into an Agreement and Release with Dr. Chen whereby we resolved all outstanding matters regarding various oral understandings and arrangements between Dr. Chen and Synta, including arrangements relating to (1) the assignment by Dr. Chen of the benefit of his interests, if any, resulting from our acquisition of the assets of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc., and SinglePixel Biomedical, Inc., (2) Dr. Chen's assignment of inventions, non-competition, non-solicitation and confidentiality agreements with us, and (3) a general release by Dr. Chen of any and all claims that Dr. Chen may have had against us. Pursuant to this agreement we will pay Dr. Chen \$500,000 payable in \$25,000 installments quarterly for five years. We paid Dr. Chen \$100,000 in 2005 and \$75,000 through the nine months ended September 30, 2006 under this agreement.

#### **Scientific Advisory Board Agreement with Dr. Judah Folkman**

In September 2003, we entered into a scientific advisory board agreement with Dr. Folkman pursuant to which Dr. Folkman provides consulting services as mutually determined by us and Dr. Folkman from time to time, up to a maximum of five days per month. This agreement had an initial term of one year and provides for automatic one-year extensions. The agreement may be terminated by us or Dr. Folkman for any reason upon 60 days advance written notice and may be immediately terminated in the event of a breach or threatened breach of certain provisions contained in the agreement. Under the terms of this agreement, we agreed to pay Dr. Folkman a consulting fee of \$50,000 per year payable in quarterly installments and reimburse his reasonable expenses incurred in connection with his performance under the agreement. Pursuant to this agreement, Dr. Folkman was paid \$25,000, \$50,000, \$50,000 and \$25,000 in 2003, 2004, 2005 and through the nine months ended September 30, 2006, respectively. Under this agreement, Dr. Folkman has also been granted a non-qualified stock option to purchase 100,000 shares of common stock at an exercise price of \$2.7108 per share. This option vests as to 25% of the shares on the first anniversary of the grant date and an additional 6.25% of the shares at the end of each successive three-month period thereafter, provided that the scientific advisory board agreement remains in effect on the date of vesting. Immediately following the grant of this option, Dr. Folkman transferred all right, title and interest in this option to Children's Medical Center Corporation pursuant to a stock option transfer agreement in which Children's Medical Center Corporation has agreed to be subject to all of the conditions and restrictions

under the option. Pursuant to the terms of the scientific advisory board agreement, we have agreed to indemnify Dr. Folkman and Children's Hospital Boston, its corporate affiliates, current or future directors, trustees, officers, faculty, medical and professional staff, employees, students and agents and their respective successors, heirs and assigns against liability incurred in connection with claims arising out of the agreement, except to the extent caused by Dr. Folkman's misconduct or negligence. Pursuant to an oral agreement between Dr. Folkman and us entered into on or about September 30, 2006, and in connection with Dr. Folkman's appointment to our board of directors in September 2005, Dr. Folkman will no longer receive compensation under this agreement.

## Investor Rights Agreement

Upon completion of this offering, pursuant to an Amended and Restated Investor Rights Agreement dated December 31, 2002 by and among Synta and certain stockholders, as amended on January 11, 2005, the holders of \_\_\_\_\_ shares of our common stock and 1,300,000 shares of our common stock issuable upon the exercise of options, are entitled to registration rights with respect to the shares of common stock held by them. These rights are provided under the terms of an investor rights agreement, as amended, between us and these shareholders. These shareholders include the following directors, beneficial owners of more than five percent of our voting securities, and their affiliates:

Name of Holder	Number of Registrable Shares
CxSynta, LLC(1)	
Gollust Trust II(2)	200,000
Wyandanch Partners, LP(3)	
Keith R. Gollust(4)	937,433
Bruce Kovner(5)	
Total:	

- (1) Consists of 24,284,285 shares of common stock and \_\_\_\_\_ shares of common stock issuable upon the conversion of 2,154,105 shares of Series A preferred stock.
- (2) Represents shares of common stock.
- (3) Consists of 3,662,068 shares of common stock and \_\_\_\_\_ shares of common stock issuable upon the conversion of 300,000 shares of Series A preferred stock.
- (4) Consists of 137,433 shares of common stock and 800,000 shares of common stock issuable upon the exercise of options.
- (5) Consists of 351,824 shares of common stock and \_\_\_\_\_ shares of common stock issuable upon the conversion of 30,131 shares of Series A preferred stock and 500,000 shares of common stock issuable upon the exercise of options.

See "Description of Capital Stock—Registration Rights" for a more detailed description of these registration rights. Other than the registration rights set forth above, there are no provisions of the Amended and Restated Investor Rights Agreement, as amended, that will remain in effect after completion of this offering.

## Indemnification Arrangements

Our restated certificate of incorporation and restated bylaws to be effective upon completion of this offering provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. In addition, we expect to enter into indemnification agreements with each of our directors and executive officers prior to completion of the offering. See "Management—Limitation of Officers' and Directors' Liability and Indemnification" for a more detailed description of these indemnification arrangements.

## PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common stock as of November 17, 2006, and as adjusted to reflect the sale of our common stock offered by this prospectus by:

- the executive officers named in the summary compensation table;
- each of our directors;
- all of our current directors and executive officers as a group; and
- each stockholder known by us to own beneficially more than five percent of our common stock.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Shares of common stock that may be acquired by an individual or group within 60 days of November 17, 2006, pursuant to the exercise of options or warrants, are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Percentage of ownership is based on \_\_\_\_\_ shares of common stock outstanding on November 17, 2006, which assumes the conversion of all outstanding shares of our Series A convertible preferred stock into \_\_\_\_\_ shares of common stock, and \_\_\_\_\_ shares of common stock outstanding after the completion of this offering.

For purposes of calculating the number of shares of common stock into which the Series A convertible preferred stock will be convertible after the completion of this offering, we have assumed:

- the closing of this offering occurs on \_\_\_\_\_, 2007, which would result in accumulated dividends of \$ \_\_\_\_\_ per share of Series A convertible preferred stock and aggregate accumulated dividends of \$ \_\_\_\_\_ on all outstanding shares of Series A convertible preferred stock; and
- an initial public offering price of \$ \_\_\_\_\_ per share, the mid-point of the range set forth on the cover page of this prospectus

However, because each outstanding share of our Series A convertible preferred stock is convertible into a number of shares of our common stock determined by dividing (1) the Series A convertible preferred stock per share purchase price of \$5.00 plus an accumulated dividend of 8% per year by (2) a conversion price equal to the lesser of (a) \$5.00 or (b) 66.6667% of the initial public offering price per share, the number of shares of common stock into which the outstanding shares of Series A convertible preferred stock will be converted upon completion of this offering will differ if the actual closing date and/or initial public offering price are different from the assumptions set forth above. See "Prospectus Summary—General Information About This Prospectus" beginning on page 6. Accordingly, the percentage of common stock beneficially owned before and after this offering may differ from that set forth below. Following the completion of this offering, this information will be adjusted based on the actual closing date and initial public offering price and other terms of this offering determined at pricing.

Except as indicated in footnotes to this table, we believe that the stockholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them, based on information provided to us by such stockholders. Unless otherwise indicated, the address for each director and executive officer listed is: c/o Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, Massachusetts 02421.

Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Common Stock Beneficially Owned	
		Before Offering	After Offering
<i>Directors and Executive Officers</i>			
Safi R. Bahcall, Ph.D.(1)	9,057,104		
Keizo Koya, Ph.D.(2)	913,300		
Matthew L. Sherman, M.D.(3)	500		
James G. Barsoum, Ph.D.(4)	507,050		
Jeremy G. Chadwick, Ph.D.(5)	232,275		
Keith R. Gollust(6)	(15)		
Lan Bo Chen, Ph.D.(7)	13,851,587		
Judah Folkman, M.D.(8)	11,429		
Bruce Kovner(9)	(15)		
William S. Reardon, C.P.A.(10)	40,243		
Robert N. Wilson(11)			
All current executive officers and directors as a group (14 persons)(12)	(15)		
<i>Five Percent Stockholders</i>			
CxSynta LLC(13)	(15)		
c/o Caxton Corporation Princeton Plaza, Building 2 731 Alexander Road Princeton, NJ 08540			
Lin-Huey Chen(14) 184 East Emerson Road Lexington, MA 02420	13,851,587		

\* Represents beneficial ownership of less than 1% of the shares of common stock.

- (1) Consists of 8,982,104 shares of common stock owned of record by and 75,000 shares of common stock issuable upon the exercise of options exercisable within 60 days of November 17, 2006 held by Dr. Bahcall. The amount excludes an aggregate of 440,000 shares of common stock of which 60,000 shares are owned of record by the Safi R. Bahcall Irrevocable Trust, the trustee of which is Dr. Bahcall's mother and of which Dr. Bahcall is the beneficiary; 97,000 shares are owned of record by the 2004 Neta Bahcall Grantor Retained Annuity Trust, the trustee of which is Dr. Bahcall and of which Dr. Bahcall is a beneficiary; 163,000 shares are owned of record by the 2006 Neta Bahcall Grantor Retained Annuity Trust, the trustee of which is Dr. Bahcall's sister and of which Dr. Bahcall is a beneficiary; 60,000 shares are owned of record by the Dan O. Bahcall Irrevocable Trust, the trustee of which is Dr. Bahcall's mother and of which Dr. Bahcall's brother is the beneficiary; and 60,000 shares are owned of record by the Orli G. Bahcall Irrevocable Trust, the trustee of which is Dr. Bahcall's mother and of which Dr. Bahcall's sister is the beneficiary. Dr. Bahcall disclaims beneficial ownership of the shares held by these trusts except to the extent of any pecuniary interest therein.
- (2) Consists of 160,000 shares of common stock owned of record by and 753,300 shares of common stock issuable upon the exercise of options exercisable within 60 days of November 17, 2006 held by Dr. Koya.
- (3) Represents shares of common stock owned of record by Dr. Sherman. Dr. Sherman's employment with Synta ended effective January 27, 2006.
- (4) Consists of 160,000 shares of common stock owned of record by and 347,050 shares of common stock issuable upon the exercise of options exercisable within 60 days of November 17, 2006 held by Dr. Barsoum.

- (5) Consists of 100,000 shares of common stock owned of record by and 132,275 shares of common stock issuable upon the exercise of options exercisable within 60 days of November 17, 2006 held by Dr. Chadwick.
- (6) Consists of 137,433 shares of common stock owned of record by and 800,000 shares of common stock issuable upon the exercise of options exercisable within 60 days of November 17, 2006 held by Mr. Gollust; 200,000 shares of common stock owned of record by the Gollust Trust II, a trust established for the benefit of Mr. Gollust's minor children; and 3,662,068 shares of common stock and \_\_\_\_\_ shares of common stock issuable upon the conversion of 300,000 shares of Series A preferred stock (see note 15 below), owned of record by Wyandanch Partners, L.P. Mr. Gollust is the president and sole stockholder of Gollust Management, Inc., which is the general partner of Wyandanch Partners, L.P.
- (7) Consists of 2,821,601 shares of common stock owned of record by Dr. Chen; 366,786 shares of common stock owned of record by the Lan Bo Chen 2004 GRAT, the beneficiaries of which are Dr. Chen's two daughters; 568,895 shares of common stock owned of record by LAJ Holdings LLC, the co-managers of which are Dr. Chen and his spouse; 8,016,066 shares of common stock owned of record by the Wisteria Trust, the trustee of which is Dr. Chen's spouse; 973,927 shares of common stock owned of record by the Ann Chen Trust, a co-trustee of which is Dr. Chen's spouse; 973,927 shares of common stock owned of record by the Jane Chen Trust, a co-trustee of which is Dr. Chen's spouse; 51,785 shares of common stock owned of record by the Chen Grandchildren's Trust, a co-trustee of which is Dr. Chen's spouse; 27,800 shares of common stock owned of record by the Alexander Chen Wu 2002 Irrevocable Trust, a co-trustee of which is Dr. Chen's spouse; an aggregate of 39,600 shares of common stock owned of record by Dr. Chen's two daughters and their husbands; and 11,200 shares of common stock owned of record by the Allison Chen Wu 2004 Irrevocable Trust, a co-trustee of which is Dr. Chen's spouse. See note 14.
- (8) Represents shares of common stock owned of record by Dr. Folkman.
- (9) Consists of 351,824 shares of common stock and \_\_\_\_\_ shares of common stock issuable upon the conversion of 30,131 shares of Series A preferred stock (see note 15 below), owned of record by and 218,750 shares of common stock issuable upon the exercise of options exercisable within 60 days of November 17, 2006 held by Mr. Kovner; and 24,284,285 shares of common stock and \_\_\_\_\_ shares of common stock issuable upon the conversion of 2,154,105 shares of Series A preferred stock (see note 15 below), owned of record by CxSynta LLC. Caxton Corporation is the managing member of CxSynta LLC and Bruce Kovner is the chairman of Caxton Corporation. See note 13.
- (10) Consists of 6,493 shares of common stock owned of record by and 33,750 shares of common stock issuable upon the exercise of options exercisable within 60 days of November 17, 2006 held by Mr. Reardon.
- (11) Consists of 772,338 shares of common stock and \_\_\_\_\_ shares of common stock issuable upon the conversion of 67,495 shares Series A preferred stock (see note 15 below), owned of record by Mr. Wilson and 218,750 shares of common stock issuable upon the exercise of options exercisable within 60 days of November 17, 2006 held by Mr. Wilson.
- (12) Consists of the shares of common stock set forth in footnotes 1, 2 and 4 through 11 and 300,000 shares of common stock owned of record by and 532,659 shares of common stock issuable upon the exercise of options exercisable within 60 days of November 17, 2006 held by four executive officers not named in the table.
- (13) Represents 24,284,285 shares of common stock and \_\_\_\_\_ shares of common stock issuable upon the conversion of 2,154,105 Series A preferred stock (see note 15 below), owned of

record by CxSynta LLC. Caxton Corporation is the managing member of CxSynta LLC and Bruce Kovner is the chairman of Caxton Corporation. See note 9.

- (14) Consists of 2,821,601 shares of common stock owned of record by Ms. Chen's spouse, Dr. Chen; 366,786 shares of common stock owned of record by the Lan Bo Chen 2004 GRAT, the grantor of which is Ms. Chen's spouse and the beneficiaries of which are Dr. Chen's two daughters; 568,895 shares of common stock owned of record by LAJ Holdings LLC, of which Ms. Chen is a manager; 8,016,066 shares of common stock owned of record by the Wisteria Trust, of which Ms. Chen is the trustee; 973,927 shares of common stock owned of record by the Ann Chen Trust, of which Ms. Chen is a co-trustee; 973,927 shares of common stock owned of record by the Jane Chen Trust, of which Ms. Chen is a co-trustee; 51,785 shares of common stock owned of record by the Chen Grandchildren's Trust, of which Ms. Chen is a co-trustee; 27,800 shares of common stock owned of record by the Alexander Chen Wu 2002 Irrevocable Trust, of which Ms. Chen is a co-trustee; an aggregate of 39,600 shares of common stock owned of record by Ms. Chen's two daughters and their husbands; and 11,200 shares of common stock owned of record by the Allison Chen Wu 2004 Irrevocable Trust, of which Ms. Chen is a co-trustee. See note 7.
- (15) For purposes of calculating the number of shares of common stock into which the Series A convertible preferred stock held by this stockholder will be converted upon completion of the offering, we have assumed (1) the closing of this offering occurs on \_\_\_\_\_, 2007 and (2) an initial public offering price of \$ \_\_\_\_\_ per share. If the actual closing date of this offering and/or the actual initial public offering price differ from these assumptions, the number of shares of common stock into which the outstanding shares of Series A convertible preferred stock held by this stockholder will be converted upon completion of this offering will differ. See "Prospectus Summary—General Information About This Prospectus" beginning on page 6. Following the completion of this offering, this information will be adjusted based on the actual closing date and initial public offering price and other terms of this offering determined at pricing.

## DESCRIPTION OF CAPITAL STOCK

Upon completion of this offering, we will be authorized to issue \_\_\_\_\_ shares of common stock, \$0.0001 par value per share, and 5,000,000 shares of preferred stock, \$0.0001 par value per share, and there will be \_\_\_\_\_ shares of common stock and no shares of preferred stock outstanding. As of November 17, 2006, we had 90,256,431 shares of common stock outstanding held of record by 171 stockholders, 8,000,000 shares of our Series A convertible preferred stock outstanding held of record by 42 stockholders, and there were outstanding options to purchase 12,356,130 shares of common stock.

### Common Stock

Holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, and do not have cumulative voting rights. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by our board of directors out of funds legally available for dividend payments. All outstanding shares of common stock are fully paid and nonassessable, and the shares of common stock to be issued upon completion of this offering will be fully paid and nonassessable. The holders of common stock have no preferences or rights of conversion, exchange, pre-emption or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. In the event of any liquidation, dissolution or winding-up of our affairs, holders of common stock will be entitled to share ratably in our assets that are remaining after payment or provision for payment of all of our debts and obligations and after liquidation payments to holders of outstanding shares of preferred stock, if any.

### Preferred Stock

Preferred stock, if issued, would have priority over the common stock with respect to dividends and other distributions, including the distribution of assets upon liquidation. Our board of directors has the authority, without further stockholder authorization, to issue from time to time shares of preferred stock in one or more series and to fix the terms, limitations, relative rights and preferences, and variations of each series. Although we have no present plans to issue any shares of preferred stock, the issuance of shares of preferred stock, or the issuance of rights to purchase such shares, could decrease the amount of earnings and assets available for distribution to the holders of common stock, could adversely affect the rights and powers, including voting rights, of the common stock, and could have the effect of delaying, deterring, or preventing a change in control of us or an unsolicited acquisition proposal.

### Registration Rights

The holders of \_\_\_\_\_ shares of our common stock and 1,300,000 shares of our common stock issuable upon the exercise of options are entitled to certain registration rights with respect to these securities as set forth in an agreement between us and the holders of these securities. We are generally required to pay all expenses incurred in connection with registrations effected in connection with the following rights, excluding underwriting discounts and commissions, and fees and expenses of counsel to the registering security holders.

*Demand rights.* Beginning upon the expiration of the lock-up agreements entered into by the holders of these registrable securities in connection with this offering, as described below in the section entitled "Shares Eligible for Future Sale—Lock-Up Agreements," subject to specified limitations, the holders of not less than 60% of these registrable securities may require that we register all or a portion of these securities for sale under the Securities Act, if the anticipated aggregate offering price of such securities is at least \$15,000,000. We may be required to effect up to two such registrations.



Stockholders with these registration rights who are not part of an initial registration demand are entitled to notice and are entitled to include their shares of common stock in the registration.

*Piggyback rights.* If at any time after the expiration of the lock-up agreements entered into by the holders of these registrable securities in connection with this offering, we propose to register any of our equity securities under the Securities Act, other than in connection with:

- a registration relating solely to our stock option plans or other employee benefit plans, or
- a registration relating solely to a business combination or merger involving us, the holders of these registrable securities are entitled to notice of such registration and are entitled to include their shares of common stock in the registration. Under certain circumstances, the underwriters, if any, may limit the number of shares included in any such registration.

*Form S-3 rights.* If we become eligible to file registration statements on Form S-3, subject to specified limitations, a holder of these registrable securities can require us to register all or a portion of its registrable securities on Form S-3, if the anticipated aggregate offering price of such securities is at least \$10,000,000. We may not be required to effect more than two such registrations in any rolling 12-month period. Stockholders with these registration rights who are not part of an initial registration demand are entitled to notice and are entitled to include their shares of common stock in the registration.

### **Anti-Takeover Provisions**

The provisions of (1) Delaware law, (2) our restated certificate of incorporation to be effective upon completion of this offering, and (3) our restated bylaws to be effective upon completion of this offering discussed below could discourage or make it more difficult to accomplish a proxy contest or other change in our management or the acquisition of control by a holder of a substantial amount of our voting stock. It is possible that these provisions could make it more difficult to accomplish, or could deter, transactions that stockholders may otherwise consider to be in their best interests or the best interests of the company. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control of us. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. Such provisions also may have the effect of preventing changes in our management.

*Delaware statutory business combinations provision.* We are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. For purposes of Section 203, a "business combination" is defined broadly to include a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and, subject to certain exceptions, an "interested stockholder" is a person who, together with his or her affiliates and associates, owns (or within three years prior, did own) 15% or more of the corporation's voting stock.

*Classified board of directors; removal of directors for cause.* Our restated certificate of incorporation and restated bylaws provide that upon completion of this offering, our board of directors will be divided into three classes, with the term of office of the first class to expire at the first annual meeting of stockholders following the initial classification of directors to be held in 2008, the term of office of the second class to expire at the second annual meeting of stockholders following the initial classification of directors to be held in 2009, and the term of office of the third class to expire at the

third annual meeting of stockholders following the initial classification of directors to be held in 2010. At each annual meeting of stockholders, directors elected to succeed those directors whose terms expire will be elected for a three-year term of office. All directors elected to our classified board of directors will serve until the election and qualification of their respective successors or their earlier resignation or removal. The board of directors is authorized to create new directorships and to fill such positions so created and is permitted to specify the class to which any such new position is assigned. The person filling such position would serve for the term applicable to that class. The board of directors (or its remaining members, even if less than a quorum) is also empowered to fill vacancies on the board of directors occurring for any reason for the remainder of the term of the class of directors in which the vacancy occurred. Members of the board of directors may only be removed for cause and only by the affirmative vote of 80% of our outstanding voting stock. These provisions are likely to increase the time required for stockholders to change the composition of the board of directors. For example, in general, at least two annual meetings will be necessary for stockholders to effect a change in a majority of the members of the board of directors.

*Advance notice provisions for stockholder proposals and stockholder nominations of directors.* Our restated bylaws provide that, for nominations to the board of directors or for other business to be properly brought by a stockholder before a meeting of stockholders, the stockholder must first have given timely notice of the proposal in writing to our Secretary. For an annual meeting, a stockholder's notice generally must be delivered not less than 45 days nor more than 75 days prior to the anniversary of the mailing date of the proxy statement for the previous year's annual meeting. Detailed requirements as to the form of the notice and information required in the notice are specified in the restated bylaws. If it is determined that business was not properly brought before a meeting in accordance with our restated bylaws, such business will not be conducted at the meeting.

*Special meetings of stockholders.* Special meetings of the stockholders may be called only by our board of directors pursuant to a resolution adopted by a majority of the total number of directors.

*No stockholder action by written consent.* Our restated certificate of incorporation and restated bylaws do not permit our stockholders to act by written consent. As a result, any action to be effected by our stockholders must be effected at a duly called annual or special meeting of the stockholders.

*Super-majority stockholder vote required for certain actions.* The Delaware General Corporation Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless the corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our restated certificate of incorporation requires the affirmative vote of the holders of at least 80% of our outstanding voting stock to amend or repeal any of the provisions discussed in this section of this prospectus entitled "Anti-Takeover Provisions." This 80% stockholder vote would be in addition to any separate class vote that might in the future be required pursuant to the terms of any preferred stock that might then be outstanding. In addition, an 80% vote is also required for any amendment to, or repeal of, our restated bylaws by the stockholders. Our restated bylaws may be amended or repealed by a vote of a majority of the total number of directors.

## **Transfer Agent and Registrar**

The transfer agent and registrar for the common stock will be Computershare, with offices at 250 Royall Street, Canton, Massachusetts 02021.

## **Listing**

We have applied to list our common stock on the Nasdaq Global Market under the symbol "SNTA."

## SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our common stock. Future sales of substantial amounts of our common stock in the public market could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our common stock in the public market after the restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future.

Upon completion of this offering, we will have \_\_\_\_\_ shares of common stock outstanding, assuming no exercise of any outstanding options outstanding. Of these shares, the \_\_\_\_\_ shares sold in this offering will be freely transferable without restriction or registration under the Securities Act, except for any shares purchased by one of our existing "affiliates," as that term is defined in Rule 144 under the Securities Act. The remaining \_\_\_\_\_ shares of common stock are "restricted shares" as defined in Rule 144. Restricted shares may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144 or 701 of the Securities Act, as described below. As a result of the contractual 180-day lock-up period described below and the provisions of Rules 144 and 701, these shares will be available for sale into the public market as follows:

Number of Shares	Date Available for Sale Into the Public Market
	On the date of this prospectus.
	After 180 days* from the date of this prospectus (subject, in some cases, to volume limitations).
	At various times after 180 days* from the date of this prospectus (subject, in some cases, to volume limitations).

\* This 180-day period corresponds to the end of the lock-up period described below in "Lock-Up Agreements." This lock-up period may be extended as described below.

### Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after this offering, a person, or persons whose shares are aggregated, who owns shares that were purchased from us, or any affiliate, at least one year previously, is entitled to sell within any three-month period a number of shares that does not exceed the greater of (1) 1% of our then-outstanding shares of common stock, which will equal approximately \_\_\_\_\_ shares immediately after this offering, or (2) the average weekly trading volume of our common stock on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice of the sale on Form 144. Sales under Rule 144 are also subject to manner of sale provisions, notice requirements, and the availability of current public information about us. We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our common stock, the personal circumstances of the stockholder and other factors.

### Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been one of our affiliates at any time during the three months preceding a sale, and who owns shares within the definition of "restricted

securities" under Rule 144 that were purchased from us, or any affiliate, at least two years previously, would be entitled to sell shares under Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information requirements or notice requirements described above.

## **Rule 701**

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchase shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering are entitled to resell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirements or other restrictions contained in Rule 701.

The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Securities Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above, beginning 90 days after the date of this prospectus, may be sold by persons other than "affiliates," as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by "affiliates" under Rule 144 without compliance with its one-year minimum holding period requirement.

## **Registration Rights**

Upon completion of this offering, the holders of \_\_\_\_\_ shares of our common stock and \_\_\_\_\_ shares of our common stock issuable upon the exercise of options or their transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares held by affiliates.

## **Stock Options**

As of November 17, 2006, there were options outstanding to purchase 12,356,130 shares of common stock, including options to purchase 300,000 shares of common stock granted outside of our stock plans, and 9,305,427 shares of common stock have been reserved for future awards under our 2006 Stock Plan.

Upon completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering all shares of common stock subject to outstanding options or issuable pursuant to our stock plans. Subject to Rule 144 volume limitations applicable to affiliates, shares registered under any registration statements will be available for sale in the open market, except to the extent that the shares are subject to vesting restrictions with us or the contractual restrictions described below.

## **Lock-Up Agreements**

The holders of substantially all of our currently outstanding stock have agreed that, without the prior written consent of Bear, Stearns & Co. Inc. and Lehman Brothers Inc. on behalf of the underwriters and subject to the exceptions described in the section entitled "Underwriters" in this prospectus, they will not, during the period ending 180 days after the date of this prospectus, subject to a possible extension as described below:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock,

whether any transaction described above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise. Bear, Stearns & Co. Inc. and Lehman Brothers Inc. do not have any pre-established conditions to waiving the terms of the lock-up agreements. Any determination to release any shares subject to the lock-up agreements would be based on a number of factors at the time of determination, including but not necessarily limited to the market price of the common stock, the liquidity of the trading market for the common stock, general market conditions, the number of shares proposed to be sold and the timing, purpose and terms of the proposed sale.

The lock-up agreements also provide that, if we issue an earnings release or if material news or a material event relating to our company occurs during the last 17 days of the 180-day restricted period or if prior to the expiration of the 180-day restricted period we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restricted period will continue for the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

## UNDERWRITING

Subject to the terms and conditions described in an underwriting agreement among us, Bear, Stearns & Co. Inc., and Lehman Brothers Inc. as representatives and joint book-running managers, we have agreed to sell to the underwriters, and the underwriters severally have severally agreed to purchase from us, the number of shares of common stock listed opposite their names below.

Underwriter	Number of Shares
Bear, Stearns & Co. Inc.	
Lehman Brothers Inc.	
Lazard Capital Markets LLC	
Montgomery & Co., LLC	
<b>Total</b>	

The underwriters have agreed to purchase all of the shares sold under the underwriting agreement if any of the shares are purchased, other than shares covered by the over-allotment option described below. The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

We have granted the underwriters an option exercisable for 30 days from the date of the underwriting agreement to purchase a total of up to additional shares at the public offering price less the underwriting discount. The underwriters may exercise this option solely to cover any over-allotments, if any, made in connection with this offering. To the extent the underwriters exercise this option in whole or in part, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares approximately proportionate to that underwriter's initial commitment amount reflected in the above table.

The underwriters have advised us that they propose initially to offer the shares to the public at the public offering price on the cover page of this prospectus and to dealers at that price less a concession not in excess of \$ per share. The underwriters may allow, and the dealers may reallow, a discount not in excess of \$ per share to other dealers. After the public offering, the public offering price, concession and discount may be changed. In connection with this offering, the underwriters may allocate shares to accounts over which they exercise discretionary authority. The underwriters do not expect that allocations to these discretionary accounts will exceed 5% of the total number of shares in this offering. The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their over-allotment option.

	Total
Per Share	Without Option      With Option
Public offering price	
Underwriting discount	
Proceeds, before expenses, to Synta	

At our request, the underwriters have reserved for sale, at the public offering price, up to shares offered by this prospectus for sale to some of our directors, officers, employees and other persons designated by us. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not orally confirmed for

purchase within one day of the pricing of this offering will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

The expenses of this offering that are payable by us, excluding the underwriting discount and commissions and related fees, are estimated at approximately \$                      million.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

We, each of our officers and directors and certain of our stockholders have agreed, with certain limited exceptions, not to sell or transfer any of our securities for 180 days after the date of this prospectus without first obtaining the written consent of Bear, Stearns & Co. Inc. and Lehman Brothers Inc. Specifically, pursuant to these lock-up agreements we and these other individuals have agreed not to directly or indirectly:

- offer, sell or contract to offer or sell any common stock, any other equity security of Synta or any of our subsidiaries, and any security convertible into, or exercisable or exchangeable for, any common stock or other such equity security;
- solicit offers to purchase any such securities;
- grant any call option with respect to any such securities;
- purchase any put option with respect to any such securities;
- pledge, borrow or otherwise dispose of any such securities;
- establish or increase any "put equivalent position" with respect to any such securities;
- liquidate or decrease any "call equivalent position" with respect to any such securities; or
- enter into any swap, derivative or other transaction or arrangement that transfers to another, in whole or in part, any economic consequences of ownership of any of such securities, whether such transaction is to be settled by delivery of such securities, other securities, cash or other consideration.

Notwithstanding the foregoing, if (1) during the last 17 days of the applicable lock-up restriction period we issue an earnings release or material news or a material event relating to us occurs, or (2) prior to the expiration of the applicable lock-up restriction period, we announce that we will release earnings results during the 16 day period beginning on the last day of the applicable lock-up period, the above restrictions shall continue to apply until the expiration of the 18 day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

The lockup provisions do not prevent a security holder from transferring such securities by bona fide gift or by will or intestate succession to his or her immediate family or to a trust, the sole beneficiary of which is one or more of the security holder and his or her immediate family. Bear, Stearns & Co. Inc. and Lehman Brothers Inc. may waive this lockup without public notice. This lockup provision does not limit our ability to grant options to purchase common stock under our stock option plans.

We have applied to have our common stock approved for listing on the Nasdaq Global Market under the symbol "SNTA."

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters of this offering, or by their affiliates. Other than any prospectus made available in electronic format in this manner, the information on any web site containing the prospectus is not part of this prospectus or the registration statement of which

this prospectus forms a part, has not been approved or endorsed by us or any underwriter in such capacity and should not be relied on by prospective investors.

In connection with the offering, some participants in the offering may purchase and sell shares of common stock in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. Short sales involve sales by the underwriters of common stock in excess of the number of shares required to be purchased by the underwriters in the offering, which creates a syndicate short position. "Covered" short sales are sales of shares made in an amount up to the number of shares represented by the underwriters' over-allotment option. Transactions to close out the covered syndicate short involve either purchases of the common stock in the open market after the distribution has been completed or the exercise of the over-allotment option. In determining the source of shares to close out the covered syndicate short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. The underwriters may also make "naked" short sales, or sales in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares of common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of bids for or purchases of shares in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from an underwriter or syndicate member when the underwriters repurchase shares originally sold by that underwriter or syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the Nasdaq Global Market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives. Among the factors to be considered in determining the initial public offering price were our future prospects and those of our industry in general, our financial operating information in recent periods, and market prices of securities and financial and operating information of companies engaged in activities similar to ours.

The underwriters may in the future perform investment banking and advisory services for us from time to time for which they may in the future receive customary fees and expenses. Lazard Freres & Co. LLC referred this transaction to Lazard Capital Markets LLC and will receive a fee from Lazard Capital Markets LLC in connection therewith.



## **LEGAL MATTERS**

The validity of the issuance of the common stock offered by us in this offering will be passed upon for us by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts. Ropes & Gray LLP, Boston, Massachusetts, has acted as counsel for the underwriters in connection with certain legal matters related to this offering.

## **EXPERTS**

The consolidated financial statements of Synta Pharmaceuticals Corp. as of December 31, 2004 and 2005, and for each of the years in the three-year period ended December 31, 2005 and for the period from inception (March 10, 2000) through December 31, 2005 have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

## **WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to the common stock offered by this prospectus. This prospectus, which is part of the registration statement, omits certain information, exhibits, schedules, and undertakings set forth in the registration statement. For further information pertaining to us and our common stock, reference is made to the registration statement and the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents or provisions of any documents referred to in this prospectus are not necessarily complete, and in each instance where a copy of the document has been filed as an exhibit to the registration statement, reference is made to the exhibit for a more complete description of the matters involved.

You may read and copy all or any portion of the registration statement without charge at the public reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of the registration statement may be obtained from the SEC at prescribed rates from the public reference room of the SEC at such address. You may obtain information regarding the operation of the public reference room by calling 1-800-SEC-0330. In addition, registration statements and certain other filings made with the SEC electronically are publicly available through the SEC's web site at <http://www.sec.gov>. The registration statement, including all exhibits and amendments to the registration statement, has been filed electronically with the SEC.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Securities Exchange Act and, accordingly, will file annual reports containing financial statements audited by an independent public accounting firm, quarterly reports containing unaudited financial data, current reports, proxy statements and other information with the SEC. You will be able to inspect and copy such periodic reports, proxy statements, and other information at the SEC's public reference room, and the web site of the SEC referred to above.

## INDEX TO FINANCIAL STATEMENTS

### SYNTA PHARMACEUTICALS CORP.

(A Development-Stage Company)

Nine months ended September 30, 2005 and 2006 and the period from inception (March 10, 2000) through September 30, 2006 (unaudited)

	<u>Page</u>
Consolidated Financial Statements:	
<a href="#">Balance Sheets</a>	F-2
<a href="#">Statements of Operations</a>	F-3
<a href="#">Statement of Stockholders' Equity and Comprehensive Loss</a>	F-4
<a href="#">Statements of Cash Flows</a>	F-5
<a href="#">Notes to Unaudited Financial Statements</a>	F-6

### SYNTA PHARMACEUTICALS CORP.

(A Development-Stage Company)

Years ended December 31, 2003, 2004, and 2005 and the period from inception (March 10, 2000) through December 31, 2005

<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-21
Consolidated Financial Statements:	
<a href="#">Balance Sheets</a>	F-22
<a href="#">Statements of Operations</a>	F-23
<a href="#">Statements of Stockholders' Equity (Deficit) and Comprehensive Loss</a>	F-24
<a href="#">Statements of Cash Flows</a>	F-26
<a href="#">Notes to Financial Statements</a>	F-27

**SYNTA PHARMACEUTICALS CORP.**  
(A Development-Stage Company)

**Consolidated Balance Sheets**

(in thousands, except share and per share amounts)

(Unaudited)

	December 31, 2005	September 30, 2006	Pro forma September 30, 2006
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 23,809	\$ 41,802	
Restricted cash	457	457	
Marketable securities available-for-sale	38,248	16,928	
Prepaid expenses and other current assets	436	816	
	<hr/>	<hr/>	
Total current assets	62,950	60,003	
Property and equipment, net	8,127	6,209	
Other assets	133	132	
	<hr/>	<hr/>	
Total assets	\$ 71,210	\$ 66,344	
	<hr/>	<hr/>	
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities:			
Accounts payable	\$ 3,361	\$ 1,777	
Accrued expenses	8,741	7,052	
Capital lease obligations	1,915	2,269	
Deferred revenue	457	457	
	<hr/>	<hr/>	
Total current liabilities	14,474	11,555	
Capital lease obligations—long term	4,259	3,423	
	<hr/>	<hr/>	
Total liabilities	18,733	14,978	
	<hr/>	<hr/>	
Convertible preferred stock, at redemption value:			
Series A convertible preferred stock, \$0.0001 par value per share. Authorized: no shares at December 31, 2005, 8,000,000 shares at September 30, 2006 (actual) and shares at September 30, 2006 (pro forma). Issued and outstanding: no shares at December 31, 2005, 8,000,000 shares at September 30, 2006 (actual) and shares at September 30, 2006 (pro forma)	—	41,013	
	<hr/>	<hr/>	
Commitments and contingencies (note 8)			
Stockholders' equity:			
Common stock, par value \$0.0001 per share.			
Authorized 150,000,000 shares at December 31, 2005, 158,000,000 shares at September 30, 2006 (actual) and shares at September 30, 2006 (pro forma); 90,697,855 shares issued and outstanding at December 31, 2005, 90,207,858 shares issued and outstanding at September 30, 2006 (actual) and shares issued and outstanding at September 30, 2006 (pro forma)	9	9	
Additional paid-in capital	239,022	234,401	
Deferred compensation	(7,225)	—	
Accumulated other comprehensive income (loss)	(41)	14	
Deficit accumulated during the development stage	(179,288)	(224,071)	
	<hr/>	<hr/>	
Total stockholders' equity	52,477	10,353	
	<hr/>	<hr/>	

Total liabilities and stockholders' equity	\$	71,210	\$	66,344	\$
		<u>          </u>		<u>          </u>	<u>          </u>

See accompanying notes to unaudited consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**

**Consolidated Statements of Operations**

(in thousands, except share and per share amounts)

(Unaudited)

	Nine months ended September 30		Period from inception (March 10, 2000) through September 30, 2006
	2005	2006	
Research grant revenue	\$ —	\$ —	\$ 1,477
Operating expenses:			
Research and development	45,859	39,975	169,918
In-process research and development	—	—	19,671
General and administrative	9,330	6,171	31,865
Other compensation expense(1)	—	—	9,315
Total operating expenses	55,189	46,146	230,769
Loss from operations	(55,189)	(46,146)	(229,292)
Other income:			
Investment income, net	1,818	1,363	5,221
Net loss	(53,371)	(44,783)	(224,071)
Convertible preferred stock dividends	—	1,052	1,052
Net loss attributable to common stockholders	\$ (53,371)	\$ (45,835)	\$ (225,123)
Basic and diluted weighted average common shares outstanding	89,008,133	89,054,467	
Basic and diluted net loss attributable to common stockholders per share	\$ (0.60)	\$ (0.51)	
Unaudited:			
Pro forma net loss per common share—basic and diluted			
Shares used in computing pro forma net loss per common share—basic and diluted			

(1) Excluded from general and administrative expense.

See accompanying notes to unaudited consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**  
**Consolidated Statement of Stockholders' Equity and Comprehensive Loss**  
**(in thousands, except share amounts)**  
**(Unaudited)**

	Common stock		Additional paid-in capital	Deferred compensation	Accumulated other comprehensive income (loss)	Deficit accumulated during the development stage	Total stockholders' equity	Comprehensive loss
	Shares	Amount						
Balance at December 31, 2005	90,697,855	\$ 9	\$ 239,022	\$ (7,225)	\$ (41)	\$ (179,288)	\$ 52,477	
Eliminate deferred stock compensation	—	—	(7,225)	7,225	—	—	—	
Convertible preferred stock dividends	—	—	(1,052)	—	—	—	(1,052)	
Forfeitures restricted common shares	(510,000)	—	—	—	—	—	—	
Issuance of common shares for services	19,503	—	69	—	—	—	69	
Exercise of stock options	500	—	2	—	—	—	2	
Compensation expense related to stock options for services	—	—	3,585	—	—	—	3,585	
Unrealized gains on marketable securities	—	—	—	—	55	—	55	55
Net loss	—	—	—	—	—	(44,783)	(44,783)	(44,783)
Balance at September 30, 2006	90,207,858	\$ 9	\$ 234,401	\$ —	\$ 14	\$ (224,071)	\$ 10,353	\$ (44,728)
Pro forma balance at September 30, 2006								

See accompanying notes to unaudited consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**

**Consolidated Statements of Cash Flows**

(in thousands)

(Unaudited)

	Nine months ended September 30		Period from inception (March 10, 2000) through September 30, 2006
	2005	2006	
Cash flows from operating activities:			
Net loss	\$ (53,371)	\$ (44,783)	\$ (224,071)
Adjustments to reconcile net loss to net cash used in operating activities:			
In-process research and development	—	—	19,671
Common stock issued for licenses	—	—	1,242
Expense deferred offering costs	1,085	—	1,085
Other stock-related compensation expense	2,703	3,585	20,232
Depreciation and amortization	1,653	2,828	8,130
Changes in operating assets and liabilities, net of acquisitions:			
Restricted cash	—	—	(457)
Prepaid expenses and other current assets	(537)	(380)	(556)
Other assets	(15)	1	(64)
Accounts payable	719	(1,584)	1,197
Accrued expenses	897	(1,636)	5,145
Deferred revenue	—	—	457
Net cash used in operating activities	(46,866)	(41,969)	(167,989)
Cash flows from investing activities:			
Cash paid for acquisitions, net of cash acquired	—	—	(5,586)
Advances issued to related parties	—	—	(1,630)
Purchases of marketable securities	(148,783)	(93,249)	(450,241)
Sales and maturities of marketable securities	188,219	114,624	433,327
Repayment of advances from related parties	—	—	1,630
Purchases of property and equipment	(4,544)	(894)	(8,388)
Net cash provided by (used in) investing activities	34,892	20,481	(30,888)
Cash flows from financing activities:			
Proceeds from issuances of common stock and exercise of common stock warrants, net	134	—	195,890
Proceeds from issuance of convertible preferred stock, net	—	39,961	39,961
Proceeds from exercise of stock options	—	2	778
Proceeds from sale-leaseback of property and equipment	4,118	1,046	7,108
Payment of capital lease obligation	(658)	(1,528)	(2,871)
Payment of deferred offering costs	—	—	(187)
Net cash provided by financing activities	3,594	39,481	240,679
Net increase (decrease) in cash and cash equivalents	(8,380)	17,993	41,802
Cash and cash equivalents at beginning of period	42,736	23,809	—
Cash and cash equivalents at end of period	\$ 34,356	\$ 41,802	\$ 41,802
Supplemental disclosure of noncash investing and financing activities:			
Purchase of equipment under capital lease	\$ 4,922	\$ 1,046	\$ 8,473

Convertible preferred stock dividends		—	\$	1,052	\$	1,052
Cash paid for interest	\$	158	\$	437	\$	730

See accompanying notes to unaudited consolidated financial statements.



**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**

**Notes to Unaudited Consolidated Financial Statements**

**(1) Nature of Business**

Synta Pharmaceuticals Corp. (the Company) was incorporated in March 2000 and commenced operations in July 2001. The Company is a biopharmaceutical company focusing on discovering, developing and commercializing small molecule drugs that address severe medical conditions, including cancer and chronic inflammatory diseases.

The Company is subject to risks common to emerging companies in the drug development and pharmaceutical industry including, but not limited to, uncertainty of product development and commercialization, lack of marketing and sales history, dependence on key personnel, uncertainty of market acceptance of products, product liability, uncertain protection of proprietary technology, potential inability to raise additional financing and compliance with FDA and other government regulations.

**(2) Summary of Significant Accounting Policies**

***Basis of Presentation***

Since its inception, the Company has devoted its efforts to research, product development, and securing financing and has not earned significant revenue from its planned principal operations. Accordingly, the consolidated financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 7, *Accounting and Reporting by Development-Stage Enterprises*.

The accompanying interim balance sheet as of September 30, 2006, the consolidated statements of operations and cash flows for the nine months ended September 30, 2005 and 2006 and the period from inception (March 10, 2000) through September 30, 2006, and the consolidated statement of stockholders' equity and comprehensive loss for the nine months ended September 30, 2006 are unaudited. The unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. These statements, however, are condensed and do not include all disclosures required by accounting principles generally accepted in the United States of America for complete financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2005.

In the opinion of the Company's management, the unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting solely of normal recurring adjustments and accruals necessary for the fair presentation of the Company's financial position at September 30, 2006 and its results of operations and cash flows for the nine months ended September 30, 2005 and 2006 and the period from inception (March 10, 2000) through September 30, 2006. The results for the nine months ended September 30, 2006 are not necessarily indicative of results to be expected for the year ending December 31, 2006 or subsequent interim periods.

On January 1, 2006, the Company adopted SFAS No. 123(R), *Share-Based Payment*.

Except as otherwise disclosed, the accounting policies underlying these interim financial statements are set forth in the consolidated financial statements for the year ended December 31, 2005.

### ***Unaudited Pro Forma Presentation***

The unaudited pro forma balance sheet and the unaudited pro forma statement of stockholders' equity and comprehensive loss as of September 30, 2006 reflect the assumed conversion of all outstanding shares of Series A convertible preferred stock and related dividends as of September 30, 2006 into                      shares of common stock.

### ***Principles of Consolidation***

The consolidated financial statements include the financial statements of Synta Pharmaceuticals Corp. and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include long-term contract accruals, recoverability of long-lived and deferred tax assets, valuation of acquired in-process research and development, measurement of stock-based compensation, and the fair value of the Company's common stock. The Company bases its estimates on historical experience and various other assumptions that management believes to be reasonable under the circumstances. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

### ***Stock-Based Compensation***

#### ***(i) Stock-Based Compensation under APB No. 25***

Prior to January 1, 2006, the Company applied the intrinsic-value-based method of accounting prescribed by Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, and related interpretations including Financial Accounting Standards Board (FASB) Interpretation No. 44, *Accounting for Certain Transactions Involving Stock Compensation, an Interpretation of APB Opinion No. 25*, in accounting for its employee stock options. Under this method, compensation expense is generally recorded on the date of grant only if the estimated fair value of the underlying stock exceeds the exercise price. Given the absence of an active market for the Company's common stock, the board of directors historically has determined the estimated fair value of common stock on the dates of grant based on several factors, including progress against regulatory, clinical and product development milestones, sales of common stock to outside investors and the likelihood of achieving a liquidity event such as an initial public offering or sale of the Company. As a result, the Company recorded deferred compensation charges for the difference between the estimated fair value of the common stock and the exercise price of options granted at the date of grant. Compensation expense is recognized over the vesting period on a straight-line basis.

The Company accounts for stock options issued to nonemployees in accordance with the provisions of SFAS No. 123, *Accounting for Stock-Based Compensation*, and Emerging Issues Task Force (EITF) No. 96-18, *Accounting for Equity Instruments that are Issued to Other than Employees, or in Conjunction with Selling Goods or Services*, which requires valuing the stock options using a Black-Scholes option pricing model and remeasuring such stock options to the current fair value until the performance date has been reached.

SFAS No. 123 and SFAS No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure, an amendment of FASB Statement No. 123*, established accounting and disclosure requirements using a fair-value-based method of accounting for stock-based employee compensation plans. As permitted by existing accounting standards, the Company elected to continue to apply the intrinsic-value-based method of accounting described above, for options granted through December 31, 2005. The following table illustrates the effect on net loss attributable to common stockholders as if the fair-value-based method had been applied to all outstanding and unvested awards for the nine-month period ended September 30, 2005 and the period from inception (March 10, 2000) through September 30, 2005, prior to the adoption of SFAS No. 123(R), *Share-Based Payment* on January 1, 2006 (in thousands, except per share amounts).

	Nine months ended September 30, 2005	Period from inception (March 10, 2000) through September 30, 2005
Net loss attributable to common stockholders, as reported	\$(53,371)	\$(163,796)
Add: stock-based employee compensation expense determined under the fair value method	(3,017)	(7,093)
Deduct: stock-based employee compensation expense included in reported net loss	1,589	3,309
Pro forma net loss attributable to common stockholders	\$(54,799)	\$(167,580)
Basic and diluted net loss attributable to common stockholders per common share, as reported	\$(0.60)	
Basic and diluted net loss attributable to common stockholders per common share, pro forma	(0.62)	

For the nine months ended September 30, 2005 and 2006, the fair value of each employee stock option award was estimated on the date of grant based on the fair value method using the Black-Scholes option pricing valuation model with the following weighted average assumptions:

	Nine months ended September 30,		Period from inception (March 10, 2000) through September 30, 2006
	2005	2006	
Risk-free interest rate	3.83%	4.63%	3.61%
Expected life in years	5.00	6.25	5.22
Volatility	70%	75%	25%
Expected dividend yield	—	—	—
Weighted average grant-date fair value	\$ 3.30	\$ 2.45	\$ 1.32

Prior to January 17, 2005, the Company utilized the minimum value method and therefore did not consider volatility in estimating the fair value of its stock options.

(ii) *Stock Based Compensation under SFAS No. 123(R):*

Effective January 1, 2006, the Company adopted SFAS No. 123(R) using the modified prospective method of transition for employee stock option awards granted after January 17, 2005 (valued using the fair value method), and using the prospective method for awards granted prior to January 17, 2005 (valued using the minimum value method). Therefore, compensation cost recognized in the nine-month period ended September 30, 2006 includes: (a) compensation costs related to the vesting of employee stock options granted after January 17, 2005 but prior to January 1, 2006, based on the grant date fair value method estimated in accordance with the provisions of SFAS 123 adjusted for estimated forfeitures (b) compensation costs related to the continued vesting of nonvested restricted stock awards granted prior to January 1, 2006, and (c) compensation costs for all share-based payments granted or modified subsequent to January 1, 2006, based on the provisions of SFAS No. 123(R).

Prior to the adoption of SFAS No. 123(R), the Company presented its unamortized portion of deferred compensation cost for nonvested stock options in the consolidated statement of stockholders' equity (deficit) and comprehensive loss with a corresponding credit to additional paid-in capital. Upon the adoption of SFAS No. 123(R), these amounts were offset against each other. Under SFAS No. 123(R), an equity instrument is not considered to be issued until the instrument vests. As a result, compensation costs are recognized over the requisite service period with an offsetting credit to additional paid-in capital, and the deferred compensation balance of \$7,225,000 at January 1, 2006 was netted against additional paid-in capital during the first quarter of 2006.

The Company continued to use the Black-Scholes option pricing model as the most appropriate valuation method for its option grants. The Black-Scholes model requires inputs for risk-free interest rate, dividend yield, volatility and expected lives of the options. Since the Company has a limited history of stock activity, expected volatility is based on historical data from several public companies similar in size and value to the Company. The Company will continue to use a weighted average approach using historical volatility and other similar public entity volatility information until historical volatility of the Company is relevant to measure expected volatility for future option grants. The

Company estimates the forfeiture rate based on historical data. Based on an analysis of historical forfeitures, the Company has applied forfeiture rate of 10% to all options vesting in the nine months ended September 30, 2006. The analysis will be re-evaluated at least annually and the forfeiture rate will be adjusted as necessary. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected lives for options granted represents the period of time that options granted are expected to be outstanding. Since January 1, 2006 the Company has used the simplified method for determining the expected lives of options.

For awards with graded vesting, the Company allocates compensation costs under SFAS No. 123(R) on a straight-line basis over the requisite service period. The Company amortized the fair value of each option over each option's service period, which is generally the vesting period.

As a result of adopting SFAS No. 123(R) on January 1, 2006, the Company's net loss for the nine months ended September 30, 2006 was approximately \$2,435,000 higher than if it had continued to account for share-based compensation under APB Opinion No. 25.

The Company's net loss for the nine months ended September 30, 2006 includes \$3,585,000 of compensation costs and no income tax benefit related to the Company's stock-based compensation arrangements for employee and nonemployee awards. As of September 30, 2006, the total amount of unrecognized stock-based compensation expense is \$13,986,000 and will be recognized over a weighted average period of 3.0 years.

The following table outlines the details of recognized and unrecognized expense for these stock-based compensation arrangements (in thousands):

	Stock compensation expense for the nine months ended September 30, 2006	Unrecognized stock compensation expense as of September 30, 2006
Employee stock options	\$ 2,067	\$ 9,786
Repriced employee stock options	368	377
Employee option issued below fair value	58	22
Non-employee stock options	214	301
Restricted stock	878	3,500
	<u>\$ 3,585</u>	<u>\$ 13,986</u>

Stock-based compensation expense is allocated as follows (in thousands):

	Nine months ended September 30,	
	2005	2006
Research and development	\$ 2,046	\$ 2,578
General and administrative	657	1,007
Total	<u>\$ 2,703</u>	<u>\$ 3,585</u>

Certain of the employee stock options granted by the Company are structured to qualify as incentive stock options (ISOs). Under current tax regulations, the Company does not receive a tax deduction for the issuance, exercise or disposition of ISOs if the employee meets certain holding requirements. If the employee does not meet the holding requirements, a disqualifying disposition occurs, at which time the Company will receive a tax deduction. The Company does not record tax benefits related to ISOs unless and until a qualifying disposition occurs. In the event of a disqualifying disposition, the entire tax benefit is recorded as a reduction of income tax expense. The Company has not recognized any income tax benefit for the share-based compensation arrangement due to the fact that the Company does not believe it is more likely than not it will recognize any deferred tax assets from such compensation cost recognized in the current period.

### **Basic and Diluted Net Loss Per Common Share**

Net loss per share is computed based on the guidance of SFAS No. 128, *Earnings Per Share* (SFAS 128), requiring companies to report both basic net loss per common share, which is computed using the weighted average number of common shares outstanding during the period, and diluted net loss per common share, which is computed using the weighted average number of common shares outstanding and the weighted average dilutive potential common shares outstanding using the treasury stock method. However, for all periods presented, diluted net loss per share is the same as basic net loss per share as the inclusion of weighted average shares of common stock issuable upon the exercise of stock options and warrants and conversion of convertible preferred stock would be anti-dilutive.

The following table summarizes securities outstanding at each of the periods presented which were not included in the calculation of diluted net loss per share since their inclusion would be anti-dilutive.

	September 30	
	2005	2006
Common stock options	11,810,948	12,473,813
Nonvested restricted stock	1,317,728	1,140,000
Convertible preferred stock	—	8,210,411

The convertible preferred stock and accrued dividends have been reflected as being converted into common stock using a \$5.00 per share conversion factor. The convertible preferred stock has several different conversion rights that are discussed in note 5 to the unaudited consolidated financial statements.

The unaudited pro forma basic and diluted net loss per share calculations assume the conversion of the Series A convertible preferred stock and the payment of related dividends through the issuance of shares of common stock on the original date of issuance and at the then current rate of conversion.

		Nine months ended September 30, 2006
		(in thousands, except for share and per share amounts)
Historical		
Numerator		
Net loss attributable to common stockholders	\$	(45,835)
Denominator		
Weighted average common shares outstanding		89,054,467
Net loss attributable to common stockholders—basic and diluted	\$	(0.51)
Unaudited pro forma		
Numerator		
Net loss attributable to common stockholders used above	\$	(45,835)
Pro forma adjustment to eliminate dividends on convertible preferred stock		1,052
Pro forma net loss attributable to common stockholders	\$	(44,783)
Denominator		
Shares used above		89,054,467
Pro forma adjustment to reflect weighted average effect of assumed conversion of convertible preferred stock and accrued dividends into common stock		
Shares used to compute pro forma basic and diluted net loss per common share		
Pro forma net loss per common share—basic and diluted	\$	

### ***Recent Accounting Pronouncements***

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Correction* (SFAS No. 154). SFAS No. 154 is a replacement of APB Opinion No. 20, *Accounting Changes* (APB Opinion No. 20), and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements*. This statement applies to all voluntary changes in accounting principle, and changes the accounting for, and reporting of, a change in accounting principle. SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable to do so. APB Opinion No. 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to

the new accounting principle. SFAS No. 154 carries forward many provisions of APB Opinion No. 20 without change, including the provisions related to the reporting of a change in accounting, a change in the reporting entity, and the correction of an error. SFAS No. 154 does not change the transition provisions of any existing account pronouncements, including those that are in a transition phase as of the effective date of the statement. The Company adopted the provisions of SFAS No. 154 on January 1, 2006, and the adoption of the new standard did not have a material impact on the Company's consolidated financial position or consolidated statement of operations.

In June 2005, the FASB issued FSP 150-5. The FSP clarifies that freestanding warrants and similar instruments on shares that are redeemable should be accounted for as liabilities under SFAS No. 150, regardless of the timing of the redemption feature or price, even though the underlying shares may be classified as permanent or temporary equity. The FSP was effective for the first reporting period beginning after June 30, 2005. The Company adopted FSP 150-5 in 2006 and the impact was not material to the Company's consolidated financial position or consolidated statement of operations.

In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FAS 109*. This interpretation clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interpretation No. 48 is effective for fiscal years beginning after December 15, 2006. Earlier application is encouraged if the company has not yet issued financial statements, including interim financial statements, in the period Interpretation No. 48 is adopted. The Company is currently evaluating the impact the adoption of this interpretation will have on its consolidated results of operations and financial position.

### (3) Cash and Cash Equivalents and Marketable Securities

A summary of cash and cash equivalents and available-for-sale marketable securities held by the Company as of December 31, 2005 and September 30, 2006 is as follows:

December 31, 2005				
	Cost	Unrealized gains	Unrealized losses	Fair value
	(in thousands)			
Cash and cash equivalents:				
Cash and money market funds	\$ 23,809	\$ —	\$ —	\$ 23,809
Marketable securities:				
Corporate bonds:				
Due within 1 year	38,289	—	(41)	38,248
Total cash and cash equivalents and marketable securities	\$ 62,098	\$ —	\$ (41)	\$ 62,057



September 30, 2006				
	Cost	Unrealized gains	Unrealized losses	Fair value
(in thousands)				
Cash and cash equivalents:				
Cash and money market funds	\$ 41,802	\$ —	\$ —	\$ 41,802
Marketable securities:				
Corporate bonds:				
Due within 1 year	16,914	14	—	16,928
Total cash and cash equivalents and marketable securities	\$ 58,716	\$ 14	\$ —	\$ 58,730

#### (4) Property and Equipment

Property and equipment consist of the following:

	December 31, 2005	September 30, 2006
(in thousands)		
Laboratory equipment	\$ 7,272	\$ 8,075
Leasehold improvements	3,824	3,854
Computers and software	954	1,006
Furniture and fixtures	677	677
	12,727	13,612
Less accumulated depreciation and amortization	(4,600)	(7,403)
	\$ 8,127	\$ 6,209

Depreciation and amortization expenses of property and equipment were approximately \$1,653,000, \$2,828,000 and \$8,130,000 for the nine months ended September 30, 2005 and 2006 and the period from inception (March 10, 2000) through September 30, 2006, respectively.

#### (5) Stockholders' Equity

##### Convertible Preferred Stock

In June 2006, the Company sold 8,000,000 shares of its Series A Convertible Preferred Stock (the "Preferred Stock") at a price of \$5.00 per share resulting in gross proceeds of \$40 million. The Preferred Stock accrues a cumulative annual dividend of 8% of its purchase price.

##### *Liquidation Preference*

In the event of a liquidating event or deemed liquidating event as defined below, amounts available for distributions to holders of the Company's capital stock will be paid first to holders of the Preferred Stock, on a pro rata basis, equal to the Preferred Stock purchase price plus all accrued or declared but unpaid dividends (the "accrued dividends") and second ratably to holders of common stock.

A merger, acquisition, consolidation or sale of all or substantially all assets or other reorganizations or any transaction or series of transactions resulting in a transfer of more than 50% stock ownership of the Company constitutes a deemed liquidating event. The Preferred Stock is classified outside of permanent equity because the transfer of stock ownership is outside of the Company's control and, accordingly, is treated as redeemable.

### ***Voting rights***

The Preferred Stock generally votes together with common stock with the right to that number of votes equal to the number of shares of common stock then issuable upon conversion of the Preferred Stock.

### ***Conversion***

#### ***Voluntary conversion***

The number of shares of common stock into which each share of Preferred Stock may be converted at the holder's option is determined by dividing the Preferred Stock purchase price plus all accrued dividends by the Preferred Stock purchase price of \$5.00 per share.

#### ***Automatic conversion upon an initial public offering***

Each share of Preferred Stock will be automatically converted into shares of common stock upon the consummation of a firm commitment underwritten public offering of the Company's common stock (an "IPO"). The number of shares of common stock into which each share of Preferred Stock will be converted will be determined by dividing the Preferred Stock purchase price plus all accrued dividends by the lesser of \$5.00 or 66.6667% of the offering price to the public of the IPO.

#### ***Automatic conversion upon vote***

Each share of the Preferred Stock will be automatically converted into shares of common stock upon the affirmative vote of the holders of at least a majority of the Preferred Stock voting as a separate class. The number of shares of common stock into which each share of Preferred Stock will be converted will be determined by dividing the Preferred Stock purchase price plus all accrued dividends by the Preferred Stock purchase price of \$5.00 per share.

#### ***Optional conversion following qualified financing***

In the event that, prior to the closing of an IPO, the Company completes a Qualified Financing as defined below, each share of the Preferred Stock will be convertible at any time within the two month period following such Qualified Financing, at the option of the holder, into shares of the same type and class of capital stock of the Company issued in such Qualified Financing (the "Investor Stock"). The number of shares of Investor Stock into which each share of Preferred Stock will be converted will be determined by dividing the Preferred Stock purchase price plus all accrued dividends by the price per share paid by the purchasers of such shares of Investor Stock. A "Qualified Financing" means a transaction, or series of related transactions, entered into by the Company for the primary purpose of raising capital in which the Company issues shares of Investor Stock and receives gross proceeds of at

least \$5.0 million; provided that a Qualified Financing does not include an IPO nor any sale of equity by the Company entered into by the Company primarily for purposes other than capital raising, as reasonably determined by the Board of Directors. This right of optional conversion shall apply only to the first Qualified Financing occurring after the closing of the sale of the Preferred Stock, and not to any other successive transaction, or series of related transactions, entered into by the Company for the primary purpose of raising capital and may be waived or eliminated by the affirmative vote of the holders of at least a majority of the Preferred Stock voting as a separate class.

#### *Proportional adjustments*

The Preferred Stock, including its conversion price, is subject to proportional adjustments for stock dividends, stock splits, combinations or other similar recapitalization affecting to shares of common stock.

#### **Common Stock**

In April 2006, the Company issued the chief executive officer 19,503 shares of its common stock at \$3.50 per share in connection with a partial payment of his annual bonus.

#### **(6) Stock Option Plans**

In March 2006, the Company terminated the Synta Pharmaceuticals Corp. 2001 Stock Plan (the 2001 Stock Option Plan) and adopted the Synta Pharmaceuticals Corp. 2006 Stock Plan (the 2006 Stock Option Plan). The 2006 Stock Option Plan provides for the grant of incentive stock options, nonstatutory stock options and nonvested stock to employees, officers, directors and consultants to the Company. A total of 9,625,000 shares of common stock have been reserved for issuance under the 2006 Stock Option Plan. The administration of the 2006 Stock Option Plan is under the general supervision of the board of directors. The exercise price of the stock options is determined by the board of directors, provided that incentive stock options are granted at not less than fair market value of the common stock on the date of grant and expire no later than ten years from the date the option is granted. Options generally vest over four years. The Company issues stock from its unissued stock pool to satisfy stock option exercises.

In February 2006, the Company's board of directors authorized the amendment of 3,732,300 stock options outstanding as of March 1, 2006 for active employees, board of directors and consultants under the 2001 Stock Option Plan having an exercise price of \$4.00 and above to provide for such options to have an amended exercise price equal to the then fair value of \$3.50 per share. The amendment affected 159 option holders, of which 150 were employees. The amendment was accounted for in the same manner as the cancellation of existing options and the grant of new options. The Company recognized compensation expense, in the amount of approximately \$269,000, to reflect the incremental compensation for vested options in connection with the re-pricing and \$99,000 of additional compensation in the nine months ended September 30, 2006 to reflect the amortization of the incremental compensation for the unvested options. As of September 30, 2006, the total amount of unrecognized additional stock-based compensation expense in connection with the amended shares is \$377,000 and will be recognized over a weighted average period of 3.2 years.

### Non-Vested ("Restricted") Stock Awards With Service Conditions

The Company's share-based compensation plan provides for awards of restricted shares of common stock to officers, other employees and non-employee directors. Restricted stock awards are subject to forfeiture if employment terminates during the prescribed retention period. The remaining unrecognized compensation expense on restricted stock at September 30, 2006 was \$3,500,000. The period over which the balance is expected to be recognized is up to thirty nine months. Vesting may accelerate upon the Food and Drug Administration approval of the Company's first New Drug Application.

### General Option Information

A summary of stock option activity is as follows:

	Options available for Grant	Options Outstanding	
		Shares	Weighted average exercise price of shares under plan
Outstanding at January 1	1,536,966	11,790,734	\$ 3.48
Granted	(2,934,851)	2,934,851	3.50
Exercised	—	(500)	4.00
Cancelled(1)	1,195,985	(2,251,272)	4.08
Additional shares reserved(2)	9,625,000	—	—
Outstanding at September 30	9,423,100	12,473,813	\$ 2.98

- (1) In March 2006, the Company terminated the 2001 Stock Option Plan and cancelled the then 373,890 shares reserved for future issuance.

Options cancelled subsequent to the March 2006 termination of the 2001 Stock Option Plan do not return to the pool of options available for future issuance.

Includes the effect of stock option cancellations for the period prior to termination of the 2001 Stock Plan of 1,110,375 shares.

Includes the effect of non-vested restricted stock cancellations for the period prior to termination of the 2001 Stock Plan of 450,000 shares.

Includes the effect of stock option cancellations under the 2006 Stock Plan of 9,500 shares.

- (2) In March 2006, the Company adopted the 2006 Stock Option Plan and authorized 9,625,000 shares for future issuance.

Included in the Company's stock options outstanding at September 30, 2006 are 1,591,724 options issued to non-employee consultants with a weighted average exercise price of \$2.12 of which 1,477,391 are vested. The compensation expense is recorded over the respective vesting periods and is subject to variable accounting treatment prior to vesting, whereby the Company remeasures the fair value of the options at the end of each reporting period. Compensation expense related to these options was approximately \$1,049,000, and \$214,000 for the nine months ended September 30, 2005 and 2006, respectively.

The following table summarizes information about currently outstanding and exercisable stock options at September 30, 2006:

Exercise price	Options Outstanding				Options Exercisable			
	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price per share	Aggregate intrinsic value	Number exercisable	Weighted average remaining contractual life	Weighted average exercise price per share	Aggregate intrinsic value
\$0.50	659,050	5.16	\$ 0.50	\$ 1,977,150	659,050	5.16	\$ 0.50	\$ 1,977,150
2.71	5,768,424	6.35	2.71	4,557,055	5,528,861	6.34	2.71	4,367,800
3.50	6,046,339	8.70	3.50	—	1,737,817	7.99	3.50	—
	12,473,813	7.43	\$ 2.98	\$ 6,534,205	7,925,728	6.60	\$ 2.70	\$ 6,344,950

The following table summarizes the stock-based payment awards to employees during 2006:

Recipient	Month Granted	Shares	Per Share Exercise/ Price	Per Share Fair Value	Per Share Intrinsic Value
Employees	January 2006	4,600	\$ 3.50	\$ 3.50	\$ —
Employees	February 2006	2,710,351	3.50	3.50	—
Employees	March 2006	18,000	3.50	3.50	—
Employees	May 2006	69,600	3.50	3.50	—
Employees	June 2006	24,300	3.50	3.50	—
Employees	July 2006	38,500	3.50	3.50	—
Employees	August 2006	43,000	3.50	3.50	—
Employees	September 2006	26,500	3.50	3.50	—
Total		2,934,851			

#### General Restricted Shares Information

The Company's restricted stock activity is as follows:

	2006	
	Shares	Weighted average grant date fair value
Outstanding at January 1	1,686,363	\$ 5.08
Granted	—	—
Exercised	—	—
Cancelled	(510,000)	4.52
Outstanding at September 30	1,176,363	\$ 5.33

In April 2006, stock options to purchase 500 shares of the Company's common stock were exercised, resulting in proceeds of \$2,000.

## (7) Accrued Expenses

Accrued expenses consist of the following:

	December 31, 2005	September 30, 2006
	(in thousands)	
Contracted research costs	\$ 5,541	\$ 4,000
Compensation and benefits	887	958
Professional fees	1,537	1,589
Other	776	505
	<u>\$ 8,741</u>	<u>\$ 7,052</u>

## (8) Commitments and Contingencies

### *Leases*

In August 2006, the Company renewed a lease for one of its research and office facilities for one year.

In August 2006, the Company renewed a lease for one of its research and office facilities for a five-year term and a five-year renewal option.

Minimum payment commitments exclusive of operating costs and taxes, under the Company's operating leases, including the lease extensions are as approximately as follows (in thousands):

Years ended December 31,	
2007	\$ 1,852
2008	843
2009	610
2010	523
2011	479
Total	<u>\$ 4,307</u>

## (9) Related-Party Transactions

### *Consulting Agreements*

The Company paid its scientific founder, who is also a member of its Board of Directors, consulting fees and installment payments related to an Agreement and Release of approximately \$300,000 in each of the nine months ended September 30, 2005 and 2006.

The Company paid a scientific advisory board member who is also a member of its Board of Directors, consulting fees of approximately \$38,000 in the nine months ended September 30, 2006.

**(10) Retirement Plan**

In April 2006, the Company began matching participants' contributions under its 401(k) retirement plan up to 6% of the employee's salary. The match is subject to a three-year equally graded vesting schedule and any forfeitures will be applied to reduce the Company's contributions. Company contributions for the nine months ended September 30, 2006 were approximately \$163,000, subject to forfeitures.

## **Report of Independent Registered Public Accounting Firm**

The Board of Directors  
Synta Pharmaceuticals Corp.:

We have audited the accompanying consolidated balance sheets of Synta Pharmaceuticals Corp. (the Company), a development-stage company, as of December 31, 2004 and 2005, and the related consolidated statements of operations, stockholders' equity (deficit) and comprehensive loss, and cash flows for each of the years in the three-year period ended December 31, 2005 and the period from inception (March 10, 2000) through December 31, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Synta Pharmaceuticals Corp. as of December 31, 2004 and 2005, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2005, and the period from inception (March 10, 2000) through December 31, 2005, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Boston, Massachusetts  
January 27, 2006



**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**

**Consolidated Balance Sheets**

(in thousands, except share and per share amounts)

	December 31	
	2004	2005
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 42,736	\$ 23,809
Restricted cash	457	457
Marketable securities available-for-sale	82,232	38,248
Prepaid expenses and other current assets	597	436
Total current assets	126,022	62,950
Property and equipment, net	4,797	8,127
Deferred offering costs	1,085	—
Other assets	115	133
Total assets	\$ 132,019	\$ 71,210
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 2,885	\$ 3,361
Accrued expenses	8,996	8,741
Capital lease obligations—current	537	1,915
Deferred revenue	457	457
Total current liabilities	12,875	14,474
Capital lease obligations—long-term	1,188	4,259
Total liabilities	14,063	18,733
Commitments and contingencies (note 10)		
Stockholders' equity		
Common stock, par value \$0.0001 per share.		
Authorized 150,000,000 shares; 90,202,937 shares issued and outstanding at December 31, 2004 and 90,697,855 shares issued and outstanding at December 31, 2005	9	9
Additional paid-in capital	238,923	239,022
Deferred compensation	(10,435)	(7,225)
Accumulated other comprehensive loss	(116)	(41)
Deficit accumulated during the development stage	(110,425)	(179,288)
Total stockholders' equity	117,956	52,477
Total liabilities and stockholders' equity	\$ 132,019	\$ 71,210

See accompanying notes to consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**

**Consolidated Statements of Operations**

(in thousands, except share and per share amounts)

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2005
	2003	2004	2005	
Research grant revenue	\$ 1,304	\$ 173	\$ —	\$ 1,477
Operating expenses:				
Research and development	24,337	38,136	59,901	129,943
In-process research and development	—	1,583	—	19,671
General and administrative	5,261	7,383	11,279	25,694
Other compensation expense(1)	—	—	—	9,315
Total operating expenses	29,598	47,102	71,180	184,623
Loss from operations	(28,294)	(46,929)	(71,180)	(183,146)
Other income:				
Investment income, net	416	995	2,317	3,858
Net loss	\$ (27,878)	\$ (45,934)	\$ (68,863)	\$ (179,288)
Basic and diluted weighted average common shares outstanding	60,096,198	74,815,599	89,013,693	
Basic and diluted net loss per common share	\$ (0.46)	\$ (0.61)	\$ (0.77)	

(1) Excluded from general and administrative expense.

See accompanying notes to consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**  
**Consolidated Statements of Stockholders' Equity (Deficit) and Comprehensive Loss**  
**(in thousands, except share amounts)**

	Common stock		Additional paid-in capital	Deferred compensation	Stock subscription receivable	Accumulated other comprehensive income (loss)	Deficit accumulated during the development stage	Total stockholders' equity (deficit)	Comprehensive loss
	Shares	Amount							
Balance at inception	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net loss	—	—	—	—	—	—	(78)	(78)	(78)
Balance at December 31, 2000	—	—	—	—	—	—	(78)	(78)	\$ (78)
Issuance of common shares to founders	20,400,000	2	—	—	—	—	—	2	—
Issuance of common shares	6,800,000	1	3,399	—	(225)	—	—	3,175	—
Issuance and remeasurement of stock options for services	—	—	120	(120)	—	—	—	—	—
Compensation expense related to stock options for services	—	—	—	26	—	—	—	26	—
Net loss	—	—	—	—	—	—	(381)	(381)	(381)
Balance at December 31, 2001	27,200,440	3	3,519	(94)	(225)	—	(459)	2,744	\$ (381)
Issuance of common shares	14,252,230	1	38,634	—	—	—	—	38,635	—
Issuance of common stock and warrants for Principia	4,939,500	1	15,859	—	—	—	—	15,860	—
Proceeds from stock subscription	—	—	—	—	225	—	—	225	—
Issuance of common stock for licenses	384,447	—	1,042	—	—	—	—	1,042	—
Issuance of common stock for Diagon	3,145,854	—	8,525	—	—	—	—	8,525	—
Issuance and remeasurement of stock options for services	—	—	851	(851)	—	—	—	—	—
Compensation expense related to stock options for services	—	—	—	274	—	—	—	274	—
Net loss	—	—	—	—	—	—	(36,154)	(36,154)	(36,154)
Balance at December 31, 2002	49,922,031	5	68,430	(671)	—	—	(36,613)	31,151	\$ (36,154)
Issuance of common shares, net	20,467,275	2	70,478	—	—	—	—	70,480	—
Amount due from stock subscription	—	—	500	—	(500)	—	—	—	—
Issuance of common stock for licenses	73,779	—	200	—	—	—	—	200	—
Exercise of stock warrants	575,476	—	288	—	—	—	—	288	—
Exercise of stock options	156,250	—	423	—	—	—	—	423	—
Modification of employee stock options	—	—	1,289	—	—	—	—	1,289	—
Issuance and remeasurement of stock options for services	—	—	2,541	(2,541)	—	—	—	—	—
Compensation expense related to stock options for services	—	—	—	905	—	—	—	905	—
Unrealized gain on marketable securities	—	—	—	—	—	33	—	33	33
Net loss	—	—	—	—	—	—	(27,878)	(27,878)	(27,878)
Balance at December 31, 2003	71,194,811	7	144,149	(2,307)	(500)	33	(64,491)	76,891	\$ (27,845)

See accompanying notes to consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**  
**Consolidated Statements of Stockholders' Equity (Deficit) and Comprehensive Loss (Continued)**  
**(in thousands, except share amounts)**

	Common stock		Additional paid-in capital	Deferred compensation	Stock subscription receivable	Accumulated other comprehensive income (loss)	Deficit accumulated during the development stage	Total stockholders' equity (deficit)	Comprehensive loss
	Shares	Amount							
Issuance of common shares under stock subscription	750,000	\$ —	\$ 2,493	\$ —	\$ 500	\$ —	\$ —	\$ 2,993	\$ —
Issuance of common shares, net	16,000,000	2	79,898	—	—	—	—	79,900	—
Issuance of common stock in connection with acquisition	553,344	—	2,213	—	—	—	—	2,213	—
Issuance of restricted common shares	1,460,000	—	8,030	(8,030)	—	—	—	—	—
Issuance stock options at less than fair value	—	—	471	(471)	—	—	—	—	—
Exercise of stock options	129,687	—	352	—	—	—	—	352	—
Exercise of stock warrants	115,095	—	58	—	—	—	—	58	—
Issuance and remeasurement of stock options for services	—	—	1,259	(1,259)	—	—	—	—	—
Compensation expense related to stock options for services	—	—	—	1,331	—	—	—	1,331	—
Compensation expense related to issuance of stock options and restricted stock below fair value	—	—	—	301	—	—	—	301	—
Unrealized loss on marketable securities	—	—	—	—	—	(149)	—	(149)	(149)
Net loss	—	—	—	—	—	—	(45,934)	(45,934)	(45,934)
Balance at December 31, 2004	90,202,937	9	238,923	(10,435)	—	(116)	(110,425)	117,956	(46,083)
Issuance of restricted common shares	386,363	—	1,425	(1,425)	—	—	—	—	—
Forfeitures of restricted common shares	(160,000)	—	(881)	743	—	—	—	(138)	—
Exercise of stock warrants	268,555	—	134	—	—	—	—	134	—
Issuance of stock options for services	—	—	201	(201)	—	—	—	—	—
Forfeitures of stock options for services	—	—	(329)	329	—	—	—	—	—
Remeasurement of stock options for services	—	—	(451)	451	—	—	—	—	—
Compensation cost related to stock options for services	—	—	—	1,142	—	—	—	1,142	—
Compensation expense related to issuance of stock options and restricted stock below fair value	—	—	—	2,171	—	—	—	2,171	—
Unrealized gains on marketable securities	—	—	—	—	—	75	—	75	75
Net loss	—	—	—	—	—	—	(68,863)	(68,863)	(68,863)
Balance at December 31, 2005	90,697,855	\$ 9	\$ 239,022	\$ (7,225)	\$ —	\$ (41)	\$ (179,288)	\$ 52,477	\$ (68,788)

See accompanying notes to consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**

**Consolidated Statements of Cash Flows**

(in thousands)

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2005
	2003	2004	2005	
<b>Cash flows from operating activities:</b>				
Net loss	\$ (27,878)	\$ (45,934)	(68,863)	\$ (179,288)
Adjustments to reconcile net loss to net cash used in operating activities:				
In-process research and development	—	1,583	—	19,671
Common stock issued for licenses	200	—	—	1,242
Expense deferred offering costs	—	—	1,085	1,085
Stock-related compensation expense	2,194	1,632	3,175	16,616
Depreciation and amortization	1,006	1,547	2,455	5,302
Changes in operating assets and liabilities, net of acquisitions:				
Restricted cash	(345)	(112)	—	(457)
Prepaid expenses and other current assets	(344)	(108)	161	(176)
Other assets	13	(33)	(17)	(65)
Accounts payable	202	2,041	476	2,781
Accrued expenses	995	5,477	(354)	6,812
Deferred revenue	345	112	—	457
Net cash used in operating activities	(23,612)	(33,795)	(61,882)	(126,020)
<b>Cash flows from investing activities:</b>				
Cash paid for acquisitions, net of cash acquired	—	—	—	(5,586)
Advances issued to related parties	—	—	—	(1,630)
Purchases of marketable securities	(47,916)	(124,711)	(184,365)	(356,992)
Sales and maturities of marketable securities	7,785	82,494	228,424	318,703
Repayment of advances from related parties	500	—	—	1,630
Purchases of property and equipment	(769)	(1,594)	(4,883)	(7,494)
Net cash provided by (used in) investing activities	(40,400)	(43,811)	39,176	(51,369)
<b>Cash flows from financing activities:</b>				
Proceeds from issuance of common stock and exercise of common stock warrants, net	70,768	82,951	134	195,890
Proceeds from exercise of stock options	424	352	—	776
Proceeds from sale—leaseback of property and equipment	—	1,317	4,745	6,062
Payment of capital lease obligation	(70)	(153)	(1,100)	(1,343)
Payment of deferred offering costs	—	(187)	—	(187)
Net cash provided by financing activities	71,122	84,280	3,779	201,198
Net increase in cash and cash equivalents	7,110	6,674	(18,927)	23,809
Cash and cash equivalents at beginning of period	28,952	36,062	42,736	—
Cash and cash equivalents at end of period	\$ 36,062	\$ 42,736	23,809	\$ 23,809
<b>Supplemental disclosure of cash flow information:</b>				
Acquisition of equipment under capital lease	—	\$ 1,878	5,549	\$ 7,427
Cash paid for interest	—	\$ 19	274	\$ 293

See accompanying notes to consolidated financial statements.

**SYNTA PHARMACEUTICALS CORP.**  
**(A Development-Stage Company)**

**Notes to Consolidated Financial Statements**

**(1) Nature of Business**

Synta Pharmaceuticals Corp. (the Company) was incorporated in March 2000 and commenced operations in July 2001. The Company is a biopharmaceutical company focusing on discovering, developing and commercializing small molecule drugs that address severe medical conditions, including cancer and chronic inflammatory diseases.

The Company is subject to risks common to emerging companies in the drug development and pharmaceutical industry including, but not limited to, uncertainty of product development and commercialization, lack of marketing and sales history, dependence on key personnel, uncertainty of market acceptance of products, product liability, uncertain protection of proprietary technology, potential inability to raise additional financing and compliance with FDA and other government regulations.

The Company has incurred significant operating losses since its inception and, as a result, at December 31, 2005 has a deficit accumulated during the development stage of \$179.3 million. Operations have been funded principally through the sale of common stock and capital leases. At December 31, 2005, the Company has approximately \$62.1 million in cash and marketable securities and believes it is sufficient to fund its operations over at least the next twelve months. Over the long-term the Company will need to raise additional capital to further its drug development efforts and its clinical trials. The Company is currently seeking corporate partners to enter into collaboration arrangements as part of its overall strategy to develop and commercialize its products. However, no assurances can be made that future capital will be available on terms acceptable to the Company to support its long-term liquidity needs.

**(2) Summary of Significant Accounting Policies**

***Basis of Presentation***

Since its inception, the Company has devoted its efforts to research, product development, and securing financing. Although the Company's planned principal operations have commenced, it has not earned significant revenue. Accordingly, the consolidated financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 7, *Accounting and Reporting by Development-Stage Enterprises*.

***Principles of Consolidation***

The consolidated financial statements include the financial statements of Synta Pharmaceuticals Corp. and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include long-term contract accruals, recoverability of long-lived and deferred tax assets, valuation of acquired in-process

research and development, measurement of stock-based compensation, and the fair value of the Company's common stock. The Company bases its estimates on historical experience and various other assumptions that management believes to be reasonable under the circumstances. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

Cash equivalents include money market funds and marketable securities. The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents. Changes in cash and cash equivalents may be affected by shifts in investment portfolio maturities, as well as actual cash disbursements.

### ***Marketable Securities***

The Company considers its marketable securities available-for-sale in accordance with SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. Marketable securities consist of investments in high-grade corporate, government and government agency obligations that are classified as available-for-sale. Since these securities are available to fund current operations they are classified as current assets on the consolidated balance sheets. Marketable securities are stated at fair value, including accrued interest, with their unrealized gains and losses included as a component of accumulated other comprehensive income (loss), which is a separate component of stockholders' equity, until such gains and losses are realized. The fair value of these securities is based on quoted market prices. If a decline in value is considered other-than-temporary, based on available evidence, the unrealized loss is transferred from other comprehensive income (loss) to the consolidated statement of operations. Realized gains and losses are determined on the specific identification method.

During the years ended December 31, 2004 and 2005, the Company recorded no realized gains and losses on marketable securities. There were no charges to write down marketable securities in 2004 and 2005.

### ***Credit Risk and Concentrations***

Financial instruments that potentially subject the Company to a concentration of credit risk consist of money market funds and marketable securities. Deposits with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and, therefore, bear minimal risk. Marketable securities consist of investments in high-grade corporate, government and government agency obligations. The Company's policy for investments in marketable securities, approved by the board of directors, establishes guidelines relating to diversification and maturities that allows the Company to manage risk.

### ***Fair Value of Financial Instruments***

The carrying amounts of the Company's financial instruments, which include cash equivalents, marketable securities, and capital lease obligations, approximate their fair values.



### ***Property and Equipment***

Property and equipment is carried at cost and depreciated using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Leasehold improvements are amortized over the lesser of the lease term or estimated useful life.

### ***Research and Development Costs***

Research and development costs are expensed as incurred in accordance with SFAS No. 2, *Accounting for Research and Development Costs*. Research and development costs are comprised of costs incurred in performing research and development activities, including salaries, benefits, facilities, research-related overhead, clinical trial costs, contracted services, technology acquisition license fees, and other external costs.

### ***Patents***

Costs to secure and defend patents are expensed as incurred and are classified as general and administrative expense in the Company's consolidated statements of operations. Patent expenses were approximately \$628,000, \$1,605,000, \$1,598,000 and \$3,989,000 for the years ended December 31, 2003, 2004, 2005, and for the period from inception (March 10, 2000) through December 31, 2005, respectively.

### ***Income Taxes***

The Company accounts for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*. Deferred tax assets and liabilities are determined based on differences between financial reporting and income tax basis of assets and liabilities, as well as net operating loss carryforwards, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse. Deferred tax assets may be reduced by a valuation allowance to reflect the uncertainty associated with their ultimate realization.

### ***Impairment of Long-Lived Assets***

The Company accounts for the impairment and disposition of long-lived assets in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS 144). In accordance with SFAS 144, management assesses the potential impairments of its long-lived assets whenever events or changes in circumstances indicate that an asset's carrying value may not be recoverable. If the carrying value exceeds the undiscounted future cash flows estimated to result from the use and eventual disposition of the asset, the Company writes down the asset to its estimated fair value. Management believes that no long-lived assets were impaired as of December 31, 2004 and 2005.

### ***Revenue Recognition***

Revenues to date have been generated by research grant contracts and, accordingly, the Company recognizes revenue in accordance with the Securities and Exchange Commission's (SEC) Staff Accounting Bulletin No. 101, *Revenue Recognition in Financial Statements* (SAB 101), as amended by Staff Accounting Bulletin No. 104, *Revenue Recognition* (SAB 104). Revenues from research contracts

are recognized in the period the related services are performed and the reimbursable costs are incurred. The Company is a development-stage enterprise, and no revenues have been derived to date from its principal operations.

### Stock-Based Compensation

The Company accounts for stock-based employee compensation arrangements using the intrinsic value method in accordance with Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, and complies with the disclosure provisions of SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS 123), as amended by SFAS No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure—An Amendment of SFAS No. 123* (SFAS 148). Under APB No. 25, compensation cost is recognized based on the difference, if any, on the date of grant between the fair value of the Company's common stock and the exercise price of stock options granted or the purchase price of restricted stock. Under SFAS No. 123, compensation cost is measured at the grant date based on the fair value of the award and is recognized on a pro rata basis over the service period, which is usually the vesting period.

The Company provides the disclosure requirements of SFAS 148. If compensation expense for the Company's stock-based compensation plan had been determined based on the fair value at the grant dates as calculated in accordance with SFAS No. 123, the Company's net loss would approximate the pro forma amounts below:

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2005
	2003	2004	2005	
	(in thousands, except per share amounts)			
Net loss, as reported	\$ (27,878)	\$ (45,934)	\$ (68,863)	\$ (179,288)
Add: stock-based employee compensation expense determined under the fair value method	(2,567)	(1,099)	(4,172)	(8,248)
Deduct: stock-based employee compensation expense included in reported net loss	1,419	301	2,034	3,754
Pro forma net loss	\$ (29,026)	\$ (46,732)	\$ (71,001)	\$ (183,782)
Basic and diluted net loss per common share, as reported	\$ (0.46)	\$ (0.61)	\$ (0.77)	—
Basic and diluted net loss per common share, pro forma	(0.48)	(0.62)	(0.80)	—

Historically, the Company estimated the fair value of its granted stock options and restricted stock awards using the Black-Scholes model by applying a present value approach which does not consider expected volatility of the underlying stock (minimum value method). For awards granted beginning in

January 2005, the Company applied the fair value method which considers volatility. The Company used the following weighted average assumptions:

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2005
	2003	2004	2005	
Risk-free interest rate	2.51%	3.78%	3.91%	3.44%
Expected life	5 years	5 years	5 years	5 years
Volatility	—	—	70%	15%
Expected dividend yield	—	—	—	—

The weighted average fair value per share of options and restricted stock granted to employees during 2003, 2004 and 2005 was \$0.33, \$2.52 and \$3.35, respectively.

Equity instruments issued to nonemployees are accounted for in accordance with the provisions of SFAS No. 123 and Emerging Issues Task Force (EITF) Issue No. 96-18, *Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling Goods or Services*.

### **Comprehensive Income (Loss)**

SFAS No. 130, *Reporting Comprehensive Income*, requires that all components of comprehensive income (loss) be disclosed in the consolidated financial statements. Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions, and other events and circumstances from non-owner sources. Changes in unrealized gains and losses on marketable securities represents the only difference between the Company's net loss and comprehensive loss.

### **Segment Reporting**

The Company has adopted SFAS No. 131, *Disclosure About Segments of an Enterprise and Related Information*, which requires companies to report selected information about operating segments, as well as enterprise-wide disclosures about products, services, geographical area, and major customers. Operating segments are determined based on the way management organizes its business for making operating decisions and assessing performance. The Company has only one operating segment, the discovery, development and commercialization of drug products.

### **Basic and Diluted Net Loss Per Common Share**

Net loss per share is computed based on the guidance of SFAS No. 128, *Earnings Per Share*, requiring companies to report both basic net loss per common share, which is computed using the weighted average number of common shares outstanding during the period, and diluted net loss per common share, which is computed using the weighted average number of common shares outstanding and the weighted average dilutive potential common shares outstanding using the treasury stock method. However, for all periods presented, diluted net loss per share is the same as basic net loss per

share as the inclusion of weighted average shares of unvested restricted common stock and common stock issuable upon the exercise of stock options and warrants would be anti-dilutive. In addition, the weighted average number of shares of unvested restricted common stock is excluded from basic weighted average common shares outstanding.

The following table summarizes securities outstanding as of each year-end which were not included in the calculation of diluted net loss per share as their inclusion would be anti-dilutive.

	December 31		
	2003	2004	2005
Common stock options	7,695,474	10,088,099	11,840,035
Common stock warrants	383,650	268,555	—
Unvested restricted common stock	—	1,460,000	1,686,363

### ***Recent Accounting Pronouncements***

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123R, *Share-Based Payment: an amendment of FASB Statements No. 123 and 95* (SFAS 123R), which requires companies to measure and recognize compensation expense for all stock-based payments at fair value. SFAS 123R is effective for annual periods beginning after June 15, 2005 and, thus, will be effective for us beginning with the first quarter of 2006. We are currently evaluating the impact of SFAS 123R on our financial position and results of operations. See note 2 for information related to the pro forma effects on our reported net loss and net loss per share of applying the fair value recognition provisions of the previous SFAS No. 123 to stock-based employee compensation.

### **(3) Acquisitions**

#### ***Principia Associates, Inc.***

In September 2002, the Company acquired all of the outstanding capital stock of Principia Associates, Inc. (Principia) and its wholly-owned subsidiary, SBR Pharmaceuticals Corp. (formerly Shionogi BioResearch Corp.) (SBR) in exchange for an aggregate of 4,939,500 shares of common stock of the Company together with warrants to purchase an aggregate of 959,126 shares of common stock of the Company, forgiveness of a \$1.0 million short-term promissory notes receivable and cash of approximately \$268,000. Total value of consideration paid was approximately \$16.9 million. Principia was formed and held by three stockholders of the Company. On July 31, 2002, Principia and members of the Company's board of directors, together with their respective affiliates, acquired a majority of the common stock of SBR. The Company's scientific founder, a member of the board of directors and major shareholder of the Company, previously owned approximately 20% of SBR.

The common stock of the Company was valued at \$2.71 per share, its fair value as determined by the Company's board of directors, for an aggregate value of approximately \$13.4 million. The common stock purchase warrants, which expire in 2005, have an exercise price of \$0.50 per share. The warrants were valued at approximately \$2.2 million using the Black-Scholes valuation pricing model, with the following assumptions: risk-free interest rate of 2.3%, volatility of 75%, and a life of three years.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition (in thousands):

Current assets, including cash of \$922	\$ 995
In-process research and development	13,888
Property and equipment	3,527
Other assets	67
	<hr/>
Total assets acquired	18,477
Liabilities assumed	1,617
	<hr/>
Net assets acquired	\$ 16,860
	<hr/>

For accounting purposes, the transaction was treated as an acquisition of assets and not a business combination because Principia did not meet the definition of a business under EITF 98-3, *Determination Whether a Nonmonetary Transaction Involves Receipt of Productive Assets or of a Business*. The purchase price was allocated to assets acquired and liabilities assumed based on management's analysis and estimates of fair values. Management's estimates of fair value are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. The acquired in-process research and development (IPR&D) was valued at \$11.7 million. The remaining excess purchase price over the identified tangible and intangible assets and liabilities assumed was approximately \$2.2 million. The excess amount was allocated to the acquired intangible assets, resulting in approximately \$13.9 million being assigned to IPR&D assets that were written off at the date of acquisition in accordance with FASB Interpretation No. 4, *Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method*.

The value assigned to IPR&D related to research projects for which technological feasibility had not yet been established and no future alternative uses existed. The fair value was determined using the income approach, which discounts expected future cash flows from projects under development to their net present value using a risk-adjusted rate. Each project was analyzed to determine the utilization of core technology; the complexity, cost and time to complete development; any alternative future use or current technological feasibility; and the stage of completion. Future cash flows were estimated, taking into account the expected life cycles of the product and the underlying technology, relevant market sizes and industry trends. The estimated net cash flows from these products were based on management's estimates of related revenues, cost of goods sold, R&D costs, selling, general and administrative costs, and income taxes. Discount rates ranging from 30% to 40% were utilized based on the nature of the technology of the products, the stage of completion of the projects, the complexity of the development effort and the risks associated with reaching technological feasibility of the projects.

SBR had three products under development at the acquisition date, contributing 63%, 27%, and 10% of the total IPR&D value. The products under development are intended to result in therapeutic products in the areas of oncology and autoimmune disease. Commercialization of any product is not anticipated for several years.

### ***Diagon Genetics, Inc.***

In December 2002, the Company acquired all of the outstanding capital stock of Diagon Genetics, Inc. (Diagon). The purchase price of approximately \$13.5 million consisted of 3,145,854 shares of common stock at a per share value of \$2.71 and \$5.0 million in cash. Diagon was previously owned by the Company's Chief Executive Officer and scientific founder, both of whom are board members and significant shareholders of the Company.

For accounting purposes, the transaction did not constitute a business combination because Diagon did not meet the definition of a business under EITF No. 98-3, *Determining Whether a Nonmonetary Transaction Involves Receipt of Productive Assets or of a Business*. At the time, Diagon's activities consisted of owning the rights to the development of certain intellectual property that might be used to develop therapeutic drug products. Commercialization of any product is not anticipated for several years. The Company allocated the purchase price to the fair value of the acquired assets and liabilities. As a result, the Company recorded in-process research and development of \$4.2 million, which was written off at the date of acquisition. As noted above, Diagon was previously owned by the Company's Chief Executive Officer and its scientific founder, both members of the Company's board of directors, therefore the remaining excess purchase price of \$9.3 million was charged to operations as other compensation expense in the accompanying consolidated statement of operations.

The value assigned to IPR&D related to research projects for which technological feasibility had not yet been established and no future alternative uses existed. The fair value was determined using the income approach, which discounts expected future cash flows from projects under development to their net present value using a risk-adjusted rate. Each project was analyzed to determine the utilization of core technology; the complexity, cost and time to complete development; any alternative future use or current technological feasibility; and the stage of completion. Future cash flows were estimated, taking into account the expected life cycles of the product and the underlying technology, relevant market sizes and industry trends. The estimated net cash flows from these products were based on management's estimates of related revenues, cost of goods sold, R&D costs, selling, general and administrative costs, and income taxes. A discount rate of 30% was utilized based on the nature of the technology of the products, the stage of completion of the projects, the complexity of the development effort and the risks associated with reaching technological feasibility of the projects.

The Company had three products under development at the acquisition date, contributing 66%, 29%, and 5% of the total IPR&D value. The products under development are intended to result in therapeutic products in the areas of oncology, autoimmune disease, and allergy. Commercialization of any product is not anticipated for several years.

### ***Cancer Genomics, Inc., Kava Pharmaceuticals, Inc. and SinglePixel Biomedical, Inc.***

In January 2004, the Company acquired certain assets of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc. (Kava) and SinglePixel Biomedical, Inc. (collectively, CKS) in a single transaction. Direct and indirect shareholders in these companies included the Company's scientific founder, who is also a board member, as well as three current or former Company executives. The purchase price of approximately \$2.2 million consisted of 553,344 shares of the Company's common stock. In addition, the Company is required to make cash payments of up to \$2.0 million if certain milestones are

achieved. If commercialization is achieved, the Company will be required to pay royalties on the gross sales of any payment of service covered by the acquired technology. Under the terms of the Asset Purchase Agreement, if within 30 months following the sale, the Company has not initiated clinical trials for a Kava product, then the shareholders of Kava have the option to repurchase the intellectual property from the Company for \$750,000 for a period of three months after the 30 month period ends. The intellectual property acquired from Kava is unrelated to our current clinical programs or our programs in development.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition (in thousands):

In-process research and development	\$ 1,583
Property and equipment (including capitalized software)	736
	<hr/>
Total assets acquired	2,319
	<hr/>
Liabilities assumed	(106)
	<hr/>
Net assets acquired	\$ 2,213
	<hr/>

The purchase price was allocated to assets acquired and liabilities assumed based on management's analysis and estimates of fair values. Management's estimates of fair value are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. The acquired IPR&D was initially valued at approximately \$0.5 million. The remaining excess purchase price over the identified tangible and intangible assets and liabilities assumed was approximately \$1.1 million. The excess amount was allocated to the acquired intangible assets, resulting in approximately \$1.6 million being assigned to IPR&D assets that were written off at the date of acquisition in accordance with FASB Interpretation No. 4. The Kava IPR&D pertained to the small-molecule pharmaceutical for the treatment of anxiety and general pain. The initial value of the Kava IPR&D was based on the cost approach. During 2002, after an initial investment to advance the technology, the Company ceased further funding of the project.

#### (4) Cash, Cash Equivalents and Marketable Securities

A summary of cash and cash equivalents and available-for-sale marketable securities held by the Company as of December 31, 2004 and 2005 is as follows:

December 31, 2004				
	Cost	Unrealized gains	Unrealized losses	Fair value
(in thousands)				
Cash and cash equivalents:				
Cash and money market funds	\$ 25,381	\$	\$	\$ 25,381
Marketable securities with original maturities of less than 3 months	17,355	—	—	17,355
Total cash and cash equivalents	42,736			42,736
Marketable securities:				
Corporate bonds:				
Due within 1 year	71,412	—	(110)	71,302
Due within 1 to 2 years	4,486	—	(6)	4,480
	75,898	—	(116)	75,782
Government agency bonds:				
Due within 1 year	6,450	—	—	6,450
Total marketable securities	82,348	—	(116)	82,232
Total cash, cash equivalents and marketable securities	\$ 125,084	\$ —	\$ (116)	\$ 124,968
December 31, 2005				
	Cost	Unrealized gains	Unrealized losses	Fair value
(in thousands)				
Cash and cash equivalents:				
Cash and money market funds	\$ 23,809	\$ —	\$ —	\$ 23,809
Marketable securities:				
Corporate bonds:				
Due within 1 year	38,289	—	(41)	38,248
Total cash, cash equivalents and marketable securities	\$ 62,098	\$ —	\$ (41)	\$ 62,057



## (5) Property and Equipment

Property and equipment consist of the following at December 31:

	2004	2005
	(in thousands)	
Laboratory equipment	\$ 5,109	\$ 7,272
Leasehold improvements	1,841	3,824
Office equipment	423	954
Furniture and fixtures	100	677
	7,473	12,727
Less accumulated depreciation and amortization	(2,676)	(4,600)
	\$ 4,797	\$ 8,127

Depreciation and amortization expenses of property and equipment were approximately \$1,006,000, \$1,547,000, \$2,455,000 and \$5,302,000 for the years ended December 31, 2003, 2004, 2005, and for the period from inception (March 10, 2000) through December 31, 2005, respectively. The net book value and accumulated depreciation of equipment under capital lease was \$1,752,000 and \$126,000, and \$4,609,000 and \$1,175,000, at December 31, 2004 and 2005, respectively.

## (6) Stockholders' Equity

### ***Capital Stock—Authorized Shares***

In October 2004, the Company's stockholders approved an increase in the number of authorized shares of common stock from 100,000,000 shares to 150,000,000 shares, each share having a \$0.0001 par value. As of December 31, 2005, 90,697,855 shares of common stock were issued and outstanding.

Each common stockholder is entitled to one vote for each share of stock held. The common stock will vote together with all other classes and series of stock of the Company as a single class on all actions to be taken by the Company's stockholders. Each share of common stock is entitled to receive dividends, as and when declared by the Company's board of directors.

The Company has never declared cash dividends on any of its capital stock and does not expect to do so in the foreseeable future.

On December 13, 2002, the Company entered into an Amended and Restated Investor Rights Agreement (the Investor Rights Agreement) with its three largest stockholders and their affiliates exclusive of the founders (the Investors). The Investors Rights Agreement grants certain rights and privileges to and places certain restrictions upon the Investors, including: (i) grants the Investor a right of first refusal to purchase the Investor's pro rata share of any private securities offering by the Company, so long as such Investor owns at least 5% of the Company's outstanding common stock; (ii) piggyback registration rights with respect to any registration by the Company of its securities in preparation for a public offering, with priority over other Company stockholders; (iii) demand registration rights commencing 180 days after a public offering in which such Investor did not exercise its piggyback registration rights, allowing the Investor to demand that the Company register the Investor's securities so long as the value of such securities equals or exceeds \$5.0 million; and (iv) places restrictions upon the Investors' abilities to transfer, contract to transfer, or enter into any swap

agreement related to the Company's securities starting from the date of an initial public offering and ending up to 180 days later, provided that all of the Company's directors, executive officers, and 1% or greater shareholders agree to similar restrictions. Finally, the Company bears certain information reporting and indemnification obligations with respect to the Investors and the registration of the Company's securities, and the Investors bear certain indemnification obligations to the Company with respect to the registration of the Investor's Company securities.

### ***Issuance of Common Stock***

In July 2001, the Company issued 20,400,000 shares of its common stock to its founding members for \$0.0001 per share.

Between July and December 2001, the Company sold 6,800,000 shares of its common stock at \$0.50 per share (the A Round Financing) through a stock subscription, resulting in gross proceeds of \$3.4 million. As of December 31, 2001, the Company had a stock subscription receivable of \$225,000, which was received in 2002.

During 2002, the Company sold 14,252,230 shares of its common stock at \$2.7108 per share (the B Round Financing), resulting in gross proceeds of approximately \$38.6 million.

In July and December 2002, the Company issued an aggregate of 384,447 shares of its common stock, plus \$30,000 of cash, in exchange for exclusive royalty-bearing licenses for certain patent rights. The aggregate value of the stock and cash consideration of \$1,072,000 was charged immediately to research and development costs.

Between January and March 2003, the Company completed the B Round Financing by issuing 8,717,275 shares of common stock at \$2.7108 per share, which resulted in gross proceeds of approximately \$23.6 million.

In March 2003, the Company issued 73,779 shares of its common stock, plus \$40,000 cash, in exchange for an exclusive royalty-bearing license for certain patent rights. The total value of the consideration paid of \$240,000 was expensed immediately to research and development costs (see note 10).

In September 2003, the Company commenced the sale of 12,500,000 shares of its common stock at \$4.00 per share (the C Round Financing). Through December 31, 2003, the Company had issued 11,750,000 shares, resulting in gross proceeds of \$47.0 million. In addition, 125,000 shares of common stock were subscribed but unissued. The stock subscription receivable of \$500,000 is reflected as a component of stockholders' equity on the accompanying consolidated balance sheet. The remaining 750,000 shares of common stock were issued in January 2004, which resulted in additional gross proceeds of \$3.0 million.

In January 2004, the Company received the proceeds under a stock subscription for 750,000 shares of its common stock at \$4.00 per share, for net proceeds of \$2,993,000 (C Round Financing).

In November 2004, the Company sold 16,000,000 shares of its common stock at \$5.00 per share, for net proceeds of \$79,900,000.

In 2002 and 2004, the Company issued common stock in connection with acquisitions (see note 3).

### ***Issuance of Restricted Stock***

During 2004 and 2005, the Company sold and issued 1,460,000 and 350,000 restricted shares of common stock, respectively, to its officers and certain employees at par value, of which 160,000 of these restricted shares were forfeited in 2005. Holders of 1,300,000 of the restricted shares employed by the Company in January 2007 will become vested in 50% of the restricted stock. The remaining 50% vests upon the earlier of January 2009 or the approval of the Company's first New Drug Application (NDA) by the Food and Drug Administration (FDA). Holders of 350,000 shares of the restricted shares employed by the Company in January 2008 will become vested in 50% of the restricted stock. The remaining 50% vests upon the earlier of January 2010 or the approval of the Company's first NDA by the FDA. During 2005 the Company sold and issued 36,363 shares of restricted stock at par value to certain members of its Board of Directors in connection with their participation in committees of the Board of Directors. These restricted shares vest over the service periods of committee memberships, generally one year. The excess of the fair value over the purchase price of the common stock at the date of issuance, an aggregate of approximately \$9.5 million, has been recorded as deferred compensation and is being amortized and expensed ratably over the estimated vesting periods. Compensation expense recognized for restricted shares was approximately \$59,000 and \$1,916,000 in 2004 and 2005, respectively.

### ***Warrants***

In September 2002, the Company issued warrants to purchase an aggregate of 959,126 shares of its common stock at an exercise price of \$0.50 per share and with an expiration date of September 19, 2005, in connection with its acquisition of Principia (see note 3). In December 2003, warrants to purchase 575,476 shares of the Company's common stock were exercised, resulting in proceeds of \$288,000. In November 2004, warrants to purchase 115,095 shares of the Company's common stock were exercised, resulting in proceeds of \$58,000. In January 2005, the remaining outstanding warrants to purchase 268,555 shares of the Company's common stock were exercised, resulting in proceeds to the Company of \$134,000.

### ***(7) 2001 Stock Option Plan***

In July 2001, the Company adopted the Synta Pharmaceuticals Corp. 2001 Stock Plan (the 2001 Stock Option Plan). The 2001 Stock Option Plan provides for the grant of incentive stock options, nonstatutory stock options and restricted stock to employees, officers, directors and consultants to the Company. A total of 15,000,000 shares of common stock have been reserved for issuance under the 2001 Stock Option Plan. The administration of the 2001 Stock Option Plan is under the general supervision of the board of directors. The exercise price of the stock options will be determined by the board of directors, provided that incentive stock options will be granted at not less than fair market value of the common stock on the date of grant and will expire no later than ten years from the date the option is granted. As of December 31, 2005, the Company had options outstanding to purchase 11,790,734 shares of its common stock, including options to purchase 300,000 shares of the Company's common stock granted outside of the 2001 Stock Option Plan, had outstanding 1,686,363 restricted shares of common stock and had 1,536,966 shares available for future issuances under the 2001 Stock Option Plan.

The Company's stock option activity for the years ended December 31, 2003, 2004, and 2005 is as follows:

	2003		2004		2005	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Outstanding at January 1	5,559,224	\$ 2.42	7,695,474	\$ 2.55	10,048,449	\$ 2.95
Granted	3,156,000	2.82	3,066,375	3.93	2,818,300	5.50
Exercised	(156,250)	2.71	(129,687)	2.71	—	—
Cancelled	(863,500)	2.69	(583,713)	2.77	(1,076,015)	3.83
Outstanding at December 31	7,695,474	2.55	10,048,449	2.95	11,790,734	3.48
Exercisable at December 31	2,952,620	\$ 2.37	4,937,398	\$ 2.47	6,990,788	\$ 2.70

The following table summarizes information about stock options outstanding at December 31, 2005:

	Options outstanding			Options exercisable	
Exercise price	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$0.50	659,050	5.91	\$ 0.50	651,550	\$ 0.50
2.71	6,232,830	7.11	2.71	5,324,812	2.71
3.50	4,000	9.99	3.50	—	—
4.00	2,062,604	8.38	4.00	964,117	4.00
5.00	147,250	8.96	5.00	50,309	5.00
5.50	2,685,000	9.36	5.50	—	—
	11,790,734			6,990,788	

In 2003, 2004, and 2005, the Company issued stock options to purchase 457,400, 226,000 and 45,000 shares of common stock, respectively, to nonemployee consultants, including its scientific advisors. The compensation expense is recorded over the respective vesting periods and is subject to variable accounting treatment prior to vesting, whereby the Company remeasures the fair value of the options at the end of each reporting period using the Black-Scholes valuation pricing model including estimated volatility. Compensation expense related to these options was approximately \$775,000, \$1,331,000, \$1,142,000 and \$3,548,000 for the years ended December 31, 2003, 2004, 2005, and for the period from inception (March 10, 2000) through December 31, 2005, respectively.

In connection with a separation agreement with a former officer in 2003 that was memorialized in 2004, the Company accelerated the vesting and extended the time in which the officer may exercise options to purchase 187,500 shares of the Company's common stock and extended the time in which the officer may exercise vested options to purchase an additional 812,500 shares of the Company's common stock. In addition, options to purchase 800,000 shares of the Company's common stock were

cancelled pursuant to the terms thereof. The Company recorded a non-cash compensation charge of approximately \$1,289,000 related to the modification of the options. In addition, the Company agreed to pay the officer an aggregate of \$450,000 during 2004 and 2005. In 2003, the Company recorded a total charge of approximately \$1.7 million to research and development.

Stock-based compensation expense is allocated as follows (in thousands):

	Year ended December 30,		
	2003	2004	2005
Research and development	\$ 2,064	\$ 1,204	\$ 2,397
General and administrative	130	428	778
<b>Total</b>	<b>\$ 2,194</b>	<b>\$ 1,632</b>	<b>\$ 3,175</b>

The following table outlines the stock option grants and issuance of restricted stock during 2005:

Recipient	Month Issued or Granted	Shares	Per Share Exercise/ Purchase Price	Per Share Fair Value	Per Share Intrinsic Value
<b>Grants of stock options:</b>					
Employees	January 2005	310,000	\$ 5.50	\$ 5.50	\$ —
Employees	February 2005	1,361,800	5.50	5.50	—
Advisory board member	February 2005	40,000	5.50	5.50	—
Consultant	February 2005	5,000	5.50	5.50	—
Employees	March 2005	90,000	5.50	5.50	—
Employees	April 2005	473,000	5.50	5.50	—
Employees	May 2005	157,700	5.50	5.50	—
Employees	June 2005	75,000	5.50	5.50	—
Employees	July 2005	4,000	5.50	5.50	—
Employees	August 2005	29,000	5.50	5.50	—
Employees	September 2005	63,000	5.50	5.50	—
Board member	September 2005	60,000	5.50	5.50	—
Employees	October 2005	43,000	5.50	5.50	—
Employees	November 2005	84,600	5.50	5.50	—
Employees	December 2005	15,500	5.50	5.50	—
Employees	December 2005	4,000	3.50	3.50	—
<b>Issuance of restricted stock</b>					
Board members	January 2005	12,726	—	5.50	5.50
Board members	October 2005	23,637	—	5.50	5.50
Employees	December 2005	350,000	—	3.50	3.50
<b>Total</b>		<b>3,201,963</b>			

## (8) Accrued Expenses

Accrued expenses consist of the following at December 31:

	2004	2005
	(in thousands)	
Contracted research costs	\$ 6,372	\$ 5,541
Compensation and benefits	647	887
Professional fees	1,413	1,537
Other	564	776
	<u>\$ 8,996</u>	<u>\$ 8,741</u>

## (9) Income Taxes

Differences between the actual tax benefit and tax benefit computed using the United States federal income tax rate is as follows:

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2004
	2003	2004	2005	
	(in thousands)			
Income tax benefit at statutory rate	\$ (9,478)	\$ (15,618)	\$ (23,414)	\$ (61,325)
In-process research and development	—	—	—	6,331
Stock-based compensation	438	—	—	3,710
Tax credits	(425)	(1,434)	(2,232)	(5,167)
Other	370	20	33	426
Change in valuation allowance	9,095	17,032	25,613	56,025
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, are presented below:

	2004	2005
	(in thousands)	
Deferred tax assets:		
Federal and state net operating loss carryforwards	\$ 33,429	\$ 60,054
Federal and state research and experimentation credits	3,866	6,422
Licenses	787	725
Depreciation and amortization	1,132	901
Deferred compensation	1,168	2,366
Other	255	536
	<u>40,637</u>	<u>71,004</u>
Less valuation allowance	(40,637)	(71,004)
	<u>\$ —</u>	<u>\$ —</u>

The valuation allowance for deferred tax assets was approximately \$40,637,000 and \$71,004,000 as of December 31, 2004 and 2005, respectively. The increase in the total valuation allowance for the years ended December 31, 2004 and 2005, and for the period from inception (March 10, 2000) through December 31, 2005 was approximately \$16,203,000, \$30,367,000 and \$71,004,000, respectively. The Company has established valuation allowances against its deferred tax assets because management believes that, after considering all of the available objective evidence, both historical and perspective, the realization of the deferred tax assets does not meet the "more likely than not" criteria under SFAS No. 109.

The Company completed an analysis to determine if there were changes in ownership, as defined by Section 382 of the Internal Revenue Code, that would limit its ability to utilize certain net operating loss and tax credit carryforwards. The Company determined that it experienced an ownership change, as defined by Section 382, in connection with its acquisition of Principia Associates, Inc. on September 20, 2002. As a result, the utilization of the Company's federal tax net operating loss carryforwards generated prior to the ownership change is limited. As of December 31, 2005, the Company has net operating loss carryforwards for U.S. federal tax purposes of approximately \$151,514,000, after taking into consideration net operating losses expected to expire unused as a result of Section 382 limitations, and the remainder will expire in varying amounts through 2025 unless utilized. At December 31, 2005, the Company has state net operating loss carryforwards of approximately \$136,185,000, which will expire through 2010 unless utilized. The utilization of these net operating loss carryforwards may be further limited if the Company experiences future ownership changes as defined in Section 382 of the Internal Revenue Code. At December 31, 2005, the Company had approximately \$5,469,000 and \$1,444,000, respectively, in federal and state research and development credits which expire through 2025 and 2020, respectively.

## **(10) Commitments and Contingencies**

### ***Leases***

The Company leases its research and office facilities under non-cancelable operating leases with terms expiring through 2009. Each of these leases contains renewal options ranging from one to five years.

The Company subleased laboratory and office space from its scientific founder, who is a major shareholder of the Company, under a tenant-at-will arrangement. This lease was assumed by the Company in May 2005.

In November 2004, the Company entered into an agreement for property and equipment lease line of credit which was amended in 2005. Under the amended agreement, the Company may periodically directly lease, or sell and lease-back, up to \$6.0 million of property and equipment, with payment periods of 36 or 48 months and a \$1.00 purchase option at the end of each lease period. The lease rates are based upon a fixed base interest rate plus the respective prevailing 36- or 48-month U.S. Treasury Bill interest rates at the time of each funding. The leases are accounted for as capital leases. In 2004 and 2005, the Company sold and leased back under this agreement an aggregate of approximately \$6.1 million of its previously purchased property and equipment, of which approximately \$4.8 million and \$1.3 million were capitalized and are being paid over 36 and 48 months, respectively. As a result, the Company recorded net deferred gain of approximately \$306,000 which is being

amortized over the applicable lease periods. The Company also leases certain vehicles and equipment under various other non-cancelable capital and operating leases.

Future minimum payments, excluding operating costs and taxes, under the Company's capital and non-cancelable operating leases, are approximately as follows (in thousands):

	Capital leases	Operating leases
Years ended December 31,		
2006	\$ 2,431	\$ 1,883
2007	2,306	984
2008	1,628	320
2009	846	113
2010	—	—
Total minimum lease payments	7,211	\$ 3,300
Less: amount representing interest	(1,037)	
Present value of minimum capital lease payments	6,174	
Less current portions of capital lease obligations	(1,915)	
Capital lease obligations—long term	\$ 4,259	

Rent expense was approximately \$1,049,000, \$1,338,000, \$2,217,000 and \$4,938,000 for the years ended December 31, 2003, 2004, 2005, and for the period from inception (March 10, 2000) through December 31, 2005, respectively, including rent paid for the lease from its scientific founder in the amounts of approximately \$194,000, \$213,000, \$96,000 and \$691,000, respectively.

### **License Agreements**

#### *Queen's Medical Center*

In March 2003, the Company entered into an exclusive, royalty-bearing license agreement with Queen's Medical Center (QMC) for certain technology related to ion channel technologies. The Company paid QMC cash of \$40,000 and issued 73,779 shares of its common stock. The total consideration paid of approximately \$240,000 was expensed immediately to research and development costs. Under the terms of the Agreement, if certain milestones are met, the Company is obligated to make cash payments of up to an aggregate of \$1.0 million. If commercialization is achieved, the Company will be required to pay royalties to QMC on the net sales of any product using the licensed technologies. In the event the Company grants a sublicense of the licensed technology, the Company is obligated to compensate QMC a percentage of all fees received from the sublicense.

Through December 31, 2005, no milestone, royalty, or sublicense payments had been earned by or paid to QMC.

#### *Beth Israel Deaconess Medical Center*

In connection with its acquisition of Diagon in December 2002 (see note 3), the Company acquired two exclusive licenses relating primarily to monoclonal antibodies and ion channel technologies, respectively, in return for payment of cash and 184,447 shares of its common stock to



Beth Israel Deaconess Medical Center (Beth Israel). The total value of the stock of \$500,000 was expensed immediately by the Company to research and development costs. Under the terms of the licenses, if certain milestones are met, the Company is required to make cash payments up to an aggregate of \$2.0 million. If commercialization is achieved, the Company will be required to pay royalties on the net sales of any product using the licensed technologies. In the event the Company grants a sublicense of the licensed technologies, the Company is obligated to compensate Beth Israel a percentage of all fees received from the sublicense.

As a result of the Diagon acquisition, the Company also assumed an exclusive license with Beth Israel to specific know-how relating to certain calcium channels. Under the terms of the agreement, if certain milestones are met, the Company is required to make cash payments up to an aggregate of \$800,000. If commercialization is achieved, the Company will be required to pay royalties on the net sales of any product using the licensed know-how.

Through December 31, 2005, no milestone, royalty or sublicense payments had been earned by or paid to Beth Israel.

#### *Dana-Farber Cancer Institute*

In July 2002, the Company entered into an exclusive license agreement with Dana-Farber Cancer Institute (DFCI) for certain patent rights relating to the use of immune system modulators with other agents for use against cancer. The Company paid DFCI cash of approximately \$30,000 and issued 200,000 shares of its common stock. The total consideration paid of approximately \$572,000 was expensed immediately to research and development costs. Under the terms of the agreement, if certain milestones are met, the Company is required to make cash payments up to an aggregate of \$600,000. If commercialization is achieved, the Company will be required to pay nominal royalties on the net sales of any product using the licensed technologies.

Through December 31, 2005, no milestone, royalty or sublicense payments had been earned by or paid to DFCI.

#### ***Consulting Agreements***

In July 2002, the Company entered into a consulting agreement with a member of its scientific advisory board (SAB), which was amended and restated effective January 1, 2004. The agreement has an initial term of two years from the amendment date and automatically extends for additional one-year terms unless thirty days' written notice is given by either party. In addition to an annual consulting fee, in the event the Company executes a transaction during the first two years of the consulting agreement in which the Company grants a license or other right of certain defined intellectual property, the SAB member is entitled to a one-time bonus payment of \$150,000 and a portion of any up-front license fee, milestone payments or equity payments to purchase the Company's common stock over a certain defined amount related to the license transaction. The bonus and milestone payments may be paid in either cash or common stock, at the Company's discretion. In addition, the Company will pay QMC a portion of any committed research payments received by the Company that directly relate to the intellectual property, provided that the research agreement with QMC remains in effect when such payment is received by the Company. The SAB member may be entitled to a retention bonus of \$1.0

million in the event the Company is acquired or there is a sale of substantially all of the assets related to the consulting agreement, subject to certain limitations.

In October 2002, the Company entered into a consulting agreement with an SAB member for scientific advisory services which was amended in October 2003. Under the amended consulting agreement, the term is four years from the effective date of the amendment, and for a one-time payment of \$400,000, a one-time bonus payment based on the achievement of a certain performance milestone was eliminated. In addition to an annual consulting fee, the consultant is entitled a bonus payment of a portion of any up-front or milestone payments received by the Company related to calcium channel technology during the four-year term of the amended agreement.

### ***Guarantees***

As permitted under Delaware law, the Company's Certificate of Incorporation and Bylaws provide that the Company will indemnify certain of its officers and directors for certain claims asserted against them in connection with their service as an officer or director. The maximum potential amount of future payments that the Company could be required to make under these indemnification provisions is unlimited. However, the Company has purchased a directors' and officers' liability insurance policy that reduces its monetary exposure and enables it to recover a portion of any future amounts paid. The Company believes the estimated fair value of these indemnification arrangements is minimal.

The Company customarily agrees in the ordinary course of its business to indemnification provisions in agreements with clinical trials investigators in its drug development programs, in sponsored research agreements with academic and not-for-profit institutions, in various comparable agreements involving parties performing services for the Company in the ordinary course of business, and in its real estate leases. The Company also expects to agree to certain indemnification provisions in any drug discovery and development collaboration agreements. With respect to the Company's clinical trials and sponsored research agreements, these indemnification provisions typically apply to any claim asserted against the investigator or the investigator's institution relating to personal injury or property damage, violations of law or certain breaches of the Company's contractual obligations arising out of the research or clinical testing of the Company's compounds or drug candidates. With respect to lease agreements, the indemnification provisions typically apply to claims asserted against the landlord relating to personal injury or property damage caused by the Company, to violations of law by the Company or to certain breaches of the Company's contractual obligations. The indemnification provisions appearing in collaboration agreements are similar, but in addition provide some limited indemnification for its collaborator in the event of third-party claims alleging infringement of intellectual property rights. In each of the cases above, the term of these indemnification provisions generally survives the termination of the agreement, although the provision has the most relevance during the contract term and for a short period of time thereafter. The maximum potential amount of future payments that the Company could be required to make under these provisions is generally unlimited. The Company purchased insurance policies covering personal injury, property damage and general liability that reduce its exposure for indemnification and would enable it in many cases to recover a portion of any future amounts paid. The Company has never paid any material amounts to defend lawsuits or settle claims related to these indemnification provisions. Accordingly, the Company believes the estimated fair value of these indemnification arrangements is minimal.

## **(11) Related Party Transactions**

In January 2005, the Company entered into an Agreement and Release with its scientific founder, who is a board member, whereby all outstanding matters regarding various oral understandings and arrangements between the scientific founder and the Company were resolved, including arrangements relating to (1) the assignment by the scientific founder of the benefit of his interests, if any, resulting from the Company's acquisition of the net assets of CKS, (2) the scientific founder's assignment of inventions, non-competition, non-solicitation and confidentiality agreements with the Company, and (3) a release by the scientific founder of any and all claims that the scientific founder may have had against the Company. Pursuant to this agreement, the Company is paying the scientific founder \$500,000, payable in \$25,000 installments quarterly for five years. The full amount of the obligation was charged to research and development expense in 2005.

The Company pays its scientific founder and a member of the board consulting fees of approximately \$25,000 per month. Total consulting fees paid in 2003, 2004 and 2005 were approximately \$300,000 each year.

During 2001 and 2002, the Company contracted with a company owned by the Company's scientific founder, board member and significant shareholder to provide drug development testing services. Amounts advanced under this arrangement totaled \$1.0 million and \$500,000 as of December 31, 2001 and 2002, respectively. During 2002 and 2003, all advances were paid back to the Company as no services were ever performed.

On August 23, 2002 and September 11, 2002, the Company issued two promissory notes receivable of \$500,000 each to SBR (a wholly-owned subsidiary of Principia). The promissory notes had a fixed interest rate of 7% and were due on December 31, 2002. The promissory notes were forgiven in connection with the Company's acquisition of Principia (see note 3).

## **(12) Retirement Plan**

In 2003, the Company implemented a 401(k) retirement plan (the Synta 401(k) Plan) in which substantially all of its permanent employees are eligible to participate. Participants may contribute a percentage of their annual compensation to the plan, subject to statutory limitations. The Company may declare discretionary matching contributions to the Synta 401(k) Plan. As of December 31, 2005, the Company had not declared any matching contributions since inception of the plan.

## **(13) Research Grant Contracts**

In August 2002, the Company was awarded a \$250,000 government contract with the Office of Naval Research to perform scientific research services related to the monitoring of biological agents. In 2003, the Company performed all services and received full funding, and recognized \$250,000 as research grant revenue for services performed under the terms of the contract.

In September 2002, the Company was appointed as a subcontractor to a contract awarded by the Defense Advanced Research Projects Agency (DARPA). The Company's subcontract award totaled \$1.2 million and required the Company to provide scientific services utilizing expertise in immunology, screening and diagnostics. No services were performed in 2002. During 2003 and 2004, the Company recognized approximately \$1.1 million and \$0.1 million, respectively, of research grant revenue for services performed under the terms of the subcontract, which concluded March 31, 2004.

In May 2003, the Company was awarded a \$500,000 government contract with DARPA to perform research services associated with performance enhancement. As of December 31, 2003, the Company had recognized approximately \$43,000 of research grant revenue for services performed under the terms of the contract, which expired in September 2004. In addition, the Company recorded deferred revenue of approximately \$457,000, which represents advance payments received under this contract. In accordance to the terms of the DARPA contract, the advance payments received by the Company are deposited in a separate interest-bearing account and are recorded as restricted cash as of December 31, 2005.

**(14) Initial Public Offering Costs**

During 2004 and 2005 the Company incurred \$2,389,000 of costs in connection with its planned initial public offering of common stock, of which \$1,084,000 was deferred at December 31, 2004. Following the Company's filing of its S-1 with the Securities and Exchange Commission in 2005, the Company determined that it would not complete the planned offering and withdrew its filing. The Company did not reactivate and complete its offering within 90 days of the withdrawal of the filing and, accordingly, these costs were expensed in 2005.



*Joint Book-Running Managers*

**Bear, Stearns & Co. Inc.**

**Lehman Brothers**

**Lazard Capital Markets**

**Montgomery & Co., LLC**

**, 2007**

---

**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 13. Other Expenses of Issuance and Distribution.**

The following table sets forth an itemization of the various costs and expenses, all of which we will pay, in connection with the issuance and distribution of the securities being registered. All of the amounts shown are estimated except the SEC Registration Fee, the Nasdaq Global Market Listing Fee and the NASD Filing Fee.

SEC Registration Fee	\$ 12,305
Nasdaq Global Market Listing Fee	
NASD Filing Fee	12,000
Printing and Engraving Fees	
Legal Fees and Expenses	
Accounting Fees and Expenses	
Blue Sky Fees and Expenses	
Transfer Agent and Registrar Fees	
Miscellaneous	
<hr/>	
Total	
<hr/>	

**Item 14. Indemnification of Directors and Officers.**

Our restated certificate of incorporation and restated bylaws provide that each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or an officer of Synta Pharmaceuticals Corp. or is or was serving at our request as a director, officer, or trustee of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by us to the fullest extent authorized by the Delaware General Corporation Law against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such.

Section 145 of the Delaware General Corporation Law permits a corporation to indemnify any director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with any action, suit or proceeding brought by reason of the fact that such person is or was a director or officer of the corporation, if such person acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, if he or she had no reason to believe his or her conduct was unlawful. In a derivative action, (i.e., one brought by or on behalf of the corporation), indemnification may be provided only for expenses actually and reasonably incurred by any director or officer in connection with the defense or settlement of such an action or suit if such person acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be provided if such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which the action or suit was brought shall determine that the defendant is fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability.

Pursuant to Section 102(b)(7) of the Delaware General Corporation Law, Article NINTH of our restated certificate of incorporation eliminates the liability of a director to us or our stockholders for monetary damages for such a breach of fiduciary duty as a director, except for liabilities arising:

- from any breach of the director's duty of loyalty to us or our stockholders;
- from acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law; and
- from any transaction from which the director derived an improper personal benefit.

We carry insurance policies insuring our directors and officers against certain liabilities that they may incur in their capacity as directors and officers. In addition, we expect to enter into indemnification agreements with each of our directors and executive officers prior to completion of the offering.

Additionally, reference is made to the Underwriting Agreement filed as Exhibit 1.1 hereto, which provides for indemnification by the underwriters of Synta Pharmaceuticals Corp., our directors and officers who sign the registration statement and persons who control Synta Pharmaceuticals Corp., under certain circumstances.

#### **Item 15. Recent Sales of Unregistered Securities.**

We have sold the following securities that were not registered under the Securities Act. The following information gives effect to a reverse split of our common stock to be effected prior to the completion of this offering.

##### **(a) Issuances of Capital Stock and Warrants**

Set forth below is information regarding shares of our common stock issued and warrants granted, by us since October 15, 2003. Also included is the consideration, if any, received by us for such shares and warrants.

1. Between October 15, 2003 and January 22, 2004, we issued and sold 12,500,000 shares of our common stock at a purchase price per share of \$4.00 to 43 accredited investors for an aggregate purchase price of \$50,000,000.00.
2. On December 17, 2003, we issued 575,476 shares of our common stock upon the exercise of warrants to an accredited investor for an aggregate purchase price of \$287,738.00.
3. On January 9, 2004, we issued 553,344 shares of our common stock with an aggregate value of \$2,213,376.00 to three privately held corporations as consideration for our acquisition of certain assets from such corporations.
4. On November 10, 2004, we issued and sold 16,000,000 shares of our common stock at a purchase price per share of \$5.00 to 76 accredited investors for an aggregate purchase price of \$80,000,000.00.
5. On November 15, 2004, we issued 115,095 shares of our common stock upon the exercise of warrants to an accredited investor for an aggregate purchase price of \$57,547.50.
6. On December 21, 2004, we issued 1,460,000 shares of restricted common stock to certain officers at a purchase price of \$0.0001 per share for an aggregate purchase price of \$146.00.
7. On January 11, 2005, we issued 268,555 shares of our common stock upon the exercise of warrants to an accredited investor for an aggregate purchase price of \$134,277.50.

8. On January 18, 2005, we issued 12,726 shares of restricted common stock to our non-employee directors as compensation for services as a director at a purchase price of \$0.0001 per share for an aggregate purchase price of \$1.27.
9. On October 14, 2005, we issued 23,637 shares of restricted common stock to our non-employee directors as compensation for services as a director at a purchase price of \$0.0001 per share for an aggregate purchase price of \$2.36.
10. On December 12, 2005, we issued 350,000 shares of restricted common stock to certain officers at a purchase price of \$0.0001 per share for an aggregate purchase price of \$35.00.
11. On April 14, 2006, we issued 19,503 shares of our common stock at a purchase price per share of \$3.50 for an aggregate purchase price of \$68,260.50 to our President and Chief Executive Officer as partial payment for his annual bonus.
12. On June 2, 2006, we issued and sold 8,000,000 shares of our Series A convertible preferred stock at a purchase price per share of \$5.00 to 42 accredited investors for an aggregate purchase price of \$40,000,000.
13. On November 17, 2006, we issued 48,573 shares of restricted common stock to our non-employee directors as compensation for services as a director at a purchase price of \$0.0001 per share for an aggregate purchase price of \$4.85.

All of these issuances were made in reliance on Section 4(2) of the Securities Act or Regulation D promulgated thereunder as sales not involving a public offering. The recipients of securities in each of the above-referenced transactions represented their intentions to acquire the securities for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and appropriate legends were affixed to the instruments representing such securities issued in such transactions. All recipients either received adequate information about us or had, through their relationship with us, adequate access to such information.

**(b) Certain Grants and Exercises of Stock Options**

The sale and issuance of the securities described below were deemed to be exempt from registration under the Securities Act in reliance on Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving a public offering or transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701.

Pursuant to our stock plans and certain stand-alone stock option agreements, we have issued options to purchase an aggregate of 18,053,850 shares of common stock. Of these options:

- options to purchase 5,411,283 shares of common stock have been canceled or lapsed without being exercised;
- options to purchase 286,437 shares of common stock have been exercised; and
- options to purchase a total of 12,356,130 shares of common stock are currently outstanding, at a weighted average exercise price of \$2.97 per share.

**Item 16. Exhibits and Financial Statement Schedules.**

**(a) Exhibits**

See Exhibit Index set forth on page II-6, which is incorporated herein by reference



## **(b) Financial Statement Schedules**

Financial Statement Schedules are omitted because the information is included in our financial statements or notes to those financial statements.

### **Item 17. Undertakings.**

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

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 14 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has duly caused this Amendment No. 1 to the Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Lexington, Massachusetts, on December 1, 2006.

By: /s/ SAFI R. BAHCALL

Safi R. Bahcall, Ph.D.  
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the Registration Statement on Form S-1 has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
/s/ SAFI R. BAHCALL	President, Chief Executive Officer and Director (principal executive officer)	December 1, 2006
Safi R. Bahcall, Ph.D.		
/s/ KEITH S. EHRLICH	Vice President, Finance and Administration, Chief Financial Officer (principal financial and accounting officer)	December 1, 2006
Keith S. Ehrlich, C.P.A.		
*		
Keith R. Gollust	Chairman of the Board	December 1, 2006
*		
Lan Bo Chen, Ph.D.	Director	December 1, 2006
*		
Judah Folkman, M.D.	Director	December 1, 2006
*		
Bruce Kovner	Director	December 1, 2006
*		
William Reardon, C.P.A.	Director	December 1, 2006
*		
Robert N. Wilson	Director	December 1, 2006
*By: /s/ KEITH S. EHRLICH		
Keith S. Ehrlich Attorney-in-Fact		

## EXHIBIT INDEX

Exhibit Number	Description of Exhibit
*1.1	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant.
*3.1(a)	Certificate of Amendment to Certificate of Incorporation, as amended, to be filed prior to completion of the offering to effect a -for- reverse stock split.
*3.2	Restated Certificate of Incorporation of the Registrant to be filed upon completion of this offering.
3.3	Bylaws, as amended, of the Registrant.
*3.4	Restated Bylaws of the Registrant to be effective upon completion of this offering.
*4.1	Form of Common Stock Certificate.
4.2.1	Amended and Restated Investor Rights Agreement, dated December 13, 2002, by and among the Registrant and certain stockholders of the Registrant.
4.2.2	First Amendment, dated January 11, 2005, to the Amended and Restated Investor Rights Agreement, dated December 13, 2002, by and among the Registrant and certain stockholders of the Registrant.
*5.1	Opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel to the Registrant, with respect to the legality of securities being registered.
10.1	2001 Stock Plan.
10.2	2006 Stock Plan.
*10.2(a)	Form of incentive stock option agreement under 2006 Stock Plan.
*10.2(b)	Form of nonqualified stock option agreement under 2006 Stock Plan.
*10.2(c)	Form of restricted stock agreement under 2006 Stock Plan.
*10.2(d)	Form of nonqualified stock agreement for directors under 2006 Stock Plan.
*10.2(e)	Form of restricted stock agreement for directors under 2006 Stock Plan.
10.3	Director Compensation Policy.
10.4	Non-Qualified Stock Option Agreement, dated May 27, 2004, by and between the Registrant and Keith R. Gollust.
10.5	Duffy Hartwell Limited Partnership Commercial Lease, dated November 4, 1996, by and between Duffy Hartwell Limited Partnership and Shionogi BioResearch Corp., as amended by First Amendment to Commercial Lease, dated August 30, 2006.
10.6	Lease of 125 Hartwell Avenue, Lexington, MA, dated October 26, 1992, by and between Fuji ImmunoPharmaceuticals Corp. and 125 Hartwell Trust, as amended by First Amendment dated January 31, 1993, Second Amendment dated October 1, 1997, Third Amendment dated November 1, 2002, Assignment and Assumption of Lease and Consent of Release by Landlord and Fourth Amendment of Lease, dated July 9, 2004, Fifth Amendment, dated October 22, 2004 and Sixth Amendment, dated August 1, 2005.
10.7	Lease, dated January 13, 2005, by and between the Registrant and Mortimer B. Zuckerman and Edward H. Linde, Trustees of 91 Hartwell Avenue Trust, as amended on August 14, 2006.
10.8	Pinnacle Properties Management, Inc. Standard Form Commercial Lease, dated May 31, 1999, by and between 6-8 Preston Court, L.L.C. and Asiana Pharmaceuticals Corporation, as amended by Amendment to Lease #1, dated July 31, 2000, Amendment to Lease #2, dated November 26, 2001, and Amendment to Lease #3, dated December 2003, and as assigned to the Registrant by Assignment and Assumption of Lease and Landlord's Consent, dated May 25, 2005, and Subordination, Non-Disturbance and Attornment Agreement, dated May 25, 2005.

- 10.9 Master Lease Agreement, dated November 10, 2004, by and between the Registrant and General Electric Capital Corporation, as amended by Letter Agreement, dated June 24, 2005.
- 10.10 Stock Exchange Agreement, dated September 9, 2002, by and among the Registrant, Principia Associates, Inc. and certain stockholders of Principia Associates, Inc.
- 10.11 Agreement of Merger, dated December 27, 2002, by and among the Registrant, DGN Genetics Acquisition Corp., Diagon Genetics, Inc. and certain stockholders of Diagon Genetics, Inc.
- \*\*10.12 Asset Purchase Agreement, dated December 17, 2003, by and among the Registrant, Cancer Genomics, Inc., Kava Pharmaceuticals, Inc., SinglePixel Biomedical, Inc. and CMAC, LLC.
- 10.13 Letter Agreement, dated April 18, 2005, by and between the Registrant and Safi R. Bahcall, Ph.D.
- 10.14 Letter Agreement, dated October 12, 2002, by and between the Registrant and Dr. Keizo Koya.
- 10.15 Letter Agreement, dated January 22, 2003, by and between the Registrant and Dr. James Barsoum.
- 10.16 Letter Agreement, dated April 15, 2004, by and between the Registrant and Dr. Jeremy Chadwick.
- 10.17 Letter Agreement, dated February 19, 2004, by and between the Registrant and Keith Ehrlich.
- 10.18 Letter Agreement, dated January 14, 2003, by and between the Registrant and Wendy E. Rieder.
- 10.19 Letter Agreement, dated March 24, 2005, by and between the Registrant and Eric W. Jacobson.
- 10.20 Letter Agreement, dated February 27, 2006, by and between the Registrant and Martin D. Williams.
- 10.21 Scientific Advisory Board Agreement, dated September 1, 2003, by and between the Registrant and Judah Folkman, M.D.
- 10.22 Agreement and Release, dated January 14, 2005, by and between the Registrant and Lan Bo Chen, Ph.D.
- 10.23 Consulting Agreement, dated April 18, 2005, by and between the Registrant and Lan Bo Chen, Ph.D.
- 10.24 Severance Agreement, dated January 27, 2006, by and between the Registrant and Dr. Matthew Sherman.
- 10.25 Consulting Agreement, dated January 30, 2006, by and between the Registrant and Dr. Matthew Sherman.
- 10.26 Form of Indemnification Agreement between the Registrant and its directors and executive officers.
- 21.1 List of Subsidiaries.
- 23.1 Consent of KPMG LLP, Independent Registered Public Accounting Firm.
- \*23.2 Consent of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (see Exhibit 5.1).
- @24.1 Powers of Attorney.

---

@ Previously filed.

\* To be filed by amendment.

\*\* Confidential treatment has been requested for portions of this exhibit.



**AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
SYNTA PHARMACEUTICALS CORP.**

The undersigned, for the purpose of amending and restating the Certificate of Incorporation of Synta Pharmaceuticals Corp. filed on March 10, 2000, as amended, hereby certifies as follows:

1. The name of the corporation is Synta Pharmaceuticals Corp. (the "Corporation"). The Certificate of Incorporation of the Corporation was filed with the Secretary of State of Delaware on March 10, 2000 under the name Neutra Pharmaceuticals Corp. An Amendment to the Certificate of Incorporation changing the name of the Corporation to Synta Pharmaceuticals Corp. was filed on July 12, 2001. Thereafter an Amendment to the Certificate of Incorporation was filed on September 5, 2002, two Certificates of Ownership were filed on December 30, 2002 and an Amendment to the Certificate of Incorporation was file on November 4, 2004.
2. The Certificate of Incorporation of the Corporation, as amended, is hereby further amended, among other provisions, to amend Article 4 by substituting in lieu of said Article 4 a new Article 4 as set forth in the Restated Certificate of Incorporation set forth below.
3. This Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 141, 228, 242 and 245 of the General Corporation Law of the State of Delaware.
4. Pursuant to Section 228(a) of the General Corporation Law of the State of Delaware, the holders of outstanding shares of the Corporation having no less than the minimum number of votes that would be necessary to authorize or take such actions at a meeting at which all shares entitled to vote thereon were present and voted consented to the adoption of the aforesaid amendment without a meeting, without a vote and without prior notice and that written notice of the taking of such actions is being given in accordance with Section 228(e) of the General Corporation Law of the State of Delaware.
5. The text of the Restated Certificate of Incorporation of the Corporation, as amended and restated herein, shall read in its entirety as follows:

**RESTATED CERTIFICATE OF INCORPORATION  
OF  
SYNTA PHARMACEUTICALS CORP.**

1. The name of the corporation is Synta Pharmaceuticals Corp.
  2. The registered office of the corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.
  3. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.
  4. (a) The total number of shares of all classes of stock which the Corporation shall have authority to issue is One Hundred Sixty Six Million (166,000,000), consisting of:
    - (i) One Hundred Fifty Eight Million (158,000,000) shares of Common Stock, par value Zero Dollars and One One-Hundredth Cent (\$0.0001) per share (the "Common Stock") and
    - (ii) Eight Million (8,000,000) shares of Preferred Stock, par value Zero Dollars and One One-Hundredth Cent (\$0.0001) per share (the "Preferred Stock"), all of which are designated as
-

shares of Series A Convertible Preferred Stock, par value Zero Dollars and One One-Hundredth Cent (\$0.0001) per share (the "Series A Preferred").

(b) *Common Stock.*

1. *General.* The voting, dividend and liquidation and other rights of the holders of the Common Stock are expressly made subject to and qualified by the rights of the holders of any series of Preferred Stock.

2. *Voting Rights.* The holders of record of the Common Stock are entitled to one vote per share on all matters to be voted on by the Corporation's stockholders. Except as provided by law or this Certificate of Incorporation, holders of Common Stock shall vote together as a single class on all matters with the holders of Preferred Stock. There shall be no cumulative voting..

3. *Dividends.* Dividends may be declared and paid on the Common Stock from funds lawfully available therefor if, as and when determined by the Board of Directors in their sole discretion, subject to provisions of law, any provision of this Certificate of Incorporation, as amended from time to time, and subject to the relative rights and preferences of any shares of Preferred Stock authorized, issued and outstanding hereunder.

4. *Liquidation.* Upon the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, holders of record of the Common Stock will be entitled to receive *pro rata* all assets of the Corporation available for distribution to its stockholders, subject, however, to the liquidation rights of the holders of Preferred Stock authorized, issued and outstanding hereunder.

(c) *Series A Convertible Preferred Stock.* The preferences, privileges and restrictions granted to or imposed upon the Corporation's Series A Convertible Preferred Stock, par value \$0.0001 per share (the "Series A Preferred"), or the holders thereof, are as follows:

1. *Dividend Rights.*

(a) From and after the date of issuance of each respective share of Series A Preferred, dividends shall accrue on a quarterly basis on each such share of Series A Preferred, whether or not funds are legally available therefor and whether or not declared by the Board of Directors, at the rate equal to 8% per annum (the "Series A Dividends"). The Series A Dividends will be calculated in arrears on the last day of each fiscal quarter of each year (each a "Dividend Date") in respect of the prior quarterly period but without prorating for any partial quarterly period. From time to time the Board of Directors of the Corporation may declare and pay dividends or distributions on shares of the Common Stock; *provided* that (1) all accrued Series A Dividends shall have been paid in full prior to the date of any such declaration, payment or distribution and (2) no shares of Series A Preferred remain outstanding on the date of any such declaration, payment or distribution; and *provided, further*, that the Series A Dividends shall be (A) paid upon a Liquidation (as defined below) of the Corporation, (B) paid upon a Deemed Liquidation (as defined below) of the Corporation and (C) converted into shares of the Corporation's capital stock upon conversion of the Series A Preferred pursuant to Section 3.

(b) If, with the affirmative consent or vote of the holders of at least a majority in voting power of the shares of Series A Preferred then outstanding, voting together as a single class, the Board of Directors of the Corporation shall declare a dividend payable upon the then outstanding shares of the Common Stock (other than a dividend payable entirely in shares of the Common Stock of the Corporation), then the Board of Directors shall declare at the same time a dividend upon the then outstanding shares of the Series A Preferred payable at the same time as the dividend paid on the Common Stock, in an amount equal to the amount of dividends per share of Series A Preferred as would have been payable on the largest number of whole shares of Common Stock which each share of Series A Preferred held by each holder thereof would have received if such Series A Stock had been converted to Common Stock pursuant to the provisions of Section 3 hereof as of the record date for the determination of holders of Common Stock entitled to receive such dividends; and

## 2. *Liquidation Rights.*

### (a) *Treatment at Liquidation, Dissolution or Winding Up.*

(i) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary (a "Liquidation Event"), the holders of Series A Preferred shall be entitled to be paid first out of the assets of the Corporation available for distribution to holders of the Corporation's capital stock of all classes, before payment or distribution of any of such assets to the holders of any other class or series of the Corporation's capital stock designated to be junior to the Series A Preferred, an amount equal to \$5.00 per share of Series A Preferred (which amount shall be subject to equitable adjustment whenever there shall occur a stock dividend, distribution, combination of shares, reclassification or other similar event with respect to Series A Preferred, as hereinafter provided and, as so adjusted from time to time, is hereinafter referred to as the "Series A Base Liquidation Price") plus all accrued but unpaid Series A Dividends thereon and any other dividends declared but unpaid thereon, to and including the date full payment shall be tendered to the holders of Series A Preferred with respect to such Liquidation Event.

(ii) If the assets of the Corporation shall be insufficient to permit the payment in full to the holders of Series A Preferred of all amounts distributable to them under Section 2(a)(i) hereof, then the entire assets of the Corporation available for such distribution shall be distributed ratably among the holders of Series A Preferred.

(iii) Following payment in full to the holders of Series A Preferred of all amounts distributable to them under Section 2(a)(i) hereof, the remaining assets of the Corporation available for distribution to holders of the Corporation's capital stock shall be distributed on a pro rata basis among the holders of the Common Stock.

(b) *Deemed Liquidation.* For purposes of this Section 2, unless waived by the affirmative consent or vote of the holders of at least a majority in voting power of the shares of Series A Preferred then outstanding, voting together as a single class, a liquidation, dissolution or winding up of the Corporation shall be deemed to be occasioned by, or to include any transaction or series of related transactions (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any sale of stock for capital raising purposes): (i) involving the merger or consolidation of the Corporation into or with another entity (other than a transaction or series of related transactions in which the holders of the voting securities of the Corporation outstanding immediately prior to such transaction continue to retain (either by such voting securities remaining outstanding or by such voting securities being converted into voting securities of the surviving entity), as a result of shares in the Corporation held by such holders prior to such transaction, at least fifty percent (50%) of the total voting power represented by the voting securities of the Corporation of such surviving entity outstanding immediately after such transaction or series of transactions), (ii) involving the sale, lease, exchange, license (other than a license made in the ordinary course of business that does not prevent the Corporation from continuing its business as conducted or as proposed to be conducted) or other conveyance of all or substantially all of the assets of the Corporation; or (iii) following which holders of the Corporation's capital stock outstanding immediately prior to such transactions or series of related transactions hold 50% or less of the voting securities of the entity surviving such transaction or series of related transactions or entity controlling such surviving entity (each such transaction under clauses (i) through (iii), a "Deemed Liquidation Event").

(c) *Distributions other than Cash.* In the event of a Liquidation Event or Deemed Liquidation Event resulting in the availability of assets other than cash, the holders of Series A Preferred will be entitled to a distribution of cash and, in the event there is insufficient cash available to satisfy the liquidation preferences and other distribution rights stated in this Section 2, other assets equal in value to the liquidation preference and other distribution rights stated in this Section 2. In the event that such distribution to the holders of shares of Series A Preferred will include any assets other than cash,



the Board of Directors will first determine in good faith and with due care the value of such assets for such purpose, except that, any publicly-traded securities to be distributed to stockholders in a liquidation, dissolution or winding up of the Corporation shall be valued as follows: (i) if the securities are then traded on a national securities exchange or the Nasdaq Stock Market (or a similar national quotation system), then the value of the securities shall be deemed to be the average of the closing prices of the securities on such exchange or system over the ten (10) trading day period ending five (5) trading days prior to the distribution or (ii) if the securities are actively traded over-the counter, then the value of the securities shall be deemed to be the average of the closing bid prices of the securities over the ten (10) trading day period ending five (5) trading days prior to the distribution. The method of valuation of such securities subject to investment letter or other restrictions on free marketability shall include making an appropriate discount from the market value determined as above to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors. For the purposes of this subsection 2(c), "trading day" shall mean any day on which the exchange or system on which the securities to be distributed are traded is open and "closing prices" or "closing bid prices" shall be deemed to be: (i) for securities traded primarily on the New York Stock Exchange, the American Stock Exchange or Nasdaq, the last reported trade price or sale price, as the case may be, at 4:00 p.m., New York time, on that day and (ii) for securities listed or traded on other exchanges, markets and systems, the market price as of the end of the "regular hours" trading period that is generally accepted in the securities industry for determining the market price of a stock as of a given trading day shall change from those set forth above, the fair market value shall be determined as of such other generally accepted benchmark times.

3. *Conversion.* The holders of Series A Preferred shall have conversion rights as follows (the "Conversion Rights"):

(a) *Right to Convert; Conversion Price.* Each share of Series A Preferred shall be convertible, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for the Series A Preferred, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing (i) the Series A Base Liquidation Price plus all accrued but unpaid Series A Dividends thereon and any other dividends declared but unpaid thereon up to and including the date of conversion by (ii) the Conversion Price, determined as hereinafter provided, in effect at the time of conversion. The Conversion Price for purposes of calculating the number of shares of Common Stock deliverable upon conversion without the payment of any additional consideration by the holder of Series A Preferred (the "Conversion Price") shall initially be \$5.00 (which amount shall be subject to equitable adjustment whenever there shall occur a stock dividend, distribution, combination of shares, reclassification or other similar event with respect to Series A Preferred, as hereinafter provided).

(b) *Mechanics of Voluntary Conversion.* Before any holder of Series A Preferred shall be entitled to convert the same into full shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred, and shall give written notice to the Corporation at such office that such holder elects to convert the same and shall state therein the name of such holder or the name or names of the nominees of such holder in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. No fractional shares of Common Stock shall be issued upon conversion of any shares of Series A Preferred. In lieu of any fractional shares of Common Stock to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then effective Conversion Price. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred, or to such holder's nominee or nominees, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid, together with cash in lieu of any fraction of a share. Such conversion shall be

deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(c) *Automatic Conversion.*

(i) *Automatic Conversion Upon Public Offering.* Upon the closing of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of the Corporation's Common Stock (the "IPO"), each share of Series A Preferred shall automatically be converted into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing (i) the Series A Base Liquidation Price plus all accrued but unpaid Series A Dividends thereon and any other dividends declared but unpaid thereon up to and including the date of conversion by (ii) the IPO Conversion Price (as defined below). The IPO Conversion Price for purposes of calculating the number of shares of Common Stock deliverable upon automatic conversion upon the closing of the IPO (the "IPO Conversion Price") shall equal the lesser of (A) the Series A Base Liquidation Price as of the date of such closing and (B) an amount equal to 66.6667% of the "offering price to public" of the shares of Common Stock sold in the IPO.

(ii) *Automatic Conversion Upon Vote of Series A Preferred.* Upon the affirmative consent or vote of the holders of at least a majority in voting power of the shares of Series A Preferred then outstanding, voting together as a single class, each share of Series A Preferred shall automatically be converted into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing (A) the Series A Base Liquidation Price plus all accrued but unpaid Series A Dividends thereon and any other dividends declared but unpaid thereon up to and including the effective date of such consent or vote by (ii) the Conversion Price, determined as hereinafter provided, in effect at the time of such consent or vote.

(iii) *Automatic Conversion Mechanics.* Upon the occurrence of an event specified in Section 3(c)(i) or (ii) hereof, all shares of Series A Preferred shall be converted automatically without any further action by any holder of such shares and whether or not the certificate or certificates representing such shares are surrendered to the Corporation or the transfer agent for the Series A Preferred, *provided, however*, that the Corporation shall not be obligated to issue a certificate or certificates evidencing the shares of Common Stock into which such shares of Series A Preferred were convertible unless the certificate or certificates representing such shares of Series A Preferred being converted are either delivered to the Corporation or the transfer agent of the Series A Preferred, or the holder notifies the Corporation or such transfer agent that such certificate or certificates have been lost, stolen, or destroyed and executes and delivers an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith and, if the Corporation so elects, provides an appropriate indemnity. Upon such automatic conversion of Series A Preferred, each holder of Series A Preferred shall surrender the certificate or certificates representing such holder's shares of Series A Preferred at the office of the Corporation or of the transfer agent for the Series A Preferred. Thereupon, there shall be issued and delivered to such holder, promptly at such office and in such holder's name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of Series A Preferred surrendered were convertible on the date on which such automatic conversion occurred. No fractional shares of Common Stock shall be issued upon the automatic conversion of Series A Preferred. In lieu of any fractional shares of Common Stock to which the holder would otherwise be entitled, the corporation shall pay cash equal to such fraction multiplied by the IPO Conversion Price (in the case of an automatic conversion pursuant to Section 3(c)(i) or then effective Conversion Price (in the case of an automatic conversion pursuant to Section 3(c)(ii), as the case may be.

(d) *Special Optional Conversion Following Qualified Financing.*

(i) *Optional Conversion into Investor Stock.* At any time during the Optional Conversion Period (as defined below), each share of Series A Preferred shall be convertible, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at the office of the Corporation or any transfer agent for the Series A Preferred, into such number of fully paid and non-assessable shares of the same type and class of capital stock ("Investor Stock") of the Corporation that are issued and sold in the Qualified Financing (as defined below) as is determined by dividing (A) the Series A Base Liquidation Price plus all accrued but unpaid Series A Dividends thereon and any other dividends declared but unpaid thereon up to and including the date of conversion by (B) the price per share of Investor Stock paid by the purchasers of such Investor Stock in such Qualified Financing (the "Investor Stock Price").

(ii) *Optional Conversion Period.* For purposes of this Section 3(d), the "Optional Conversion Period" shall be the period commencing upon the closing of a Qualified Financing and ending on the earlier to occur of (A) sixty (60) days following the closing of such Qualified Financing and (B) 4:00 p.m., New York city time, on the business day preceding an automatic conversion event specified in Section 3(c)(i) or (ii) hereof, if applicable.

(iii) *Qualified Financing.* For purposes of this Section 3(d), a "Qualified Financing" means a transaction, or series of related transactions, entered into by the Corporation for the primary purpose of raising capital in which the Corporation issues shares of its capital stock and receives gross proceeds of at least Five Million Dollars (\$5,000,000); *provided* that (A) a Qualified Financing shall not include the IPO nor any sale of equity by the Company entered into by the Company primarily for purposes other than capital raising, as reasonably determined by the Board of Directors, and (B) the rights of optional conversion set forth in Section 3(d)(i) above shall apply only to the first Qualified Financing occurring after the Original Issue Date (as defined in Section 3(e)(i) below), and not to any other successive transaction, or series of related transactions, entered into by the Corporation for the primary purpose of raising capital. For purposes of illustration only, the issuance and sale of capital stock by the Corporation to a pharmaceutical company as part of a research collaboration agreement that involves the licensing of the Corporation's intellectual property right would not be considered a Qualified Financing hereunder.

(iv) *Notice of Qualified Financing.* Promptly following the closing of a Qualified Financing, the Corporation shall mail to each holder of Series A Preferred a notice specifying the terms and conditions of such Qualified Financing in reasonable detail (including date on which such closing occurred) and the date on which the Optional Conversion Period will expire (subject to any automatic conversion event specified in Section 3(c)(i) or (ii) hereof).

(v) *Optional Conversion Mechanics.* Before any holder of Series A Preferred shall be entitled to convert the same into full shares of Investor Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred, and shall give written notice to the Corporation at such office that such holder elects to convert the same and shall state therein the name of such holder or the name or names of the nominees of such holder in which such holder wishes the certificate or certificates for shares of Investor Stock to be issued. No fractional shares of Investor Stock shall be issued upon conversion of any shares of Series A Preferred. In lieu of any fractional shares of Investor Stock to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Investor Stock Price. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred, or to such holder's nominee or nominees, a certificate or certificates for the number of shares of Investor Stock to which such holder shall be entitled as aforesaid, together with cash in lieu of any fraction of a share. Such conversion shall be deemed to have been made immediately prior to the

close of business on the date of such surrender of the shares of Series A Preferred to be converted, and the person or persons entitled to receive the shares of Investor Stock issuable upon conversion shall be treated for all purposes as the record holder or holders of such shares of Investor Stock on such date.

(e) *Adjustments to Conversion Price.*

(i) *Special Definitions.* For purposes of this Section 3(e), the following definitions shall apply:

(A) *"Original Issue Date"* shall mean the date on which shares of Series A Preferred were first issued.

(B) *"Additional Shares of Common Stock"* shall mean all shares of Common Stock deemed to be issued pursuant to Section 3(e)(ii) by the Corporation after the Original Issue Date.

(ii) *Stock Dividends, Stock Distributions and Subdivisions.* In the event the Corporation at any time or from time to time after the Original Issue Date shall declare or pay any dividend or make any other distribution on the Common Stock payable in Common Stock or effect a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock), then and in any such event, Additional Shares of Common Stock shall be deemed to have been issued:

(A) in the case of any such dividend or distribution, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such dividend or distribution, or

(B) in the case of any such subdivision, at the close of business on the date immediately prior to the date upon which corporate action becomes effective.

If such record date shall have been fixed and no part of such dividend shall have been paid on the date fixed therefor, the adjustment previously made for the Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this Section 3(e)(ii) as to the time of actual payment of such dividend.

(iii) *Adjustment for Dividends, Distributions, Subdivisions, Combinations or Consolidations of Common Stock.*

(A) *Stock Dividends, Distributions or Subdivisions.* In the event the Corporation shall be deemed to have issued Additional Shares of Common Stock pursuant to Section 3(e)(ii) in a stock dividend, stock distribution or subdivision, the Conversion Price in effect immediately prior to such stock dividend, stock distribution or subdivision shall, concurrently with the effectiveness of such stock dividend, stock distribution or subdivision, be proportionately decreased.

(B) *Combinations or Consolidations.* In the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Conversion Price in effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(e) *No Impairment.* The Corporation shall not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but

shall at all times in good faith assist in the carrying out of all the provisions of this Section 3 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Series A Preferred against impairment.

(f) *Certificate as to Adjustments.* Upon the occurrence of each adjustment or readjustment of the Conversion Price or Conversion Ratio pursuant to this Section 3, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each affected holder of Series A Preferred, a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any affected holder of Series A Preferred, furnish to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price or Conversion Ratio at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon conversion of each share of Series A Preferred.

(g) *Notices of Record Date.* In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is the same as cash dividends paid in previous quarters) or other distribution, the Corporation shall mail to each holder of Series A Preferred at least ten (10) days prior to such record date a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(h) *Common Stock Reserved.* The Corporation shall reserve and keep available out of its authorized but unissued Common Stock such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred.

(i) *Certain Taxes.* The Corporation shall pay any issue or transfer taxes payable in connection with the conversion of any shares of Series A Preferred, *provided, however*, that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer to a name other than that of the holder of such Series A Preferred.

(j) *Closing of Books.* The corporation shall at no time close its transfer books against the transfer of any Series A Preferred, or of any shares of Common Stock issued or issuable upon the conversion of any shares of Series A Preferred in any manner which interferes with the timely conversion or transfer of such Series A Preferred.

4. *Protective Provisions.* The Corporation shall not, without first having obtained the affirmative consent or vote of the holders of at least a majority in voting power of the shares of Series A Preferred then outstanding, voting together as a single class:

(i) amend, alter or repeal any provision of this Certificate of Incorporation (whether by amendment, consolidation, merger or otherwise) if such amendment would alter or change the powers, or special rights of the Series A Preferred so as to affect the holders thereof adversely; or

(ii) authorize or issue or obligate itself to authorize or issue (whether by reclassification or otherwise) any new class or series of capital stock of the Corporation (or other security including any obligation or other security convertible into or exercisable for any equity security) having relative rights or preferences superior to or on a parity with the Series A Preferred with respect to voting, dividends, conversion or liquidation preference.

5. *Voting.* Except as otherwise required by law or this Certificate of Incorporation, the holders of the Series A Preferred and the holders of Common Stock shall be entitled to notice of any

stockholders' meeting and to vote as a single class upon any matter submitted to the stockholders for a vote, on the following basis:

(i) Holders of Common Stock shall have one vote per share of Common Stock held by them; and

(ii) Holders of the Series A Preferred shall have that number of votes per share of Series A Preferred as is equal to the number of shares of Common Stock into which each such share of Series A Preferred held by such holder could be converted on the date for determination of stockholders entitled to vote at the meeting.

6. *No Reissuance of Series A Preferred.* No share or shares of Series A Preferred acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the corporation shall be authorized to issue.

7. *Residual Rights.* All rights accruing to the outstanding shares of the Corporation not expressly provided for in the terms of the Series A Preferred shall be vested in the Common Stock.

8. *Waiver.* Any of the rights of the holders of Series A Preferred set forth herein that accrue solely to such holders may be waived by the affirmative consent or vote of the holders of at least a majority in voting power of the shares of Series A Preferred then outstanding, voting together as a single class, unless any other percentage of holders is expressly set forth herein.

5. The Corporation is to have perpetual existence.

6. For the management of the business and for the conduct of the affairs of the Corporation, and in further definition and not in limitation of the powers of the Corporation and of its directors and of its stockholders or any class thereof, as the case may be, conferred by the State of Delaware, it is further provided that:

a. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed by, or in the manner provided in, the By-Laws. The phrase "whole Board" and the phrase "total number of directors" shall be deemed to have the same meaning, to wit, the total number of directors which the Corporation would have if there were no vacancies. No election of directors need be by written ballot.

b. After the original or other By-Laws of the Corporation have been adopted, amended or repealed, as the case may be, in accordance with the provisions of Section 109 of the General Corporation Law of the State of Delaware, and, after the Corporation has received any payment for any of its stock, the power to adopt, amend, or repeal the By-Laws of the Corporation may be exercised by the Board of Directors of the Corporation.

c. The books of the Corporation may be kept at such place within or without the State of Delaware as the By-Laws of the Corporation may provide or as may be designated from time to time by the Board of Directors of the Corporation.

7. The Corporation shall, to the fullest extent permitted by Section 145 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented from time to time, indemnify and advance expenses to, (i) its directors and officers, and (ii) any person who at the request of the Corporation is or was serving as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said section as amended or supplemented (or any successor), provided, however, that except with respect to proceedings to enforce rights to indemnification, the By-Laws of the Corporation may provide that the Corporation shall indemnify any

director, officer or such person in connection with a proceeding (or part thereof) initiated by such director, officer or such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The Corporation, by action of its Board of Directors, may provide indemnification or advance expenses to employees and agents of the Corporation or other persons only on such terms and conditions and to the extent determined by the Board of Directors in its sole and absolute discretion. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any By-Law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8. No director of this Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except to the extent that exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as in effect at the time such liability or limitation thereof is determined. No amendment, modification or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment, modification or repeal. If the General Corporation Law of the State of Delaware is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

9. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths ( $\frac{3}{4}$ ) in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

10. From time to time any of the provisions of this Restated Certificate of Incorporation may be amended, altered or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the stockholders of the Corporation by this Restated Certificate of Incorporation are granted subject to the provisions of this Article.

IN WITNESS WHEREOF, the Corporation has caused this Restated Certificate of Incorporation, which restates, integrates and amends the provisions of the Certificate of Incorporation of the Corporation, as amended, to be signed this 2 day of June, 2006.

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI R. BAHCALL

---

Safi R. Bahcall  
President and CEO



QuickLinks

[AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF SYNTA PHARMACEUTICALS CORP.](#)

AMENDED AS OF FEBRUARY 5, 2004

SYNTA PHARMACEUTICALS CORP.

BY-LAWS

ARTICLE I

OFFICES

SECTION 1. REGISTERED OFFICE. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 2. OTHER OFFICES. The Corporation may also have offices at such other place or places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. TIME AND PLACE OF MEETINGS. All meetings of the stockholders for the election of directors shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

SECTION 2. ANNUAL MEETINGS. Annual meetings of stockholders, commencing with the calendar year 2001, shall be held on the first Wednesday of August in each year if not a legal holiday under the laws of the state where such meeting is to be held, and if a legal holiday under the laws of said state, then on the next succeeding business day not a legal holiday under the laws of said state, at 10:00 A.M., or at such other date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which the stockholders shall elect by a plurality vote by written ballot a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 3. NOTICE OF ANNUAL MEETINGS. Written notice of the annual meeting, stating the place, date, and hour of the meeting, shall be given to each stockholder of record entitled to vote at such meeting not less than 10 or more than 60 days before the date of the meeting.

SECTION 4. SPECIAL MEETINGS. Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called at any time by order of the Board of Directors and shall be called by the Chairman of the Board, the Chief Executive Officer, or the Secretary at the request in writing of a majority of the Board of Directors. Such request shall state the purpose or purposes of the proposed special

meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

SECTION 5. NOTICE OF SPECIAL MEETINGS. Written notice of a special meeting, stating the place, date, and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote at such meeting not less than 10 or more than 60 days before the date of the meeting.

SECTION 6. QUORUM. Except as otherwise provided by statute or the Certificate of Incorporation, the holders of stock having a majority of the voting power of the stock entitled to be voted thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time without notice (other than announcement at the meeting at which the adjournment is taken of the time and place of the adjourned meeting) until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 7. ORGANIZATION. At each meeting of the stockholders, the Chairman of the Board or the Chief Executive Officer, determined as provided in Article V of these By-laws, or if those officers shall be absent therefrom, another officer of the Corporation chosen as chairman present in person or by proxy and entitled to vote thereat, or if all the officers of the Corporation shall be absent therefrom, a stockholder holding of record shares of stock of the Corporation so chosen, shall act as chairman of the meeting and preside thereat. The Secretary, or if he shall be absent from such meeting or shall be required pursuant to the provisions of this Section 7 to act as chairman of such meeting, the person (who shall be an Assistant Secretary, if an Assistant Secretary shall be present thereat) whom the chairman of such meeting shall appoint, shall act as secretary of such meeting and keep the minutes thereof.

SECTION 8. ORDER OF BUSINESS. The order of business at annual meetings of stockholders and, so far as practicable, at other meetings of stockholders shall be as follows, unless changed by the vote of a majority in voting interest of those present in person or by proxy at such meeting and entitled to vote thereat:

- (a) Call to order.
- (b) Proof of due notice of meeting.
- (c) Determination of quorum and examination of proxies.
- (d) Announcement of availability of list of stockholders.

-2-

- (e) Reading and disposing of minutes of last meeting of stockholders.
- (f) Announcement of purposes for which the meeting was called.
- (g) Nomination of directors.
- (h) Entertainment of motions with respect to other business.
- (i) Opening of polls for voting and collection of ballots.
- (j) Reports of officers and committees.
- (k) Report of voting judges.
- (l) Other business.
- (m) Adjournment.

SECTION 9. VOTING. Except as otherwise provided in the Certificate of Incorporation, each stockholder shall, at each meeting of the stockholders, be entitled to one vote in person or by proxy for each share of stock of the

Corporation held by him and registered in his name on the books of the Corporation on the date fixed pursuant to the provisions of Section 5 of Article VII of these By-laws as the record date for the determination of stockholders who shall be entitled to notice of and to vote at such meeting. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held directly or indirectly by the Corporation, shall not be entitled to vote. Any vote by stock of the Corporation may be given at any meeting of the stockholders by the stockholder entitled thereto, in person or by his proxy appointed by an instrument in writing subscribed by such stockholder or by his attorney thereunto duly authorized and delivered to the Secretary of the Corporation or to the secretary of the meeting; provided, however, that no proxy shall be voted or acted upon after three years from its date, unless said proxy shall provide for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and unless otherwise made irrevocable by law. At all meetings of the stockholders all matters, except where other provision is made by law, the Certificate of Incorporation, or these By-laws, shall be decided by the vote of a majority of the votes cast by the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. Unless demanded by a stockholder of the Corporation present in person or by proxy at any meeting of the stockholders and entitled to vote thereat, or so directed by the chairman of the meeting, the vote thereat on any question other than the election or removal of directors need not be by written ballot. Upon a demand of any such stockholder for a vote by written ballot on any question or at the direction of such chairman that a vote by written ballot be taken on any question, such vote shall be taken by written ballot. On a vote by written ballot, each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and shall state the number of shares voted.

-3-

SECTION 10. LIST OF STOCKHOLDERS. It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger, either directly or through another officer of the Corporation designated by him or through a transfer agent appointed by the Board of Directors, to prepare and make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days before said meeting, either at a place within the city where said meeting is to be held, which place shall be specified in the notice of said meeting, or, if not so specified, at the place where said meeting is to be held. The list shall also be produced and kept at the time and place of said meeting during the whole time thereof, and may be inspected by any stockholder of record who shall be present thereat. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, such list or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 11. INSPECTORS OF VOTES. At each meeting of the stockholders, the chairman of such meeting may appoint two Inspectors of Votes to act thereat, unless the Board of Directors shall have theretofore made such appointments. Each Inspector of Votes so appointed shall first subscribe an oath or affirmation faithfully to execute the duties of an Inspector of Votes at such meeting with strict impartiality and according to the best of his ability. Such Inspectors of Votes, if any, shall take charge of the ballots, if any, at such meeting and, after the balloting thereat on any question, shall count the ballots cast thereon and shall make a report in writing to the secretary of such meeting of the results thereof. An Inspector of Votes need not be a stockholder of the Corporation, and any officer of the Corporation may be an Inspector of Votes on any question other than a vote for or against his election to any position with the Corporation or on any other question in which he may be directly interested.

SECTION 12. ACTIONS WITHOUT A MEETING. Any action required to be taken at

any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereat were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

### ARTICLE III

#### BOARD OF DIRECTORS

SECTION 1. POWERS. The business and affairs of the Corporation shall be managed by its Board of Directors, which shall have and may exercise all such powers of the Corporation and do

-4-

all such lawful acts and things as are not by statute, the Certificate of Incorporation, or these By-laws directed or required to be exercised or done by the stockholders.

SECTION 2. NUMBER, QUALIFICATION, AND TERM OF OFFICE. The Board of Directors shall consist of one or more members. The initial Board of Directors shall consist of the Directors named in the Certificate of Incorporation. Thereafter, within the limits above specified, the number of Directors which shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at any annual or special meeting or otherwise pursuant to action of the stockholders. Directors need not be stockholders. The directors shall be elected at the annual meeting of the stockholders, except as provided in Sections 4 and 5 of this Article III, and each director elected shall hold office until the annual meeting next after his election and until his successor is duly elected and qualified, or until his death or retirement or until he resigns or is removed in the manner hereinafter provided. Such election shall be by written ballot.

SECTION 3. RESIGNATIONS. Any director may resign at any time by giving written notice of his resignation to the Corporation. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by the Secretary. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4. REMOVAL OF DIRECTORS. Any director may be removed, either with or without cause, at any time, by the affirmative vote by written ballot of a majority in voting interest of the stockholders of record of the Corporation entitled to vote, given at an annual meeting or at a special meeting of the stockholders called for that purpose. The vacancy in the Board of Directors caused by any such removal shall be filled by the stockholders at such meeting or, if not so filled, by the Board of Directors as provided in Section 5 of this Article III.

SECTION 5. VACANCIES. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the annual meeting next after their election and until their successors are elected and qualified, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

#### MEETINGS OF THE BOARD OF DIRECTORS

SECTION 6. PLACE OF MEETINGS. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware.

SECTION 7. ANNUAL MEETINGS. The first meeting of each newly elected Board of Directors shall be held immediately following the annual meeting of stockholders, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not held immediately following the annual meeting of stockholders, the meeting may be held at such time and place as

-5-

shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

SECTION 8. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

SECTION 9. SPECIAL MEETINGS; NOTICE. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Chief Executive Officer or the Secretary on 24 hours' notice to each director, either personally or by telephone or by mail, telegraph, telex, cable, wireless, or other form of recorded communication; special meetings shall be called by the Chairman of the Board, the Chief Executive Officer or the Secretary in like manner and on like notice on the written request of two directors. Notice of any such meeting need not be given to any director, however, if waived by him in writing or by telegraph, telex, cable, wireless, or other form of recorded communication, or if he shall be present at such meeting.

SECTION 10. QUORUM AND MANNER OF ACTING. At all meetings of the Board of Directors, a majority of the directors at the time in office (but not less than one-third of the whole Board of Directors) shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 11. REMUNERATION. Unless otherwise expressly provided by resolution adopted by the Board of Directors, none of the directors shall, as such, receive any stated remuneration for his services; but the Board of Directors may at any time and from time to time by resolution provide that a specified sum shall be paid to any director of the Corporation, either as his annual remuneration as such director or member of any committee of the Board of Directors or as remuneration for his attendance at each meeting of the Board of Directors or any such committee. The Board of Directors may also likewise provide that the Corporation shall reimburse each director for any expenses paid by him on account of his attendance at any meeting. Nothing in this Section 11 shall be construed to preclude any director from serving the Corporation in any other capacity and receiving remuneration thereof.

#### COMMITTEES OF DIRECTORS

SECTION 12. EXECUTIVE COMMITTEE; HOW CONSTITUTED AND POWERS. The Board of Directors may in its discretion, by resolution passed by a majority of the whole Board of Directors, designate an Executive Committee consisting of one or more of the directors of the Corporation. Subject to the provisions of Section 141 of the General Corporation Law of the State of Delaware, the Certificate of Incorporation, and these By-laws, the Executive Committee shall have and may exercise, when the Board of Directors is not in session, all the powers and authority of the Board of Directors in the management of the business and affairs of the

-6-

Corporation, and shall have the power to authorize the seal of the Corporation to be affixed to all papers which may require it; but the Executive Committee shall not have the power to fill vacancies in the Board of Directors, the Executive Committee, or any other committee of directors or to elect or approve officers of the Corporation. The Executive Committee shall have the power and authority to authorize the issuance of common stock and grant and authorize options and other rights with respect to such issuance. The Board of Directors shall have the power at any time, by resolution passed by a majority of the whole Board of Directors, to change the membership of the Executive Committee, to fill all vacancies in it, or to dissolve it, either with or without cause.

SECTION 13. ORGANIZATION. The Chairman of the Executive Committee, to be selected by the Board of Directors, shall act as chairman at all meetings of the Executive Committee and the Secretary shall act as secretary thereof. In case of the absence from any meeting of the Executive Committee of the Chairman of the Executive Committee or the Secretary, the Executive Committee may appoint a chairman or secretary, as the case may be, of the meeting.

SECTION 14. MEETINGS. Regular meetings of the Executive Committee, of which no notice shall be necessary, may be held on such days and at such places, within or without the State of Delaware, as shall be fixed by resolution adopted by a majority of the Executive Committee and communicated in writing to all its members. Special meetings of the Executive Committee shall be held whenever called by the Chairman of the Executive Committee or a majority of the members of the Executive Committee then in office. Notice of each special meeting of the Executive Committee shall be given by mail, telegraph, telex, cable, wireless, or other form of recorded communication or be delivered personally or by telephone to each member of the Executive Committee not later than the day before the day on which such meeting is to be held. Notice of any such meeting need not be given to any member of the Executive Committee, however, if waived by him in writing or by telegraph, telex, cable, wireless, or other form of recorded communication, or if he shall be present at such meeting; and any meeting of the Executive Committee shall be a legal meeting without any notice thereof having been given, if all the members of the Executive Committee shall be present thereat. Subject to the provisions of this Article III, the Executive Committee, by resolution adopted by a majority of the whole Executive Committee, shall fix its own rules of procedure.

SECTION 15. QUORUM AND MANNER OF ACTING. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at a meeting thereof at which a quorum is present shall be the act of the Executive Committee.

SECTION 16. OTHER COMMITTEES. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board of Directors, designate one or more other committees consisting of one or more directors of the Corporation, which, to the extent provided in said resolution or resolutions, shall have and manage, exercise, subject to the provisions of Section 141 of The General Corporation Law of the State of Delaware, the Certificate of Incorporation, and these By-laws, the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and shall have the power to authorize

the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power to fill vacancies in the Board of Directors, the Executive Committee, or any other committee or in their respective membership, to appoint or remove officers of the Corporation, or to authorize the issuance of shares of the capital stock of the Corporation, except that such a committee may, to the extent provided in said resolutions, grant and authorize options and other rights with respect to the common stock of the Corporation pursuant to and in accordance with any plan approved by the Board of Directors. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. A

majority of all the members of any such committee may determine its action and fix the time and place of its meetings and specify what notice thereof, if any, shall be given, unless the Board of Directors shall otherwise provide. The Board of Directors shall have power to change the members of any such committee at any time to fill vacancies, and to discharge any such committee, either with or without cause, at any time.

SECTION 17. ALTERNATE MEMBERS OF COMMITTEES. The Board of Directors may designate one or more directors as alternate members of the Executive Committee or any other committee, who may replace any absent or disqualified member at any meeting of the committee, or if none be so appointed, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

SECTION 18. MINUTES OF COMMITTEES. Each committee shall keep regular minutes of its meetings and proceedings and report the same to the Board of Directors at the next meeting thereof.

#### GENERAL

SECTION 19. ACTIONS WITHOUT A MEETING. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or the committee.

SECTION 20. PRESENCE AT MEETINGS BY MEANS OF COMMUNICATIONS EQUIPMENT. Members of the Board of Directors, or of any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting conducted pursuant to this Section 20 shall constitute presence in person at such meeting.

#### ARTICLE IV

##### NOTICES

-8-

SECTION 1. TYPE OF NOTICE. Whenever, under the provisions of any applicable statute, the Certificate of Incorporation, or these By-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, in person or by mail, addressed to such director or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given in any manner permitted by Article III hereof and shall be deemed to be given at the time when first transmitted by the method of communication so permitted.

SECTION 2. WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of any applicable statute, the Certificate of Incorporation, or these By-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto, and transmission of a waiver of notice by a director or stockholder by mail, telegraph, telex, cable, wireless, or other form of recorded communication may constitute such a waiver.

#### ARTICLE V

##### OFFICERS



SECTION 1. ELECTED AND APPOINTED OFFICERS. The elected officers of the Corporation shall be a Chief Executive Officer, a President, one or more Vice Presidents, with or without such descriptive titles as the Board of Directors shall deem appropriate, a Secretary, and a Treasurer, and, if the Board of Directors so elects, a Chairman of the Board (who shall be a director) and a Controller. The Board of Directors or the Executive Committee of the Board of Directors by resolution also may appoint one or more Assistant Vice Presidents, Assistant Treasurers, Assistant Secretaries, Assistant Controllers, and such other officers and agents as from time to time may appear to be necessary or advisable in the conduct of the affairs of the Corporation.

SECTION 2. TIME OF ELECTION OR APPOINTMENT. The Board of Directors at its annual meeting shall elect or appoint, as the case may be, the officers to fill the positions designated in order pursuant to Section 1 of this Article V. Officers of the Corporation may also be elected or appointed, as the case may be, at any other time.

SECTION 3. SALARIES OF ELECTED OFFICERS. The salaries of all elected officers of the Corporation shall be fixed by the Board of Directors.

SECTION 4. TERM. Each officer of the Corporation shall hold his office until his successor is duly elected or appointed and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Any officer elected or appointed by the Board of Directors or the Executive Committee may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. Any vacancy occurring in any

-9-

office of the Corporation by death, resignation, removal, or otherwise may be filled by the Board of Directors or the appropriate committee thereof.

SECTION 5. DUTIES OF THE CHAIRMAN OF THE BOARD. The Chairman of the Board, if one be elected, shall preside when present at all meetings of the Board of Directors and, with the approval of the Chief Executive Officer, may preside at meetings of the stockholders. He shall advise and counsel the Chief Executive Officer and other officers of the Corporation, and shall exercise such powers and perform such duties as shall be assigned to or required of him from time to time by the Board of Directors.

SECTION 6. DUTIES OF THE CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be the chief executive officer of the Corporation and, subject to the provisions of these By-laws, shall have general supervision of the affairs of the Corporation and shall have general and active control of all its business. He shall preside, when present, at all meetings of stockholders, except when the Chairman of the Board presides with the approval of the Chief Executive Officer and as may otherwise be provided by statute, and, in the absence of any other person designated thereto by these By-laws, at all meetings of the Board of Directors. He shall see that all orders and resolutions of the Board of Directors and the stockholders are carried into effect. He shall have general authority to execute bonds, deeds, and contracts in the name of the Corporation and affix the corporate seal thereto; to sign stock certificates; to cause the employment or appointment of such employees and agents of the Corporation as the proper conduct of operations may require, and to fix their compensation, subject to the provisions of these By-laws; to remove or suspend any employee or agent who shall have been employed or appointed under his authority or under authority of an officer subordinate to him; to suspend for cause, pending final action by the authority which shall have elected or appointed him, any officer subordinate to the Chief Executive Officer or the President; and, in general, to exercise all the powers and authority usually appertaining to the chief executive officer of a corporation, except as otherwise provided in these By-laws.

SECTION 7. DUTIES OF THE PRESIDENT. The President shall be an executive officer of the Corporation and, subject to the provisions of these By-laws, shall assist the Chief Executive Officer in the general supervision of the

affairs of the Corporation and shall have general and active control of all its business second to the Chief Executive Officer. He shall assist the Chief Executive Officer in seeing that all orders and resolutions of the Board of Directors and the stockholders are carried into effect. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, the President shall perform the duties of the Chief Executive Officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. The President shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

SECTION 8. DUTIES OF VICE PRESIDENTS. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there may be more than one Vice President, the Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents

-10-

shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

SECTION 9. DUTIES OF ASSISTANT VICE PRESIDENTS. In the absence of a Vice President or in the event of his inability or refusal to act, the Assistant Vice President (or in the event there shall be more than one, the Assistant Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties and exercise the powers of that Vice President, and shall perform such other duties and have such powers as the Board of Directors, the Chief Executive Officer, or the Vice President under whose supervision he is appointed may from time to time prescribe.

SECTION 10. DUTIES OF THE SECRETARY. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the Executive Committee or other standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of the Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer under whose supervision he shall be. He shall have custody of the corporate seal of the Corporation, and he, or an Assistant Secretary, shall have the authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall keep and account for all books, documents, papers, and records of the Corporation, except those for which some other officer or agent is properly accountable. He shall have authority to sign stock certificates and shall generally perform all the duties usually appertaining to the office of the secretary of a corporation.

SECTION 11. DUTIES OF ASSISTANT SECRETARIES. In the absence of the Secretary or in the event of his inability or refusal to act, the Assistant Secretary (or, if there shall be more than one, the Assistant Secretaries in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe.

SECTION 12. DUTIES OF THE TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of

the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, he shall give the Corporation a bond (which shall be renewed every six years) in such sum and with such surety or

-11-

sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in his possession or under his control belonging to the Corporation. The Treasurer shall be under the supervision of the Vice President in charge of finance, if one is so designated, and he shall perform such other duties as may be prescribed by the Board of Directors, the Chief Executive Officer, or any such Vice President in charge of finance.

SECTION 13. DUTIES OF ASSISTANT TREASURERS. The Assistant Treasurer or Assistant Treasurers shall assist the Treasurer, and in the absence of the Treasurer or in the event of his inability or refusal to act, the Assistant Treasurer (or in the event there shall be more than one, the Assistant Treasurers in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer, or the Treasurer may from time to time prescribe.

SECTION 14. DUTIES OF THE CONTROLLER. The Controller, if one is appointed, shall have supervision of the accounting practices of the Corporation and shall prescribe the duties and powers of any other accounting personnel of the Corporation. He shall cause to be maintained an adequate system of financial control through a program of budgets and interpretive reports. He shall initiate and enforce measures and procedures whereby the business of the Corporation shall be conducted with the maximum efficiency and economy. If required, he shall prepare a monthly report covering the operating results of the Corporation. The Controller shall be under the supervision of the Vice President in charge of finance, if one is so designated, and he shall perform such other duties as may be prescribed by the Board of Directors, the Chief Executive Officer, or any such Vice President in charge of finance.

SECTION 15. DUTIES OF ASSISTANT CONTROLLERS. The Assistant Controller or Assistant Controllers shall assist the Controller, and in the absence of the Controller or in the event of his inability or refusal to act, the Assistant Controllers in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties and exercise the powers of the Controller and perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer, or the Controller may from time to time prescribe.

## ARTICLE VI

### INDEMNIFICATION

SECTION 1. ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal,

-12-

administrative, or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was a director, officer,

employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of NOLO CONTENDERE or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

SECTION 2. ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of Delaware or such other court shall deem proper.

SECTION 3. DETERMINATION OF RIGHT TO INDEMNIFICATION. Any indemnification under Sections 1 or 2 of this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article VI. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

SECTION 4. RIGHT TO INDEMNIFICATION. Notwithstanding the other provisions of this Article VI, to the extent that a director, officer, employee, or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2 of this Article VI, or in defense of any claim, issue, or matter therein, he shall be

-13-

indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

SECTION 5. PREPAID EXPENSES. Expenses incurred by an officer or director in defending a civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such director or officer, to repay such amount if it shall ultimately be determined he is not entitled to be indemnified by the Corporation as authorized in this Article IV. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

SECTION 6. OTHER RIGHTS AND REMEDIES. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any By-law, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7. INSURANCE. Upon resolution passed by the Board of Directors, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article VI.

SECTION 8. MERGERS. For purposes of this Article VI, references to "the Corporation" shall include, in addition to the resulting or surviving corporation, constituent corporations (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees, or agents, so that any person who is or was a director, officer, employee, or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

SECTION 9. DEFINITIONS. For the purposes of this Article VI, all words and phrases used herein shall have the meanings ascribed to them under Section 145 of the General Corporation Law of the state of Delaware.

#### ARTICLE VII

-14-

#### CERTIFICATES REPRESENTING STOCK

SECTION 1. RIGHT TO CERTIFICATE. Every holder of stock in the Corporation shall be entitled to have a certificate, signed by, or in the name of the Corporation by, the Chairman of the Board, the Chief Executive Officer, the President, or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him in the Corporation. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences, and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations, or restrictions of such preferences or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock; provided, that, except as otherwise provided in Section 202 of the General Corporation Law of the State of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences, and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations, or restrictions of such preferences or rights.

SECTION 2. FACSIMILE SIGNATURES. Any of or all the signatures on the

certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

SECTION 3. NEW CERTIFICATES. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation and alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed or the issuance of such new certificate.

SECTION 4. TRANSFERS. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation, or authority to transfer, it shall be the duty of the Corporation, subject to any proper restrictions on transfer, to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books.

SECTION 5. RECORD DATE. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment

-15-

of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be less than 10 or more than 60 days before the date of such meeting or any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 6. REGISTERED STOCKHOLDERS. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not provided by the laws of the State of Delaware.

## ARTICLE VIII

### CORPORATE RECORDS

SECTION 1. LOCATION. The books, accounts and records of the corporation may be kept at such place or places within or without the State of Delaware as the Board of Directors may from time to time determine.

SECTION 2. INSPECTION. The books, accounts and records of the corporation shall be open to inspection by any member of the Board of Directors at all times; and open to inspection by the stockholders at such times, and subject to such regulations as the Board of Directors may prescribe, except as otherwise provided by statute.

SECTION 3. CORPORATE SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the word

"Delaware." The seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced, or otherwise.

## ARTICLE IX

### GENERAL PROVISIONS

SECTION 1. DIVIDENDS. Dividends upon the capital stock of the Corporation, if any, subject to the provisions of the Certificate of Incorporation, may be declared by the Board of Directors (but not any committee thereof) at any regular meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

SECTION 2. RESERVES. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, thinks proper as a reserve or reserves to meet

-16-

contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

SECTION 3. ANNUAL STATEMENT. The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

SECTION 4. DEPOSITORIES. The Board of Directors shall appoint banks, trust companies, or other depositories in which shall be deposited from time to time the money or securities of the corporation.

SECTION 5. CHECKS, DRAFTS AND NOTES. All checks, drafts, or other orders for the payment and all notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers or agent or agents as shall from time to time be designated by resolution of the Board of Directors or by an officer appointed by the Board of Directors.

-17-

## ARTICLE X

### AMENDMENTS

These By-laws may be altered, amended, or repealed or new By-laws may be adopted by the stockholders or by the Board of Directors at any regular meeting of the stockholders or the Board of Directors or at any special meeting of the stockholders or the Board of Directors if notice of such alteration, amendment, repeal, or adoption of new By-laws be contained in the notice of such special meeting.

-18-

SYNTA PHARMACEUTICALS CORP.

AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT (this "Agreement") dated as of December 13, 2002, is by and among Synta Pharmaceuticals Corp., a Delaware corporation (the "Company"), Robert A. Day and Mountain Trail Investments, LLC, (singly, a "DAY INVESTOR", and collectively, the "DAY INVESTOR"), Keith R. Gollust, Gollust Trust II, and Wyandanch Partners, L.P. (singly, a "GOLLUST INVESTOR", and collectively, the "GOLLUST INVESTOR") and Cxsyntha LLC, an affiliate of Caxton Corporation (the "Caxton Investor") (each an "INVESTOR" and, collectively, the "INVESTORS").

Reference is hereby made to that certain Investor Rights Agreement dated May 16, 2002 by and between the Company and Cxsyntha LLC, which agreement is hereby amended and restated in its entirety and shall be without further force or effect as of the date hereof

RECITALS

WHEREAS, the Investors have purchased the number of shares (the "SHARES") of the Common Stock, \$.0001 par value, of the Company (the "COMMON STOCK") set forth opposite their respective names on SCHEDULE A hereto;

WHEREAS, concurrently with the execution of this Agreement, the Investors have executed the Amended and Restated Stockholders' Agreement of even date herewith (the "STOCKHOLDERS' AGREEMENT") with the Company pursuant to which all parties have agreed to provide for certain board of director representation and meeting requirements, co-sale rights and rights of first refusal with respect to the Common Stock; and

WHEREAS, the Company wishes to provide the Investors with certain information rights, registration rights and rights of first refusal in conjunction with the purchase of their respective Shares;

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

1. DEFINITIONS. For purposes of this Agreement:

(a) The term "AFFILIATE" means any general or limited partner of any person that is a partnership, any member or manager of any person that is a limited liability company or any person or entity that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, such person.

(b) The term "ACT" means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the SEC, all as shall be in effect at the time.

(c) The term "BUDGET" has the meaning set forth in SECTION 3.3 hereof.

(d) The term "COMPANY INDEMNIFIED PARTIES" has the meaning set forth in SECTION 2.6(a) hereof.

(e) The term "DEMAND PERIOD" has the meaning set forth in SECTION 2.2(a) hereof.

(f) The term "FORM S-3" means such form under the Act as in effect on



the date hereof or any registration form under the act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(g) The term "GAAP" means generally accepted accounting principles as consistently applied by the Company.

(h) The term "HOLDER" means any person owning or having the right to acquire Registrable Securities, or any assignee thereof, in accordance with SECTION 2.8 hereof.

(i) The term "INITIAL OFFERING" means the Company's first firm commitment underwritten public offering of its Common Stock under the Act.

(j) The term "1934 ACT" means the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the SEC, all as shall be in effect at the time.

(k) The term "NEW SECURITIES" shall mean any equity securities of the Company, whether now authorized or not, and rights, options, or warrants to purchase said equity securities, and securities of any type whatsoever that are, or may become, convertible into said equity securities; PROVIDED, HOWEVER that "New Securities" does not include: (i) securities offered to the public pursuant to an Initial Offering; (ii) securities issued pursuant to the acquisition of another corporation or entity by the Company by merger, purchase of substantially all of the assets, or other reorganization whereby the Company acquires a majority of the voting power of such corporation or entity; (iii) up to ten million (10,000,000) shares of Common Stock issued or issuable to employees, consultants or directors of the Company pursuant to the Company's 2001 Stock Plan (including shares issued or issuable upon exercise of options previously granted), which number of shares may be adjusted upward by the affirmative vote of the Company's Board of Directors; (iv) up to three hundred sixty eight thousand eight hundred ninety four (368,894) shares of Common Stock issuable to employees of the Company pursuant to the Company's 2002 Employee Stock Purchase Plan; (v) securities issued to strategic partners of the Company, such as biotechnology, pharmaceutical, drug manufacturing or clinical research companies; (vi) securities issued to licensors of technology to the Company; or (vii) securities issued in connection with any bank lines of credit, equipment lease transactions, or real estate transactions; in each case as approved by the Company's Board of Directors.

(l) The term "NOTICE OF ACCEPTANCE" has the meaning set forth in SECTION 4.3

2

hereof.

(m) The term "OFFER" has the meaning set forth in SECTION 4.2 hereof.

(n) The term "PRO RATA AMOUNT" has the meaning set forth in SECTION 4.1 hereof.

(o) The term "REFUSED SECURITIES" has the meaning set forth in SECTION 4.4 hereof.

(p) The term "REGISTER," "REGISTERED," and "REGISTRATION" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(q) The term "REGISTRABLE SECURITIES" means (i) any shares of Common Stock held by an Investor (ii) any shares of capital stock of the Company acquired by an Investor (or any transferee of an Investor) after the date hereof pursuant to the Stockholders' Agreement and (iii) any Common Stock

issued as (or issuable upon the conversion or exercise of any warrant, right or other security) a dividend or other distribution with respect to or because of stock splits, stock dividends, reclassifications, recapitalizations, or similar events, or in exchange for, or in replacement of the shares referenced in (i) and (ii) above, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his, her or its rights under SECTION 2 hereof are not assigned. Registrable Securities shall exclude any shares which (A) have been registered under the Securities Act pursuant to an effective registration statement filed thereunder and disposed of in accordance with the registration statement covering them, or (B) may be publicly sold pursuant to and in compliance with SEC Rule 144 in any ninety (90) day period, provided that such shares shall not be excluded if (x) the number of shares proposed to be sold by such Investor is larger than the number of shares that may be sold in any single 90-day period pursuant to Rule 144 or (y) such Investor believes in good faith that a sale pursuant to Rule 144 will be less advantageous to it than a sale pursuant to Section 2.1 or 2.2.

(r) The term "REQUESTING HOLDERS" has the meaning set forth in SECTION 2.2(a) hereof.

(s) The term "SEC" means the Securities and Exchange Commission.

(t) The term "SELLING HOLDER" has the meaning set forth in SECTION 2.1(a) hereof.

(u) The term "SELLING HOLDER INDEMNIFIED PARTIES" has the meaning set forth in SECTION 2.6(b) hereof.

(v) The term "VIOLATION" has the meaning set forth in SECTION 2.6(a) hereof.

2. Registration Rights. The Company covenants and agrees as follows:

3

2.1 PIGGYBACK REGISTRATION.

(a) If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its stock or other securities under the Act in connection with the public offering of such securities (other than a registration statement on Form S-8 or Form S-4, or their successors, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another corporation), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder (a "SELLING HOLDER") given within thirty (30) days after mailing of such notice by the Company in accordance with the provisions hereof, the Company shall, subject to the provisions of SECTION 2.1(c), use all reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder has requested to be registered.

(b) The Company shall have the right to terminate or withdraw any registration initiated by it under this SECTION 2.1 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with SECTION 2.5 hereof.

(c) In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this SECTION 2.1 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, which terms shall not contravene any of the terms hereof without the consent of the Selling Holders holding fifty percent (50%) of the Registrable Securities requested to be included in such registration statement, and enter into such an underwriting agreement in

customary form with an underwriter or underwriters selected by the Company. In connection with any such underwriting agreement, no Selling Holder shall be required to make representations and warranties other than representations and warranties regarding such Selling Holder's ownership and title to the Registrable Securities being sold by it and its plan of distribution with respect to its Registrable Securities. The number of securities which shall be included in such registration shall be in such quantity as the managing underwriter determines in its sole discretion will not materially and adversely affect the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities that the managing underwriter determines in its sole discretion will not materially and adversely affect the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the managing underwriter determines in writing in its sole discretion will not materially and adversely affect the offering (the securities so included to be apportioned pro rata among the Selling Holders according to the total amount of securities entitled to be included therein owned by each Selling Holder or in such other proportions as shall mutually be agreed to by such Selling Holders). Notwithstanding anything to the contrary contained in this Agreement, to the extent the stockholders of the Company that have requested to have securities included in such registration include stockholders other than Holders exercising contractual demand registration rights, then the Company will include in such registration, to the extent of the number and type which the Company is so advised can be sold in such offering, (i) FIRST all Registrable Securities requested for inclusion held by the Holders exercising contractual demand

4

registration rights, and

(ii) SECOND such securities requested to be included in such registration statement by all other stockholders. For purposes of the foregoing parenthetical concerning apportionment, for any selling stockholder that is a Holder of Registrable Securities and that is a partnership, limited liability company or corporation, the partners, members, retired partners, retired members and stockholders of such Holder, or the estates and family members of any such partners, members, retired partners and retired members and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single Selling Holder, and any pro rata reduction with respect to such Selling Holder shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

(d) In the event a Selling Holder (i) is unable to include in a registration by the Company under this SECTION 2.1 all of the Registrable Securities that such Holder has requested, or (ii) disapproves the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, the Selling Holder will have the demand registration rights set forth in SECTION 2.2.

## 2.2 DEMAND REGISTRATION.

(a) Commencing at least one hundred eighty (180) days from the effective date of a registration statement that could have included Registrable Securities under SECTION 2.1 and expiring two (2) years from such effective date or until such time as the registration statement delayed pursuant to Section 2.2.(b) has been granted effectiveness (the "DEMAND PERIOD"), any Holders entitled to demand registration rights under Section 2.1(d) (the "REQUESTING HOLDERS") shall be entitled to request in writing during the Demand Period that the Company effect the registration, qualification or compliance of the Registrable Securities owned by such Requesting Holders; PROVIDED, HOWEVER, that the expected aggregate price to the public of the Registrable Securities will equal or exceed five million dollars (\$5,000,000). If the Requesting Holders intend to distribute the Registrable Securities by means of an underwriting, they shall so advise the Company in their request. The underwriter shall be reasonably acceptable to the Company.

(b) The Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request or requests of the Requesting Holders, and shall use its commercially reasonable efforts to effect such registration, qualification or compliance (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request; PROVIDED, HOWEVER, that if: (i) in the good faith judgment of the Board of Directors of the Company, such registration would be seriously detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company for such registration statement to be filed in the near future

5

and that it is, therefore, essential to defer the filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Requesting Holders; and FURTHER PROVIDED, that the Company shall not defer its obligation in this manner more than once in any twelve-month period.

(c) The Company shall not be required to effect more than one (1) registration pursuant to this SECTION 2.2 during the Demand Period.

2.3 OBLIGATIONS OF THE COMPANY. Whenever required under this SECTION 2 to effect the registration of any Registrable Securities, the Company shall, at the earliest possible date:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for one hundred twenty (120) days from the effective date or, if earlier, until the distribution contemplated in the Registration Statement has been completed;

(b) as promptly as possible prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) as promptly as possible furnish to the Holders such numbers of copies of the registration statement and amendments thereto, a prospectus, including a preliminary prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) as promptly as possible use all reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky or other state securities laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) as promptly as possible in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(f) as promptly as possible notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(g) as promptly as possible cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by

6

the Company are then listed;

(h) as promptly as possible. provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration; and

(i) if such securities are being sold in an underwritten offering, as promptly as possible furnish at the request of any Holder requesting registration of Registrable Securities pursuant hereto, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant hereto, (A) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, and to the Holders requesting registration of Registrable Securities, and (B) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, and to the Holders requesting registration of Registrable Securities.

2.4 INFORMATION FROM HOLDER. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this SECTION 2 with respect to the Registrable Securities of any Selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable Securities.

2.5 EXPENSES OF REGISTRATION. All expenses (other than underwriting discounts and commissions and the fees and expenses of counsel to the Selling Holders) incurred in connection with registrations, filings or qualifications pursuant to SECTIONS 2.1 and 2.2 including without limitation all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company shall be borne by the Company.

2.6 INDEMNIFICATION. In the event any Registrable Securities are included in a registration statement under this SECTION 2:

(a) The Company will indemnify and hold harmless each Holder, the partners, members, managers, officers, directors and stockholders of each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act (collectively, the "COMPANY INDEMNIFIED PARTIES"), against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "VIOLATION"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained, therein or any amendments or supplements thereto, (ii) the omission or alleged omission to

state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any blue sky or other state securities laws or any rule or regulation promulgated under the Act, the

7

1934 Act or any blue sky or other state securities laws; and the Company will pay to each such Company Indemnified Party any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; PROVIDED, HOWEVER, that the indemnity agreement contained in this SECTION 2.6(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Company Indemnified Party, and FURTHER PROVIDED in the case of a demand registration pursuant to SECTION 2.2, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Company Indemnified Party, from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Company Indemnified Party to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) Each Selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder (collectively, the "SELLING HOLDER INDEMNIFIED PARTIES"), against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing Selling Holder Indemnified Parties may become subject, under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse a Selling Holder Indemnified Party for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage, liability or action; PROVIDED, HOWEVER, that the indemnity agreement contained in this SECTION 2.6(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Selling Holder (which consent shall not be unreasonably withheld); and FURTHER PROVIDED, that in no event shall any indemnity under this SECTION 2.6(b) exceed the net proceeds (after underwriting discounts and commissions) from the offering received by such Selling Holder; and FURTHER PROVIDED, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of a Selling Holder Indemnified Party from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Selling Holder Indemnified Party to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

8

(c) Promptly after receipt by an indemnified party under this SECTION 2.6 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this SECTION 2.6, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this SECTION 2.6, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this SECTION 2.6.

(d) If the indemnification provided for in this SECTION 2.6 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party, and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; PROVIDED HOWEVER, that, in any such case (A) no such Holder will be required to contribute any amount in excess of the net proceeds (after underwriting discounts and commissions) from the offering received by such Holder, and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding anything to the contrary in the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in this Agreement shall control, unless otherwise consented to in writing by the Holders of at least two-thirds of the Registrable Securities.

(f) The obligations of the Company and Holders under this SECTION 2.6 shall survive the completion of any offering of Registrable Securities in a registration statement under this SECTION 2, and otherwise.

2.7 REPORTS UNDER SECURITIES EXCHANGE ACT OF 1934. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144, at all times after ninety (90) days after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, promptly upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the Initial Offering), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

2.8 ASSIGNMENT OF REGISTRATION RIGHTS. The rights to cause the Company to register Registrable Securities pursuant to this SECTION 2 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (i) is an Affiliate of the Holder or (ii) after such assignment or transfer, holds at least one percent (1%) of the issued and outstanding shares of the Company's Common Stock, provided that: (a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of SECTION 2.9 below.

2.9 "MARKET STAND-OFF" AGREEMENT. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days): (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise;

10

PROVIDED, HOWEVER, that all executive officers and directors of the Company and all other holders of at least one percent (1%) of Common Stock enter into similar agreements. The underwriters in connection with the Initial Offering are intended third-party beneficiaries of this SECTION 2.9 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

2.10 TERMINATION OF REGISTRATION RIGHTS. No Holder shall be entitled to exercise any right provided for in this SECTION 2 after the earlier to occur of (a) the date that is five (5) years following the consummation of the Initial Offering, and (b) the date on which all of the Investors' Registrable Shares may



be sold within a ninety (90) day period pursuant to SEC Rule 144.

3. INFORMATION RIGHTS. Subject to the limitations set forth in SECTION 3.4:

3.1 ACCESS TO RECORDS. The Company agrees to afford to each Investor, upon such Investor's reasonable prior request, free and full access, during normal business hours, to all books, records and properties of the Company and to all officers and employees of the Company having responsibility for financial or accounting matters generally, for any reasonable purpose whatsoever.

3.2 FINANCIAL REPORTS. The Company agrees to furnish each Investor with the following:

(a) QUARTERLY REPORTS. Within thirty (30) days after the end of each fiscal quarter, an unaudited financial statements of the Company, which shall be prepared in accordance with GAAP (except that the financial report may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto which may be required in accordance with GAAP).

(b) ANNUAL REPORTS. Within one hundred twenty (120) days after the end of each fiscal year of the Company, audited financial statements of the Company, prepared in accordance with GAAP.

(c) OTHER REPORTS AND INFORMATION. Within a reasonable period of time, such other reports and financial information as may be reasonably requested by an Investor.

3.3 BUDGET. At least twenty (20) days prior to the beginning of each fiscal year of the Company, the Company shall prepare and submit a budget for such fiscal year (the "BUDGET") to the Board of Directors of the Company and the Investors. The Budget shall be accepted as the Budget for such fiscal year when it has been approved by the Board of Directors of the Company.

3.4 LIMITATIONS ON RIGHTS OF THE INVESTORS UNDER SECTION 3. The Company shall provide the access rights and information required by SECTION 3 to an Investor so long as such Investor

11

shall own at least five percent (5%) of the issued and outstanding Common Stock of the Company (the "THRESHOLD AMOUNT"), PROVIDED that, in the case of a Day Investor, the Threshold Amount shall be determined based upon the aggregate amount of the Company's issued and outstanding Common Stock held by the Day Investors, and FURTHER PROVIDED that, in the case of a Gollust Investor, the Threshold Amount shall be determined based upon the aggregate amount of the Company's issued and outstanding Common Stock held by the Gollust Investors. The Company's obligations to the Investors pursuant to SECTION 3 shall terminate upon the closing of an Initial Offering.

4. RIGHT OF FIRST REFUSAL.

4.1 The Company hereby grants to each Investor, so long as such Investor shall own at least the Threshold Amount, the right of first refusal to purchase a pro rata portion of any New Securities that the Company may, from time to time, propose to sell or issue (the "PRO RATA AMOUNT"), PROVIDED that, in the case of a Day Investor, the Threshold Amount shall be determined based upon the aggregate amount of the Company's issued and outstanding Common Stock held by the Day Investors, and FURTHER PROVIDED that, in the case of a Gollust Investor, the Threshold Amount shall be determined based upon the aggregate amount of the Company's issued and outstanding Common Stock held by the Gollust Investors. Each Investor's Pro Rata Amount, for purposes of this right of first refusal, is the ratio of (i) the number of shares of Common Stock then held of record by such Investor, assuming the full conversion into Common Stock of any convertible shares of the capital stock of the Company held by such Investor, to (ii) the total number of shares of Common Stock outstanding immediately prior to the issuance of New Securities, assuming the conversion into Common Stock of any convertible shares of the Company's capital stock then outstanding.

4.2 The Company shall not issue, sell or exchange, agree to issue, sell or exchange, or reserve or set aside for issuance, sale or exchange any New Securities unless the Company shall deliver to the Investors a written notice of any proposed or intended issuance, sale or exchange of New Securities (the "OFFER"), which Offer shall (i) identify and describe the New Securities, (ii) describe the price and other terms upon which they are to be issued, sold or exchanged, and the number or amount of the New Securities to be issued, sold or exchanged, (iii) identify the persons or entities, if known, to which or with which the New Securities are to be offered, issued, sold or exchanged and (iv) offer to issue and sell to or exchange with each of the Investors their respective Pro Rata Amount. Each Investor shall have the right, for a period of thirty (30) days following delivery of the Offer, to purchase or acquire, at a price and upon the other terms specified in the Offer, the number or amount of New Securities described above. The Offer by its terms shall remain open and irrevocable for such 30-day period.

4.3 To accept an Offer, in whole or in part, an Investor must deliver a written notice to the Company prior to the end of the 30-day period of the Offer, setting forth the portion of the Pro Rata Amount that such Investor elects to purchase (the "NOTICE OF ACCEPTANCE").

4.4 The Company shall have ninety (90) days from the expiration of the period set forth in SECTION 4.2 above to issue, sell or exchange all or any part of such New Securities as to which a Notice of Acceptance has not been given by an Investor (the "REFUSED SECURITIES"), but only to the offerees or purchasers (if identified) and only upon terms and conditions (including,

12

without limitation, unit prices and interest rates) which are described in the Offer.

4.5 In the event the Company shall propose to sell less than all the Refused Securities (any such sale to be in the manner and on the terms specified in SECTION 4.4 above), then an Investor may, at its sole option and in its sole discretion, reduce the number or amount of the New Securities specified in its Notice of Acceptance to an amount that shall be not less than the number or amount of the New Securities that such Investor elected to purchase pursuant to SECTION 4.3 above multiplied by a fraction, (i) the numerator of which shall be the number or amount of New Securities the Company actually proposes to issue, sell or exchange (including New Securities to be issued or sold to Investor pursuant to SECTION 4.3 above prior to such reduction) and (ii) the denominator of which shall be the number or amount of all New Securities that the Company initially proposed to offer, sell or exchange as described in the Offer. In the event that an Investor so elects to reduce the number or amount of New Securities specified in its Notice of Acceptance, the Company may not issue, sell or exchange more than the reduced number or amount of the New Securities unless and until such securities have again been offered to the Investors in accordance with SECTION 4.2 above.

4.6 Upon the closing of the issuance, sale or exchange of all or less than all the Refused Securities and the payment in full therefor by the Investor(s) to the Company in immediately available funds, the Investor(s) shall acquire from the Company, and the Company shall issue to the Investor(s), the number of New Securities specified in the Notices of Acceptance, as reduced pursuant to SECTION 4.5 above if the Investor(s) has so elected, upon the terms and conditions specified in the Offer. The purchase by the Investor(s) of any New Securities is subject in all cases to the preparation, execution and delivery by the Company and each Investor returning a Notice of Acceptance of a purchase agreement relating to such New Securities reasonably satisfactory in form and substance to such Investor(s) and its or their counsel.

## 5. MISCELLANEOUS.

5.1 SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding

upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

5.2 GOVERNING LAW. This Agreement shall be governed by and construed under the laws of the State of Delaware, other than the laws relating to conflict or choice of laws.

5.3 COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.4 TITLES AND SUBTITLES AND CONSTRUCTION. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless the context of this Agreement clearly requires otherwise, (i) references to the plural include the singular, and the singular the plural, (ii) references to one

13

gender include all genders, (iii) "or" has the inclusive meaning frequently identified with the phrase "and/or," (iv) "including" has the inclusive meaning frequently identified with the phrase "but not limited to" and (v) "hereunder" or "herein" refer to the entire Agreement. The section and other headings contained in this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section and subsection references are to this Agreement unless otherwise specified.

5.5 NOTICES. All notices, requests, consents, and other communications under this Agreement shall be in writing, and shall be delivered by hand or sent by reputable overnight courier service or electronic facsimile transmission (with a copy sent by first class mail, postage prepaid), or mailed by United States first class certified or registered mail, return receipt requested, postage prepaid:

If to the Company, at Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, Massachusetts 02421, attention: Dr. Safi R. Bahcall, Chief Executive Officer, facsimile number (530) 323-7045, with a copy to Nixon Peabody LLP, 101 Federal Street, Boston, MA 02110 attention: Michael K. Barron, Esq., facsimile number (866) 947-1784), or at such other address as may be furnished in writing by the Company to the Investors;

If to Cxsysnta LLC, at Caxton Corporation, Princeton Plaza, Building 2, 731 Alexander Road, Princeton, New Jersey 08540, attention Scott B. Bernstein, Esq., facsimile number 609- 419-0470, or at such other address as may be furnished in writing by the Investor to the Company.

If to Robert A. Day, at Mountain Trail Investments, LLC, 865 South Figueroa St., Suite 700, Los Angeles, California 90017, facsimile number 213-452-2822, Attn: Jonathan D. Jaffrey, or at such other address as may be furnished in writing by the Investor to the Company.

If to Mountain Trail Investments, LLC, at Mountain Trail Investments, LLC, 865 South Figueroa St., Suite 700, Los Angeles, California 90017, facsimile number 213-452-2822, Attn: Jonathan D. Jaffrey, or at such other address as may be furnished in writing by the Investor to the Company, with a copy to Richard N. Foster at 21 East 79th Street, New York, New York 10021.

If to Keith R. Gollust, at Keith R. Gollust c/o Gollust Management, Inc., 500 Park Avenue, Suite 510, New York, New York 10022, facsimile number 212-319-8779, or at such other address as may be furnished in writing by the Investor to the Company.

If to Gollust Trust II, at Keith R. Gollust, c/o Gollust Management, Inc.,

500 Park Avenue, Suite 510, New York, New York 10022 facsimile number 212-319-8779, or at such other address as may be furnished in writing by the Investor to the Company.

If to Wyandanch Partners, L.P., at Keith R. Gollust, c/o Gollust Management, Inc., 500 Park Avenue, Suite 510, New York, New York 10022 facsimile number 212-319-8779, or at such other address as may be furnished in writing by the Investor to the Company.

Notices provided in accordance with this SECTION 5.5 shall be deemed delivered (i) if personally delivered or sent by electronic facsimile transmission with written confirmation, when

14

received, or (ii) if sent by a nationally recognized overnight courier service, twenty four (24) hours after deposit with such courier service, or (iii) if sent by United States certified or registered mail, return receipt requested, forty eight (48) hours after deposit in the mail.

5.6 EXPENSES. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

5.7 ENTIRE AGREEMENT; AMENDMENTS AND WAIVERS. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter hereof. To the extent any of the terms of this Agreement are inconsistent with the terms of any subscription agreement for the Shares executed by an Investor or the Stockholders' Agreement, the applicable terms of this Agreement shall control with respect to the subject matter hereof. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and each of the Investors. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each of the Investors, its successors and assigns, and the Company.

5.8 SPECIFIC PERFORMANCE. The parties recognize that various of the rights of the Investors under this Agreement are unique and, accordingly, the Investors (and their respective successors and assigns) shall, in addition to such other remedies as may be available to each of them at law or in equity, have the right to enforce their respective rights hereunder by actions for injunctive relief and specific performance to the extent permitted by law.

5.9 SEVERABILITY. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY. SIGNATURE PAGE FOLLOWS.]

15

IN WITNESS WHEREOF, the parties have executed this Agreement, under seal, as of the date first above written.

SYNTA PHARMACEUTICAL CORP.

By: /s/ SAFI R. BAHCALL

Print Name: Safi R. Bahcall

Title: Chief Executive Officer  
-----

CxSYNTA LLC

By: /s/ SCOTT B. BERNSTEIN  
-----  
Print Name: Scott B. Bernstein  
-----  
Title: Secretary  
-----

MOUNTAIN TRAIL INVESTMENTS, LLC

By: /s/ RICHARD N. FOSTER  
-----  
Print Name: Richard N. Foster  
-----  
Title: Attorney-in-Fact  
-----

/s/ ROBERT A. DAY  
-----  
Robert A. Day

/s/ KEITH R. GOLLUST  
-----  
Keith R. Gollust

GOLLUST TRUST II

By: /s/ KENNETH S. DAVIDSON  
-----  
Print Name: Kenneth S. Davidson  
-----  
Title: Trustee  
-----

WYANDANCH PARTNERS, L.P.

By: /s/ KEITH R. GOLLUST  
-----  
Print Name: Keith R. Gollust  
-----  
Title: G.P.  
-----

[SIGNATURE PAGE CO AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT]

SYNTA PHARMACEUTICALS CORP.

FIRST AMENDMENT  
TO THE  
AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

This First Amendment (the "AMENDMENT") to the Amended and Restated Investor Rights Agreement, dated December 13, 2002, by and among Synta Pharmaceuticals Corp., a Delaware corporation (the "COMPANY"), and the Investors named therein (the "INVESTOR RIGHTS AGREEMENT"), is made as of January 11, 2005, by and among the Company and the Investors. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Investor Rights Agreement.

WHEREAS, Section 2 of the Investor Rights Agreement sets forth certain rights granted to the Investors with respect to the registration of the Registrable Securities;

WHEREAS, the Company and the Investors wish to alter the registration rights granted to the Investors as set forth in the Investor Rights Agreement;

WHEREAS, the Company wishes to grant these registration rights to an additional Investor by adding an additional party to the Investor Rights Agreement, and the Company and the Investors wish to amend the Investor Rights Agreement to add such additional Investor;

WHEREAS, Section 4 of the Investor Rights Agreement sets forth certain rights granted to the Investors with respect to the right of first refusal to purchase certain securities issued by the Company;

WHEREAS, the Company and the Investors wish to amend the Investor Rights Agreement to provide that the rights set forth in Section 4 terminate upon the closing of an Initial Offering; and

WHEREAS, in accordance with Section 5.7 of the Investor Rights Agreement, by executing and delivering this Amendment, the Company and each Investor has approved this Amendment.

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

1. AMENDMENT OF INVESTOR RIGHTS AGREEMENT.

(i) The Investor Rights Agreement is hereby amended by deleting the preamble in its entirety and by substituting in lieu thereof the following:

"THIS AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT (this "AGREEMENT") dated as of December 13, 2002, is by and among Synta Pharmaceuticals Corp., a Delaware corporation (the "COMPANY"), Robert A. Day and Mountain Trail Investments, LLC,

(singly, a "DAY INVESTOR", and collectively, the "DAY INVESTOR"), Keith R. Gollust, Gollust Trust II, and Wyandanch Partners, L.P. (singly, a "GOLLUST INVESTOR", and collectively, the "GOLLUST INVESTOR") and Bruce Kovner and Cxsyntha LLC, an affiliate of Caxton Corporation (singly, a "CAXTON INVESTOR", and collectively, the "CAXTON INVESTOR") (each an "INVESTOR" and, collectively, the "INVESTORS")."

(ii) The Investor Rights Agreement is hereby amended by deleting Sections 1(d), (e), (h), (q), (r), (t), (u) and (v) in their entirety and by substituting in lieu thereof the following:

"(d) The term "COMPANY INDEMNIFIED PARTIES" has the meaning set forth in SECTION 2.7(a) hereof."

"(e) [Intentionally omitted.]"

"(h) The term "HOLDER" means any person owning or having the right to acquire Registrable Securities, or any assignee thereof, in accordance with SECTION 2.9 hereof."

"(q) The term "REGISTRABLE SECURITIES" means (i) any shares of Common Stock held by an Investor (ii) any shares of capital stock of the Company acquired by an Investor (or any transferee of an Investor) after the date hereof pursuant to the Stockholders' Agreement and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right or other security) a dividend or other distribution with respect to or because of stock splits, stock dividends, reclassifications, recapitalizations, or similar events, or in exchange for, or in replacement of the shares referenced in (i) and (ii) above, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his, her or its rights under SECTION 2 hereof are not assigned. Registrable Securities shall exclude any shares which (A) have been registered under the Securities Act pursuant to an effective registration statement filed thereunder and disposed of in accordance with the registration statement covering them, or (B) may be publicly sold pursuant to and in compliance with SEC Rule 144 in any ninety (90) day period, provided that such shares shall not be excluded if (x) the number of shares proposed to be sold by such Investor is larger than the number of shares that may be sold in any single 90-day period pursuant to Rule 144 or (y) such Investor believes in good faith that a sale pursuant to Rule 144 will be less advantageous to it than a sale pursuant to SECTIONS 2.1, 2.2 or 2.3."

"(r) The term "REQUESTING HOLDERS" has the meaning set forth in SECTION 2.1(a) hereof."

"(t) The term "SELLING HOLDER" has the meaning set forth in SECTION 2.2(a) hereof."

"(u) The term "SELLING HOLDER INDEMNIFIED PARTIES" has the meaning set forth in SECTION 2.7(b) hereof."

"(v) The term "VIOLATION" has the meaning set forth in SECTION 2.7(a) hereof."

2

(iii) The Investor Rights Agreement is hereby amended by deleting Section 2 in its entirety and by substituting in lieu thereof the following:

"2. Registration Rights. The Company covenants and agrees as follows:

2.1 DEMAND REGISTRATION.

(a) Commencing upon the expiration of any lock-up agreement that the Holders have entered into with the underwriters in connection with an Initial Offering pursuant to SECTION 2.10, subject to the limitations set forth in this SECTION 2, the Holders of not less than 60% of the then outstanding Registrable Securities (the "REQUESTING HOLDERS") may at any time give to the Company a written request for the registration (a "DEMAND REGISTRATION") by the Company under the Act of all or any part of the Registrable Securities held by such Requesting Holders. Within 15 business days after the receipt by the Company of any such written request, the Company will give written notice of such request to all Holders of Registrable Securities.

(b) Subject to the limitations set forth in this SECTION 2, after the receipt of a written request for a Demand Registration, (i) the Company will

be obligated to include in such Demand Registration all Registrable Securities with respect to which the Company receives from Holders of Registrable Securities the written requests of such Holders for inclusion in such Demand Registration, within 30 days after the date on which the Company gives to all Holders a written notice of registration request pursuant to SECTION 2.1(a), and (ii) the Company shall file a registration statement covering all such Registrable Securities as soon as practicable after receipt of the written requests of such Holders for inclusion in such Demand Registration, and shall use its commercially reasonable efforts to effect the registration of all such Registrable Securities. All written requests made by Holders of Registrable Securities pursuant to this SECTION 2.1(b) will specify the number of Registrable Securities to be registered and will also specify the intended method of disposition thereof. If the Requesting Holders intend to distribute the Registrable Securities by means of an underwriting, they shall so advise the Company in their request. The underwriter shall be reasonably acceptable to the Company.

(c) The registration statement filed pursuant to any Demand Registration pursuant to this SECTION 2.1 may, subject to the limitations set forth in this SECTION 2, include other securities of the Company which are held by persons other than the Holders who, by virtue of agreements with the Company, are entitled to include their securities in any such registration.

(d) The Company shall not be required to effect any Demand Registration of any Registrable Securities pursuant to this SECTION 2.1 if the anticipated aggregate offering price, net of underwriting discounts and commissions, of the Registrable Securities will not equal or exceed fifteen million dollars (\$15,000,000).

(e) The Company shall not be required to effect more than two (2) Demand Registrations pursuant to this SECTION 2.1.

(f) The Company will not be obligated to effect any Demand Registration of any Registrable Securities pursuant to this SECTION 2.1 during the period commencing on the date falling 90 days prior to the Company's estimated date of filing of, and ending on the date 180

3

days following the effective date of, any registration statement pertaining to any registration initiated by the Company, for the account of the Company (other than with respect to securities registered solely in connection with acquisitions, employee benefit plans, and the like), if the written request of the Requesting Holders for such Demand Registration pursuant to SECTION 2.1(a) hereof is received by the Company after the Company has commenced an underwritten registration initiated by the Company and provides reasonable evidence that it commenced activities directly related to such filing before receiving the written request of the Holders; PROVIDED, HOWEVER, that the Company will use its commercially reasonable efforts in good faith to cause any such registration statement to be filed and to become effective as expeditiously as is reasonably possible.

(g) The Company will not be obligated to effect any Demand Registration of any Registrable Securities pursuant to this SECTION 2.1 for not more than a 120-day period, if: (i) in the good faith judgment of the Board of Directors of the Company, such registration would be seriously detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, essential to defer the filing for a period of not more than 120 days after receipt of the request of the Requesting Holders; and FURTHER PROVIDED, that the Company shall not defer its obligation in this manner more than once in any twelve-month period.



(h) If the managing underwriters in any Demand Registration advise the Company that the number of securities proposed to be included in such registration exceeds, in the opinion of the managing underwriters of such registration in light of marketing factors, the number of securities to which such registration should be limited (the "UNDERWRITERS' MAXIMUM NUMBER"), then: (i) the Company will be obligated to include in such registration that number of Registrable Securities requested by Holders to be included in such registration as does not exceed the Underwriters' Maximum Number, and such number of Registrable Securities will be allocated PRO RATA among such Holders on the basis of the number of Registrable Securities held by each such Holder; (ii) if the Underwriters' Maximum Number exceeds the number of Registrable Securities requested by Holders to be included in such registration, then the Company will be entitled to include in such registration that number of securities as has been requested by the Company to be included in such registration for the account of the Company and that is not greater than such excess; and (iii) if the Underwriters' Maximum Number exceeds the sum of the number of Registrable Securities that the Company is obligated under clause (i) above to include in such Demand Registration plus the number of securities that the Company proposes to offer and sell for its own account in such registration, then the Company may include in such registration that number of other securities as security holders other than Holders may have requested be included in such registration and that is not greater than such excess, and such number of excess securities will be allocated PRO RATA among such security holders other than the Holders on the basis of the number of such securities requested to be included in such registration by each such security holder. Neither the Company nor any of its other security holders will be entitled to include any securities in any underwritten Demand Registration unless the Company or such security holders (as the case may be) agree in writing to sell such securities

4

on the same terms and conditions as apply to the Registrable Securities held by Holders to be included in such Demand Registration.

## 2.2 PIGGYBACK REGISTRATION.

(a) At any time subsequent to the expiration of any lock-up agreement that the Holders have entered into with the underwriters in connection with an Initial Offering pursuant to SECTION 2.10, if (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its stock or other securities under the Act (other than a registration statement on Form S-8 or Form S-4, or their successors, or any registration statement effected solely to implement an employee benefit plan or covering only securities proposed to be issued in exchange for securities or assets of another corporation), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder (a "SELLING HOLDER") received within 30 days after the date on which the Company gives such notice in accordance with the provisions hereof, the Company shall, subject to the provisions of this SECTION 2, use all reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder has requested to be registered.

(b) The Company shall have the right to terminate or withdraw any registration initiated by it under this SECTION 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with SECTION 2.6 hereof.

(c) In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this SECTION 2.2 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, which terms shall not contravene any of the terms hereof without the consent of the Selling Holders holding at least 50% of the Registrable Securities requested to be included in such registration statement, and enter into such an underwriting agreement in

customary form with an underwriter or underwriters selected by the Company. In connection with any such underwriting agreement, no Selling Holder shall be required to make representations and warranties other than representations and warranties regarding such Selling Holder's ownership and title to the Registrable Securities being sold by it and its plan of distribution with respect to its Registrable Securities. The number of securities which shall be included in such registration shall be in such quantity as the managing underwriter determines in its sole discretion will not materially and adversely affect the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities that the managing underwriter determines in its sole discretion will not materially and adversely affect the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the managing underwriter determines in writing in its sole discretion will not materially and adversely affect the offering (the securities so included to be apportioned pro rata among the Selling Holders according to the total amount of securities entitled to be included therein owned by each Selling Holder or in such other proportions as shall mutually be agreed to by such Selling Holders).

5

Notwithstanding anything to the contrary contained in this Agreement, to the extent the stockholders of the Company that have requested to have securities included in such registration include stockholders other than Holders exercising contractual demand registration rights, then the Company will include in such registration, to the extent of the number and type which the Company is so advised can be sold in such offering, (i) FIRST all Registrable Securities requested for inclusion held by the stockholders exercising contractual demand registration rights, and (ii) SECOND such securities requested to be included in such registration statement by all other stockholders. For purposes of the foregoing parenthetical concerning apportionment, for any selling stockholder that is a Holder of Registrable Securities and that is a partnership, limited liability company or corporation, the partners, members, retired partners, retired members and stockholders of such Holder, or the estates and family members of any such partners, members, retired partners and retired members and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single Selling Holder, and any pro rata reduction with respect to such Selling Holder shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

2.3 FORM S-3 REGISTRATION. At any time after the Company becomes eligible to file a registration statement on Form S-3, a Holder or Holders of Registrable Securities may request the Company, in writing, to effect the registration of such Registrable Securities on Form S-3; PROVIDED, HOWEVER, that such Registrable Securities are sufficient to result in an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least ten million dollars (\$10,000,000). Upon receipt of any such request, the Company shall:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use its commercially reasonable efforts to effect such registration to permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within 30 days after receipt of such written notice from the Company; PROVIDED, HOWEVER, that the Company shall not be obligated to effect any such registration pursuant to this SECTION 2.3: (i) if Form S-3 is not available for such offering by the Holders; or (ii) for not more than a 120-day period, if: (A) in the good faith judgment of the Board of Directors of the Company, such registration would be seriously detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and (B) the Company shall furnish to such Holders a certificate signed by the Chief

Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, essential to defer the filing for a period of not more than 120 days after receipt of the request of the Holders; PROVIDED, HOWEVER, that the Company shall not defer its obligation in this manner more than once in any twelve-month period.

(c) The Company shall not be required to effect more than two (2) registrations pursuant to this SECTION 2.3 in any rolling 12-month period.

6

(d) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders, and, in any event, shall use its commercially reasonable efforts to effect the registration of all such Registrable Securities and other securities.

2.4 OBLIGATIONS OF THE COMPANY. Whenever required under this SECTION 2 to effect the registration of any Registrable Securities, the Company shall, at the earliest possible date:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for 120 days from the effective date or until the distribution contemplated in the Registration Statement has been completed;

(b) as promptly as possible prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) as promptly as possible furnish to the Holders such numbers of copies of the registration statement and amendments thereto, a prospectus, including a preliminary prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) as promptly as possible use all reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky or other state securities laws of such jurisdictions as shall be reasonably requested by the Holders, PROVIDED, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) as promptly as possible in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(f) as promptly as possible notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(g) as promptly as possible cause all such Registrable Securities

registered pursuant hereto to be listed on each securities exchange on which similar securities issued by the Company are then listed; and

7

(h) if such securities are being sold in an underwritten offering, as promptly as possible furnish at the request of any Holder requesting registration of Registrable Securities pursuant hereto, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant hereto, (A) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, and to the Holders requesting registration of Registrable Securities, and (B) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, and to the Holders requesting registration of Registrable Securities.

2.5 INFORMATION FROM HOLDER. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this SECTION 2 with respect to the Registrable Securities of any Selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable Securities.

2.6 EXPENSES OF REGISTRATION. All expenses (other than underwriting discounts and commissions and the fees and expenses of counsel to the Holders) incurred in connection with registrations, filings or qualifications pursuant to this SECTION 2, including, without limitation, all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company, shall be borne by the Company.

2.7 INDEMNIFICATION. In the event any Registrable Securities are included in a registration statement under this SECTION 2:

(a) The Company will indemnify and hold harmless each Holder, the partners, members, managers, officers, directors and stockholders of each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act (collectively, the "COMPANY INDEMNIFIED PARTIES"), against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "VIOLATION"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained, therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any blue sky or other state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any blue sky or other state securities laws; and the Company will pay to each such Company Indemnified Party any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage or liability (or actions in respect thereof); PROVIDED, HOWEVER, that the indemnity agreement contained in this

8

SECTION 2.7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage or liability if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability

or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Company Indemnified Party, and FURTHER PROVIDED, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Company Indemnified Party, from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Company Indemnified Party to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) Each Holder selling securities in such registration statement will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder (collectively, the "SELLING HOLDER INDEMNIFIED PARTIES"), against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing Selling Holder Indemnified Parties may become subject, under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse a Selling Holder Indemnified Party for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage or liability (or actions in respect thereof); PROVIDED, HOWEVER, that the indemnity agreement contained in this SECTION 2.7(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of such indemnifying Holder (which consent shall not be unreasonably withheld); and FURTHER PROVIDED, that in no event shall any indemnity under this SECTION 2.7(b) exceed the net proceeds (after underwriting discounts and commissions) from the offering received by such indemnifying Holder; and FURTHER PROVIDED, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of a Selling Holder Indemnified Party from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Selling Holder Indemnified Party to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(c) Promptly after receipt by an indemnified party under this SECTION 2.7 of notice of the commencement of any action (including any governmental action), such

indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this SECTION 2.7, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; PROVIDED, HOWEVER, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual conflict

of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this SECTION 2.7 but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this SECTION 2.7.

(d) If the indemnification provided for in this SECTION 2.7 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; PROVIDED, HOWEVER, that, in any such case (A) no such Holder will be required to contribute any amount in excess of the net proceeds (after underwriting discounts and commissions) from the offering received by such Holder, and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding anything to the contrary in the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this SECTION 2.7 shall survive the completion of any offering of Registrable Securities in a registration statement under this SECTION 2, and otherwise.

2.8 REPORTS UNDER SECURITIES EXCHANGE ACT OF 1934. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without

10

registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144, at all times after 90 days after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, promptly upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after 90 days after the effective date of the Initial Offering), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports

and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

2.9 ASSIGNMENT OF REGISTRATION RIGHTS. The rights to cause the Company to register Registrable Securities pursuant to this SECTION 2 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (i) is an Affiliate of the Holder or (ii) after such assignment or transfer, holds at least one percent (1%) of the issued and outstanding shares of the Company's Common Stock, PROVIDED, that: (a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of SECTION 2.10 below.

2.10 "MARKET STAND-OFF" AGREEMENT. Each Holder hereby agrees that, if requested by the managing underwriter, it will not, without the prior written consent of the managing underwriter, sell or otherwise transfer or dispose of (subject to customary exceptions) any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired) during the period commencing on the date of the final prospectus relating to the Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed 180 days); PROVIDED, HOWEVER, that all executive officers and directors of the Company and all other holders of at least one percent (1%) of Common Stock enter into similar agreements. The underwriters in connection with the Initial Offering are intended third-party beneficiaries of this SECTION 2.10 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

11

2.11 TERMINATION OF REGISTRATION RIGHTS. No Holder shall be entitled to exercise any right provided for in this SECTION 2 after the later to occur of (a) the date that is five (5) years following the consummation of the Initial Offering, and (b) the date on which all of such Holder's Registrable Securities may be sold within a 90-day period pursuant to SEC Rule 144."

(iv) The Investor Rights Agreement is hereby amended by adding the following Section 4.7:

"4.7 The obligations and covenants set forth in this SECTION 4 shall terminate and be of no further force and effect upon the closing of an Initial Offering."

(v) The Investor Rights Agreement is hereby amended by adding the following address to Section 5.5:

"If to Bruce Kovner, at Bruce Kovner, c/o Caxton Corporation, Princeton Plaza, Building 2, 731 Alexander Road, Princeton, New Jersey 08540, facsimile number 609-419-0470, or at such other address as may be furnished in writing by the Investor to the Company."

(vi) Except as amended hereby, all of the terms and conditions of the Investor Rights Agreement shall remain in full force and effect.

2. COUNTERPARTS. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which

together shall constitute one and the same instrument.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

12

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first above written.

COMPANY:

SYNTA PHARMACEUTICALS CORP.

By: /s/ Safi R. Bahcall

-----  
Name: Safi R. Bahcall

Title: Chief Executive Officer

13

[First Amendment to the Amended and Restated Investor Rights Agreement,  
Signature Page, CONTINUED]

INVESTORS:

CxSYNTA LLC

By: /s/ Bruce Kovner

-----  
Name: Bruce Kovner

Title:

/s/ Bruce Kovner

-----  
Bruce Kovner

MOUNTAIN TRAIL INVESTMENTS, LLC

By: /s/ Richard N. Foster

-----  
Name: Richard N. Foster

Title: Partner

GOLLUST TRUST II

By: /s/ Kenneth S. Davidson

-----  
Name: Kenneth S. Davidson

Title: Trustee

WYANDANCH PARTNERS, L.P.

By: /s/ Keith R. Gollust

-----  
Name: Keith R. Gollust

Title:

/s/ Keith R. Gollust

-----  
Keith R. Gollust

14



SYNTA PHARMACEUTICALS CORP.

2001 STOCK PLAN  
(AS AMENDED AND RESTATED ON 5/09/05)

1. DEFINITIONS.

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this Synta Pharmaceuticals Corp. 2001 Stock Plan, have the following meanings:

ADMINISTRATOR means the Board of Directors, unless it has delegated power to act on its behalf to the Committee, in which case the Administrator means the Committee.

AFFILIATE means a corporation which, for purposes of Section 424 of the Code, is a parent or subsidiary of the Company, direct or indirect.

BOARD OF DIRECTORS means the Board of Directors of the Company.

CHANGE OF CONTROL means the occurrence of any of the following events:

(i) Ownership. Any "Person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "Beneficial Owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities (excluding for this purpose any such voting securities held by the Company or its Affiliates or by any employee benefit plan of the Company) pursuant to a transaction or a series of related transactions which the Board of Directors does not approve; or

(ii) Merger/Sale of Assets. (A) A merger or consolidation of the Company whether or not approved by the Board of Directors, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such corporation) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such corporation, as the case may be,

outstanding immediately after such merger or consolidation; (B) or the stockholders of the Company approve an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) Change in Board Composition. A change in the composition of the Board of Directors, as a result of which fewer than a majority of the

directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of the Company as of January 11, 2005, or (B) are elected, or nominated for election, to the Board of Directors with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company).

CODE means the United States Internal Revenue Code of 1986, as amended.

COMMITTEE means the committee of the Board of Directors to which the Board of Directors has delegated power to act under or pursuant to the provisions of the Plan.

COMMON STOCK means shares of the Company's common stock, \$.0001 par value per share.

COMPANY means Synta Pharmaceuticals Corp., a Delaware corporation.

DISABILITY or DISABLED means permanent and total disability as defined in Section 22(e)(3) of the Code.

FAIR MARKET VALUE of a Share of Common Stock means:

(1) If the Common Stock is listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the Common Stock, the closing or last price of the Common Stock on the composite tape or other comparable reporting system for the trading day immediately preceding the applicable date;

(2) If the Common Stock is not traded on a national securities exchange but is traded on the over-the-counter market, if sales prices are not regularly reported for the Common Stock for the trading day referred to in clause (1), and if bid and asked prices for the Common Stock are regularly reported, the mean between the bid and the asked price for the Common Stock at the close of trading in the over-the-counter market for the trading day on which Common Stock was traded immediately preceding the applicable date; and

2

(3) If the Common Stock is neither listed on a national securities exchange nor traded in the over-the-counter market, such value as the Administrator, in good faith, shall determine.

ISO means an option meant to qualify as an incentive stock option under Section 422 of the Code.

KEY EMPLOYEE means an employee of the Company or of an Affiliate (including, without limitation, an employee who is also serving as an officer or director of the Company or of an Affiliate), designated by the Administrator to be eligible to be granted one or more Stock Rights under the Plan.

NON-QUALIFIED OPTION means an option which is not intended to qualify as an ISO.

OPTION means an ISO or Non-Qualified Option granted under the Plan.

OPTION AGREEMENT means an agreement between the Company and a Participant delivered pursuant to the Plan, in such form as the Administrator shall approve.

PARTICIPANT means a Key Employee, director or consultant to whom one or more Stock Rights are granted under the Plan. As used herein, "Participant" shall include "Participant's Survivors" where the context requires.

PLAN means this Synta Pharmaceuticals Corp. 2001 Stock Plan.

SHARES means shares of the Common Stock as to which Stock Rights have been or may be granted under the Plan or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Paragraph 3 of the Plan. The Shares issued under the Plan may be authorized and unissued shares or shares held by the Company in its treasury, or both.

STOCK GRANT means a grant by the Company of Shares under the Plan.

STOCK GRANT AGREEMENT means an agreement between the Company and a Participant delivered pursuant to the Plan, in such form as the Administrator shall approve.

STOCK RIGHT means a right to Shares of the Company granted pursuant to the Plan -- an ISO, a Non-Qualified Option or a Stock Grant.

SURVIVORS means a deceased Participant's legal representatives or any person or persons who acquired the Participant's rights to a Stock Right by will or by the laws of descent and distribution.

3

2. PURPOSES OF THE PLAN.

The Plan is intended to encourage ownership of Shares by Key Employees and directors of and certain consultants to the Company in order to attract such people, to induce them to work for the benefit of the Company or of an Affiliate and to provide additional incentive for them to promote the success of the Company or of an Affiliate. The Plan provides for the granting of ISOs, Non-Qualified Options and Stock Grants.

3. SHARES SUBJECT TO THE PLAN.

The number of Shares which may be issued from time to time pursuant to this Plan shall be 15,000,000, or the equivalent of such number of Shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with Paragraph 23 of the Plan.

If an Option ceases to be outstanding, in whole or in part, or if the Company shall reacquire any Shares issued pursuant to a Stock Grant, the Shares which were subject to such Option and any Shares so reacquired by the Company shall be available for the granting of other Stock Rights under the Plan. Any Option shall be treated as outstanding until such Option is exercised in full, or terminates or expires under the provisions of the Plan, or by agreement of the parties to the pertinent Option Agreement.

4. ADMINISTRATION OF THE PLAN.

The Administrator of the Plan will be the Board of Directors, except to the extent the Board of Directors delegates its authority to the Committee, in which case the Committee shall be the Administrator. Subject to the provisions of the Plan, the Administrator is authorized to:

- a. Interpret the provisions of the Plan or of any Option or Stock Grant and to make all rules and determinations which it deems necessary or advisable for the administration of the Plan;
- b. Determine which employees of the Company or of an Affiliate shall be designated as Key Employees and which of the Key Employees, directors and consultants shall be granted Stock Rights; and
- c. Determine the number of Shares for which Stock Rights shall be granted.
- d. Specify the terms and conditions upon which Stock Rights may be granted;

provided, however, that all such interpretations, rules, determinations, terms and conditions shall be made and prescribed in the context of preserving the tax status under Section 422 of the Code of those Options which are designated as ISOs. Subject to the foregoing, the interpretation and construction by the Administrator of any provisions of the Plan or of any Stock Right granted

4

under it shall be final, unless otherwise determined by the Board of Directors, if the Administrator is the Committee.

5. ELIGIBILITY FOR PARTICIPATION.

The Administrator will, in its sole discretion, name the Participants in the Plan, provided, however, that each Participant must be a Key Employee, director or consultant of the Company or of an Affiliate at the time a Stock Right is granted. Notwithstanding the foregoing, the Administrator may authorize the grant of a Stock Right to a person not then an employee, director or consultant of the Company or of an Affiliate; provided, however, that the actual grant of such Stock Right shall be conditioned upon such person becoming eligible to become a Participant at or prior to the time of the delivery of the Agreement evidencing such Stock Right. ISOs may be granted only to Key Employees. Non-Qualified Options and Stock Grants may be granted to any Key Employee, director or consultant of the Company or an Affiliate. The granting of any Stock Right to any individual shall neither entitle that individual to, nor disqualify him or her from, participation in any other grant of Stock Rights.

6. TERMS AND CONDITIONS OF OPTIONS.

Each Option shall be set forth in writing in an Option Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Administrator may provide that Options be granted subject to such terms and conditions, consistent with the terms and conditions specifically required under this Plan, as the Administrator may deem appropriate including, without limitation, subsequent approval by the shareholders of the Company of this Plan or any amendments thereto.

- A. NON-QUALIFIED OPTIONS: Each Option intended to be a Non-Qualified Option shall be subject to the terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards for any such Non-Qualified Option:
  - a. OPTION PRICE: Each Option Agreement shall state the option price (per share) of the Shares covered by each Option, which option price shall be determined by the Administrator but shall not be

less than the par value per share of Common Stock.

- b. NUMBER OF SHARES: Each Option Agreement shall state the number of Shares to which it pertains.
- c. OPTION PERIODS: Each Option Agreement shall state the date or dates on which it first is exercisable and the date after which it may no longer be exercised, and may provide that the Option rights accrue or become exercisable in installments over a period of months or years, or upon the

5

the occurrence of certain conditions or the attainment of stated goals or events.

- d. OPTION CONDITIONS: Exercise of any Option may be conditioned upon the Participant's execution of a Share purchase agreement in form satisfactory to the Administrator providing for certain protections for the Company and its other shareholders, including requirements that:
  - i. The Participant's or the Participant's Survivors' right to sell or transfer the Shares may be restricted; and
  - ii. The Participant or the Participant's Survivors may be required to execute letters of investment intent and must also acknowledge that the Shares will bear legends noting any applicable restrictions.
- e. DIRECTORS' OPTIONS. Each director of the Company who is not an employee of the Company or any Affiliate, upon first being elected or appointed to the Board of Directors, and upon every fourth anniversary thereof provided that on such dates such director has been in the continued and uninterrupted service as a director of the Company or the Affiliate since his or her election or appointment and is a director and is not an employee or consultant of the Company or the Affiliate at such time, may, within the discretion of the Board of Directors, be granted a Non-Qualified Option to purchase such number of shares as determined by the Board of Directors. Such Option may be granted to a director on such date as he or she was appointed to be a director, and upon every fourth anniversary thereof provided that on such date such director has been in the continued and uninterrupted service as a director of the Company or the Affiliate since his or her initial appointment as a director, and is a director and is not an employee or consultant of the Company or the Affiliate at such time. Each such Option shall (i) have an exercise price equal to the Fair Market Value (per share) of the Shares on the date of grant of the Option, (ii) have a term of ten (10) years, and (iii) provided that the grantee of the Option still serves as a director of the Company or the Affiliate, become cumulatively exercisable as follows: 25% upon the first anniversary of the date of the grant of the Option, and 6.25% upon the expiration of each successive quarter thereafter. Any director entitled to receive an Option grant under this subparagraph may elect to decline the Option.

Except as otherwise provided in the pertinent Option Agreement, if a director who receives Options pursuant to this subparagraph:

- a. ceases to be a member of the Board of Directors for any reason other than death or Disability, any unexercised Options granted to such director may be exercised by the director within a period of ninety (90) days after the date the director ceases to be a member of the Board of Directors, but only to the extent of the

number of Shares with respect to which the Options are exercisable on the date the director ceases to be a member

6

of the Board of Directors, and in no event later than the expiration date of the Option; or

- b. ceases to be a member of the Board of Directors by reason of his or her death or Disability, any unexercised Options granted to such director may be exercised by the director (or by the director's personal representative, or the director's Survivors) within a period of one hundred eighty (180) days after the date the director ceases to be a member of the Board of Directors, but only to the extent of the number of Shares with respect to which the Options are exercisable on the date the director ceases to be a member of the Board of Directors, and in no event later than the expiration date of the Option.
- B. ISOS: Each Option intended to be an ISO shall be issued only to a Key Employee and be subject to the following terms and conditions, with such additional restrictions or changes as the Administrator determines are appropriate but not in conflict with Section 422 of the Code and relevant regulations and rulings of the Internal Revenue Service:
- a. MINIMUM STANDARDS: The ISO shall meet the minimum standards required of Non-Qualified Options, as described in Paragraph 6(A) above, except clauses (a) and (e) thereunder.
  - b. OPTION PRICE: Immediately before the Option is granted, if the Participant owns, directly or by reason of the applicable attribution rules in Section 424(d) of the Code:
    - i. Ten percent (10%) OR LESS of the total combined voting power of all classes of stock of the Company or an Affiliate, the Option price per share of the Shares covered by each Option shall not be less than one hundred percent (100%) of the Fair Market Value per share of the Shares on the date of the grant of the Option.
    - ii. More than ten percent (10%) of the total combined voting power of all classes of stock of the Company or an Affiliate, the Option price per share of the Shares covered by each Option shall not be less than one hundred ten percent (110%) of the said Fair Market Value on the date of grant.
  - c. TERM OF OPTION: For Participants who own

7

- i. Ten percent (10%) OR LESS of the total combined voting power of all classes of stock of the Company or an Affiliate, each Option shall terminate not more than ten (10) years from the date of the grant or at such earlier time as the Option Agreement may provide.
- ii. More than ten percent (10%) of the total combined voting power of all classes of stock of the Company or an Affiliate, each Option shall terminate not more than five (5) years from the date of the grant or at such earlier time as the Option Agreement may provide.

- d. LIMITATION ON YEARLY EXERCISE: The Option Agreements shall restrict the amount of Options which may be exercisable in any calendar year (under this or any other ISO plan of the Company or an Affiliate) so that the aggregate Fair Market Value (determined at the time each ISO is granted) of the stock with respect to which ISOs are exercisable for the first time by the Participant in any calendar year does not exceed one hundred thousand dollars (\$100,000), provided that this subparagraph (d) shall have no force or effect if its inclusion in the Plan is not necessary for Options issued as ISOs to qualify as ISOs pursuant to Section 422(d) of the Code.

7. TERMS AND CONDITIONS OF STOCK GRANTS.

Each offer of a Stock Grant to a Participant shall state the date prior to which the Stock Grant must be accepted by the Participant, and the principal terms of each Stock Grant shall be set forth in a Stock Grant Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Stock Grant Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards:

- (a) Each Stock Grant Agreement shall state the purchase price (per share), if any, of the Shares covered by each Stock Grant, which purchase price shall be determined by the Administrator but shall not be less than the minimum consideration required by the Delaware General Corporation Law on the date of the grant of the Stock Grant;
- (b) Each Stock Grant Agreement shall state the number of Shares to which the Stock Grant pertains; and
- (c) Each Stock Grant Agreement shall include the terms of any right of the Company to reacquire the Shares subject to the Stock Grant, including the time and events upon which such rights shall accrue and the purchase price therefor, if any.

8. EXERCISE OF OPTIONS AND ISSUE OF SHARES.

An Option (or any part or installment thereof) shall be exercised by giving written notice to the Company at its principal executive office address, together with provision for payment of the full purchase price in accordance with this Paragraph for the Shares as to which the Option is being exercised, and upon compliance with any other condition(s) set forth in the Option Agreement. Such written notice shall be signed by the person exercising the Option, shall state the number of Shares with respect to which the Option is being exercised and shall contain any representation required by the Plan or the Option Agreement. Payment of the purchase price for the Shares as to which such Option is being exercised shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock having a Fair Market Value equal as of the date of the exercise to the cash exercise price of the Option, or (c) at the discretion of the Administrator, by having the Company retain from the shares otherwise issuable upon exercise of the Option, a number of shares having a Fair Market Value equal as of the date of exercise to the exercise price of the Option, or (d) at the discretion of the Administrator, by delivery of the grantee's personal recourse note bearing interest payable not less than annually at no less than 100% of the applicable Federal rate, as defined in Section 1274(d) of the Code, or (e) at the discretion of the Administrator, in accordance with a cashless exercise program established with a securities brokerage firm, and approved by the Administrator, or (f) at the discretion of the Administrator, by any combination of (a), (b), (c), (d) and (e) above. Notwithstanding the foregoing, the Administrator shall accept only such payment on exercise of an

ISO as is permitted by Section 422 of the Code.

The Company shall then reasonably promptly deliver the Shares as to which such Option was exercised to the Participant (or to the Participant's Survivors, as the case may be). In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance. The Shares shall, upon delivery, be evidenced by an appropriate certificate or certificates for fully paid, non-assessable Shares.

The Administrator shall have the right to accelerate the date of exercise of any installment of any Option; provided that the Administrator shall not accelerate the exercise date of any installment of any Option granted to any Key Employee as an ISO (and not previously converted into a Non-Qualified Option pursuant to Paragraph 26) if such acceleration would violate the annual vesting limitation contained in Section 422(d) of the Code, as described in Paragraph 6.B.d.

The Administrator may, in its discretion, amend any term or condition of an outstanding Option provided (i) such term or condition as amended is permitted by the Plan, (ii) any such amendment shall be made only with the consent of the Participant to whom the Option was granted, or in the event of the death of the Participant, the Participant's Survivors, if the amendment is adverse to the Participant, and (iii) any such amendment of any ISO shall be made only after the Administrator, after consulting the counsel for the Company, determines whether such amendment would constitute a modification (as that term is defined in Section 424(h) of the

9

Code) of any Option which is an ISO or would cause any adverse tax consequences for the holder of such ISO.

#### 9. ACCEPTANCE OF STOCK GRANT AND ISSUE OF SHARES.

A Stock Grant (or any part or installment thereof) shall be accepted by executing the Stock Grant Agreement and delivering it to the Company at its principal office address, together with provision for payment of the full purchase price, if any, in accordance with this Paragraph for the Shares as to which such Stock Grant is being accepted, and upon compliance with any other conditions set forth in the Stock Grant Agreement. Payment of the purchase price for the Shares as to which such Stock Grant is being accepted shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock having a fair market value equal as of the date of acceptance of the Stock Grant to the purchase price of the Stock Grant determined in good faith by the Administrator, or (c) at the discretion of the Administrator, by delivery of the grantee's personal recourse note bearing interest payable not less than annually at no less than 100% of the applicable Federal rate, as defined in Section 1274(d) of the Code, or (d) at the discretion of the Administrator, by any combination of (a), (b) and (c) above.

The Company shall then reasonably promptly deliver the Shares as to which such Stock Grant was accepted to the Participant (or to the Participant's Survivors, as the case may be), subject to any escrow provision set forth in the Stock Grant Agreement. In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance.

The Administrator may, in its discretion, amend any term or condition of an outstanding Stock Grant or Stock Grant Agreement provided (i) such term or condition as amended is permitted by the Plan, and (ii) any such amendment shall



be made only with the consent of the Participant to whom the Stock Grant was made, if the amendment is adverse to the Participant.

10. RIGHTS AS A SHAREHOLDER.

No Participant to whom a Stock Right has been granted shall have rights as a shareholder with respect to any Shares covered by such Stock Right, except after due exercise of the Option or acceptance of the Stock Grant and tender of the full purchase price, if any, for the Shares being purchased pursuant to such exercise or acceptance and registration of the Shares in the Company's share register in the name of the Participant.

10

11. ASSIGNABILITY AND TRANSFERABILITY OF STOCK RIGHTS.

By its terms, a Stock Right granted to a Participant shall not be transferable by the Participant other than (i) by will or by the laws of descent and distribution, or (ii) as otherwise determined by the Administrator and set forth in the applicable Option Agreement or Stock Grant Agreement. The designation of a beneficiary of a Stock Right by a Participant, with the prior approval of the Administrator and in such form as the Administrator shall prescribe, shall not be deemed a transfer prohibited by this Paragraph. Except as provided above, a Stock Right shall only be exercisable or may only be accepted, during the Participant's lifetime, by such Participant (or by his or her legal representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Stock Right or of any rights granted thereunder contrary to the provisions of this Plan, or the levy of any attachment or similar process upon a Stock Right, shall be null and void.

12. EFFECT ON OPTIONS OF TERMINATION OF SERVICE OTHER THAN "FOR CAUSE" OR DEATH OR DISABILITY.

Except as otherwise provided in the pertinent Option Agreement in the event of a termination of service (whether as an employee, director or consultant) with the Company or an Affiliate before the Participant has exercised an Option, the following rules apply:

- a. A Participant who ceases to be an employee, director or consultant of the Company or of an Affiliate (for any reason other than termination "for cause", Disability, or death for which events there are special rules in Paragraphs 13, 14, and 15, respectively), may exercise any Option granted to him or her to the extent that the Option is exercisable on the date of such termination of service, but only within such term as the Administrator has designated in the pertinent Option Agreement.
- b. Except as provided in Subparagraph (c) below, or Paragraph 14 or 15, in no event may an Option Agreement provide, if an Option is intended to be an ISO, that the time for exercise be later than three (3) months after the Participant's termination of employment.
- c. The provisions of this Paragraph, and not the provisions of Paragraph 14 or 15, shall apply to a Participant who subsequently becomes Disabled or dies after the termination of employment, director status or consultancy, provided, however, in the case of a Participant's Disability or death within three (3) months after the termination of employment, director status or consultancy, the Participant or the Participant's Survivors may exercise the Option within one (1) year after the date of the Participant's termination of employment, but in no event after the date of expiration of the term of the Option.

11

- d. Notwithstanding anything herein to the contrary, if subsequent to a Participant's termination of employment, termination of director status or termination of consultancy, but prior to the exercise of an Option, the Board of Directors determines that, either prior or subsequent to the Participant's termination, the Participant engaged in conduct which would constitute "cause", then such Participant shall forthwith cease to have any right to exercise any Option.
- e. A Participant to whom an Option has been granted under the Plan who is absent from work with the Company or with an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide.
- f. Except as required by law or as set forth in the pertinent Option Agreement, Options granted under the Plan shall not be affected by any change of a Participant's status within or among the Company and any Affiliates, so long as the Participant continues to be an employee, director or consultant of the Company or any Affiliate.

13. EFFECT ON OPTIONS OF TERMINATION OF SERVICE "FOR CAUSE".

Except as otherwise provided in the pertinent Option Agreement, the following rules apply if the Participant's service (whether as an employee, director or consultant) with the Company or an Affiliate is terminated "for cause" prior to the time that all his or her outstanding Options have been exercised:

- a. All outstanding and unexercised Options as of the time the Participant is notified his or her service is terminated "for cause" will immediately be forfeited.
- b. For purposes of this Plan, "cause" shall include (and is not limited to) dishonesty with respect to the Company or any Affiliate, insubordination, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information, and conduct substantially prejudicial to the business of the Company or any Affiliate. The determination of the Administrator as to the existence of "cause" will be conclusive on the Participant and the Company.
- c. "Cause" is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of "cause" occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service but prior to the exercise of an Option, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute "cause", then the right to exercise any Option is forfeited.

12

- d. Any definition in an agreement between the Participant and the Company or an Affiliate, which contains a conflicting definition of "cause" for termination and which is in effect at the time of such termination, shall supersede the definition in this Plan with respect to such Participant.

14. EFFECT ON OPTIONS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in the pertinent Option Agreement, a Participant who ceases to be an employee, director or consultant of the Company or of an Affiliate by reason of Disability may exercise any Option granted to such Participant:

- a. To the extent exercisable but not exercised on the date of Disability; and
- b. In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of any additional rights as would have accrued had the Participant not become Disabled prior to the end of the accrual period which next ends following the date of Disability. The proration shall be based upon the number of days of such accrual period prior to the date of Disability.

A Disabled Participant may exercise such rights only within the period ending one (1) year after the date of the Participant's termination of employment, directorship or consultancy, as the case may be, notwithstanding that the Participant might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant had not become Disabled and had continued to be an employee, director or consultant or, if earlier, within the originally prescribed term of the Option.

The Administrator shall make the determination both of whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

15. EFFECT ON OPTIONS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in the pertinent Option Agreement, in the event of the death of a Participant while the Participant is an employee, director or consultant of the Company or of an Affiliate, such Option may be exercised by the Participant's Survivors:

- a. To the extent exercisable but not exercised on the date of death; and

13

- b. In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of any additional rights which would have accrued had the Participant not died prior to the end of the accrual period which next ends following the date of death. The proration shall be based upon the number of days of such accrual period prior to the Participant's death.

If the Participant's Survivors wish to exercise the Option, they must take all necessary steps to exercise the Option within one (1) year after the date of death of such Participant, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the Shares on a later date if he or she had not died and had continued to be an employee, director or consultant or, if earlier, within the originally prescribed term of the Option.

16. EFFECT OF TERMINATION OF SERVICE ON STOCK GRANTS.

In the event of a termination of service (whether as an employee, director or consultant) with the Company or an Affiliate for any reason before the Participant has accepted a Stock Grant, such offer shall terminate.

For purposes of this Paragraph 16 and Paragraph 17 below, a Participant to whom a Stock Grant has been offered under the Plan who is absent from work with the Company or with an Affiliate because of temporary disability (any disability other than a permanent and total Disability as defined in Paragraph 1

hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide.

In addition, for purposes of this Paragraph 16 and Paragraph 17 below, any change of employment or other service within or among the Company and any Affiliates shall not be treated as a termination of employment, director status or consultancy so long as the Participant continues to be an employee, director or consultant of the Company or any Affiliate.

17. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE OTHER THAN "FOR CAUSE" OR DEATH OR DISABILITY.

Except as otherwise provided in the pertinent Stock Grant Agreement, in the event of a termination of service (whether as an employee, director or consultant), other than termination "for cause," Disability, or death for which events there are special rules in Paragraphs 18, 19, and 20, respectively, before all Company rights of repurchase shall have lapsed, then the Company shall have the right to repurchase that number of Shares subject to a Stock Grant as to which the Company's repurchase rights have not lapsed.

14

18. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE "FOR CAUSE".

Except as otherwise provided in the pertinent Stock Grant Agreement, the following rules apply if the Participant's service (whether as an employee, director or consultant) with the Company or an Affiliate is terminated "for cause":

- a. All Shares subject to any Stock Grant shall be immediately subject to repurchase by the Company at the purchase price, if any, thereof.
- b. For purposes of this Plan, "cause" shall include (and is not limited to) dishonesty with respect to the employer, insubordination, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information, and conduct substantially prejudicial to the business of the Company or any Affiliate. The determination of the Administrator as to the existence of "cause" will be conclusive on the Participant and the Company.
- c. "Cause" is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of "cause" occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute "cause," then the Company's right to repurchase all of such Participant's Shares shall apply.
- d. Any definition in an agreement between the Participant and the Company or an Affiliate, which contains a conflicting definition of "cause" for termination and which is in effect at the time of such termination, shall supersede the definition in this Plan with respect to such Participant.

19. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in the pertinent Stock Grant Agreement, the following rules apply if a Participant ceases to be an employee, director or consultant of the Company or of an Affiliate by reason of Disability: to the extent the Company's rights of repurchase have not lapsed on the date of Disability, they shall be exercisable; provided, however, that in the event such rights of repurchase lapse periodically, such rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant as would have

lapsed had the Participant not become Disabled prior to the end of the vesting period which next ends following the date of Disability. The proration shall be based upon the number of days of such vesting period prior to the date of Disability.

The Administrator shall make the determination both of whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be

15

used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

20. EFFECT ON STOCK GRANTS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in the pertinent Stock Grant Agreement, the following rules apply in the event of the death of a Participant while the Participant is an employee, director or consultant of the Company or of an Affiliate: to the extent the Company's rights of repurchase have not lapsed on the date of death, they shall be exercisable; provided, however, that in the event such rights of repurchase lapse periodically, such rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant as would have lapsed had the Participant not died prior to the end of the vesting period which next ends following the date of death. The proration shall be based upon the number of days of such vesting period prior to the Participant's death.

21. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares to be issued upon the particular exercise or acceptance of a Stock Right shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended (the "1933 Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

- a. The person(s) who exercise(s) or accept(s) such Stock Right shall warrant to the Company, prior to the receipt of such Shares, that such person(s) are acquiring such Shares for their own respective accounts, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed upon the certificate(s) evidencing their Shares issued pursuant to such exercise or such grant:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws."

16

- b. At the discretion of the Administrator, the Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise or acceptance in compliance with the 1933 Act without registration thereunder.

22. DISSOLUTION OR LIQUIDATION OF THE COMPANY.

Upon the dissolution or liquidation of the Company, all Options granted under this Plan which as of such date shall not have been exercised and all Stock Grants which have not been accepted will terminate and become null and void; provided, however, that if the rights of a Participant or a Participant's Survivors have not otherwise terminated and expired, the Participant or the Participant's Survivors will have the right immediately prior to such dissolution or liquidation to exercise or accept any Stock Right to the extent that the Stock Right is exercisable or subject to acceptance as of the date immediately prior to such dissolution or liquidation.

23. ADJUSTMENTS.

Upon the occurrence of any of the following events, a Participant's rights with respect to any Stock Right granted to him or her hereunder shall be adjusted as hereinafter provided, unless otherwise specifically provided in the pertinent Option Agreement or Stock Grant Agreement:

A. STOCK DIVIDENDS AND STOCK SPLITS. If (i) the shares of Common Stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of Common Stock as a stock dividend on its outstanding Common Stock, or (ii) additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Common Stock, the number of shares of Common Stock deliverable upon the exercise or acceptance of such Stock Right may be appropriately increased or decreased proportionately, and appropriate adjustments may be made in the purchase price per share to reflect such events.

B. CONSOLIDATIONS OR MERGERS. If the Company is to be consolidated with or acquired by another entity in a merger, sale of all or substantially all of the Company's assets other than a transaction to merely change the state of incorporation (a "Corporate Transaction"), the Administrator or the board of directors of any entity assuming the obligations of the Company hereunder (the "Successor Board"), shall, as to outstanding Options, either (i) make appropriate provision for the continuation of such Options by substituting on an equitable basis for the Shares then subject to such Options either the consideration payable with respect to the outstanding shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity; or (ii) upon written notice to the Participants, provide that all Options must be exercised, within a specified number of days of the date of such notice at the end of which period the Options shall terminate (all Options shall for purposes of

17

this clause (ii) be made fully vested and exercisable immediately prior to their termination); or (iii) terminate all Options in exchange for a cash payment equal to the excess of the Fair Market Value of the Shares subject to such Options over the exercise price thereof (all Options shall for purposes of this clause (iii) be made fully vested and immediately exercisable immediately prior to their termination).

With respect to outstanding Stock Grants, the Administrator or the Successor Board, shall either (i) make appropriate provisions for the continuation of such Stock Grants on the same terms and conditions by substituting on an equitable basis for the Shares then subject to such Stock Grants either the consideration payable with respect to the outstanding Shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity; or (ii) terminate all Stock Grants in exchange for a cash payment equal to the excess of the Fair Market Value of the Shares (without regard to repurchase rights of the Company) subject to such Stock Grants over the purchase price thereof, if any.

The provisions of this Section 23B shall be applicable to all Options and Stock Grants made under the Plan from the Plan's adoption in 2001.

C. RECAPITALIZATION OR REORGANIZATION. In the event of a recapitalization or reorganization of the Company (other than a transaction described in Subparagraph B above) pursuant to which securities of the Company or of another corporation are issued with respect to the outstanding shares of Common Stock, a Participant upon exercising or accepting a Stock Right shall be entitled to receive for the purchase price, if any, paid upon such exercise or acceptance the securities which would have been received if such Stock Right had been exercised or accepted prior to such recapitalization or reorganization.

D. MODIFICATION OF ISOS. Notwithstanding the foregoing, any adjustments made pursuant to Subparagraph A, B or C with respect to ISOs shall be made only after the Administrator, after consulting with counsel for the Company, determines whether such adjustments would constitute a "modification" of such ISOs (as that term is defined in Section 424(h) of the Code) or would cause any adverse tax consequences for the holders of such ISOs. If the Administrator determines that such adjustments made with respect to ISOs would constitute a modification of such ISOs, it may refrain from making such adjustments, unless the holder of an ISO specifically requests in writing that such adjustment be made and such writing indicates that the holder has full knowledge of the consequences of such "modification" on his or her income tax treatment with respect to the ISO.

E. CHANGE OF CONTROL. In the event of either

(A) a Corporate Transaction that also constitutes a Change of Control, where outstanding options are assumed or substituted in accordance with the first paragraph of Subparagraph B clause (i) above and, with respect to Stock Grants, in accordance with the second paragraph of Subparagraph B clause (i); or

(B) a Change of Control that does not also constitute a Corporate Transaction,

if within six months after the date of such Change of Control, (i) a Participant's service is terminated by the Company or an Affiliate for any reason other than Cause; or (ii) a Participant

18

terminates his or her service as a result of being required to change the principal location where he or she renders services to a location more than 50 miles from his or her location of employment or consultancy immediately prior to the Change of Control; or (iii) the Participant terminates his or her service after there occurs a material adverse change in a Participant's duties, authority or responsibilities which causes such Participant's position with the Company to become of significantly less responsibility or authority than such Participant's position was immediately prior to the Change of Control, THEN all of such Participant's Options outstanding under the Plan shall become fully vested and immediately exercisable as of the date of termination of such Participant, unless in any such case an Option has otherwise expired or been terminated pursuant to its terms or the terms of the Plan and any repurchase rights of the Company with respect to outstanding Stock Grants that have not lapsed or expired prior to such Change of Control shall terminate as of the date of termination of such Participant.

The provisions of this Section 23E shall be applicable to all Options and Stock Grants made under the Plan from the Plan's adoption in 2001.

24. ISSUANCES OF SECURITIES.

Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares subject to Stock Rights. Except as expressly provided herein, no adjustments shall be made for dividends paid in cash or in property (including without limitation, securities) of the Company prior to any issuance of Shares pursuant to a Stock Right.

25. FRACTIONAL SHARES.

No fractional shares shall be issued under the Plan and the person exercising a Stock Right shall receive from the Company cash in lieu of such fractional shares equal to the Fair Market Value thereof.

26. CONVERSION OF ISOS INTO NON-QUALIFIED OPTIONS; TERMINATION OF ISOS.

The Administrator, at the written request of any Participant, may in its discretion take such actions as may be necessary to convert such Participant's ISOs (or any portions thereof) that have not been exercised on the date of conversion into Non-Qualified Options at any time prior to the expiration of such ISOs, regardless of whether the Participant is an employee of the Company or an Affiliate at the time of such conversion. Such actions may include, but not be limited to, extending the exercise period or reducing the exercise price of the appropriate installments of such Options. At the time of such conversion, the Administrator (with the consent of the Participant) may impose such conditions on the exercise of the resulting Non-Qualified Options as the Administrator in its discretion may determine, provided that such conditions shall not be inconsistent with this Plan. Nothing in the Plan shall be deemed to give

19

any Participant the right to have such Participant's ISOs converted into Non-Qualified Options, and no such conversion shall occur until and unless the Administrator takes appropriate action. The Administrator, with the consent of the Participant, may also terminate any portion of any ISO that has not been exercised at the time of such conversion.

27. WITHHOLDING.

In the event that any federal, state, or local income taxes, employment taxes, Federal Insurance Contributions Act ("F.I.C.A.") withholdings or other amounts are required by applicable law or governmental regulation to be withheld from the Participant's salary, wages or other remuneration in connection with the exercise or acceptance of a Stock Right or in connection with a Disqualifying Disposition (as defined in Paragraph 28) or upon the lapsing of any right of repurchase, the Company may withhold from the Participant's compensation, if any, or may require that the Participant advance in cash to the Company, or to any Affiliate of the Company which employs or employed the Participant, the statutory minimum amount of such withholdings unless a different withholding arrangement, including the use of shares of the Company's Common Stock or a promissory note, is authorized by the Administrator (and permitted by law). For purposes hereof, the fair market value of the shares withheld for purposes of payroll withholding shall be determined in the manner provided in Paragraph 1 above, as of the most recent practicable date prior to the date of exercise. If the fair market value of the shares withheld is less than the amount of payroll withholdings required, the Participant may be required to advance the difference in cash to the Company or the Affiliate employer. The Administrator in its discretion may condition the exercise of an Option for less than the then Fair Market Value on the Participant's payment of such additional withholding.

28. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION.

Each Key Employee who receives an ISO must agree to notify the Company in writing immediately after the Key Employee makes a "Disqualifying Disposition" of any shares acquired pursuant to the exercise of an ISO. A Disqualifying Disposition is any disposition (including any sale) of such shares before the later of (a) two years after the date the Key Employee was granted the ISO, or (b) one year after the date the Key Employee acquired Shares by exercising the ISO. If the Key Employee has died before such stock is sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.



29. TERMINATION OF THE PLAN.

The Plan will terminate on the date which is ten (10) years from the EARLIER of the date of its adoption and the date of its approval by the shareholders of the Company. The Plan may be terminated at an earlier date by vote of the shareholders of the Company; provided, however, that any such earlier termination shall not affect any Option Agreements or Stock Grant Agreements executed prior to the effective date of such termination.

20

30. AMENDMENT OF THE PLAN AND AGREEMENTS.

The Plan may be amended by the shareholders of the Company. The Plan may also be amended by the Administrator, including, without limitation, to the extent necessary to qualify any or all outstanding Stock Rights granted under the Plan or Stock Rights to be granted under the Plan for favorable federal income tax treatment (including deferral of taxation upon exercise) as may be afforded incentive stock options under Section 422 of the Code, and to the extent necessary to qualify the shares issuable upon exercise or acceptance of any outstanding Stock Rights granted, or Stock Rights to be granted, under the Plan for listing on any national securities exchange or quotation in any national automated quotation system of securities dealers. Any amendment approved by the Administrator which the Administrator determines is of a scope that requires shareholder approval shall be subject to obtaining such shareholder approval. Any modification or amendment of the Plan shall not, without the consent of a Participant, adversely affect his or her rights under a Stock Right previously granted to him or her. With the consent of the Participant affected, the Administrator may amend outstanding Option Agreements and Stock Grant Agreements in a manner which may be adverse to the Participant but which is not inconsistent with the Plan. In the discretion of the Administrator, outstanding Option Agreements and Stock Grant Agreements may be amended by the Administrator in a manner which is not adverse to the Participant.

31. EMPLOYMENT OR OTHER RELATIONSHIP.

Nothing in this Plan or any Option Agreement or Stock Grant Agreement shall be deemed to prevent the Company or an Affiliate from terminating the employment, consultancy or director status of a Participant, nor to prevent a Participant from terminating his or her own employment, consultancy or director status or to give any Participant a right to be retained in employment or other service by the Company or any Affiliate for any period of time.

32. GOVERNING LAW.

This Plan shall be construed and enforced in accordance with the law of the State of Delaware.

SYNTA PHARMACEUTICALS CORP.

2006 STOCK PLAN

1. DEFINITIONS.

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this Synta Pharmaceuticals Corp. 2006 Stock Plan, have the following meanings:

ADMINISTRATOR means the Board of Directors, unless it has delegated power to act on its behalf to the Committee, in which case the Administrator means the Committee.

AFFILIATE means a corporation which, for purposes of Section 424 of the Code, is a parent or subsidiary of the Company, direct or indirect.

AGREEMENT means an agreement between the Company and a Participant delivered pursuant to the Plan, in such form as the Administrator shall approve.

BOARD OF DIRECTORS means the Board of Directors of the Company.

CHANGE OF CONTROL means the occurrence of any of the following events:

- (i) Ownership. Any "Person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "Beneficial Owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities (excluding for this purpose any such voting securities held by the Company or its Affiliates or by any employee benefit plan of the Company) pursuant to a transaction or a series of related transactions which the Board of Directors does not approve; or
- (ii) Merger/Sale of Assets. (A) A merger or consolidation of the Company whether or not approved by the Board of Directors, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such corporation) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such corporation, as the case may be, outstanding immediately after such merger or consolidation; (B) or the stockholders of the Company approve an agreement for the sale

or disposition by the Company of all or substantially all of the Company's assets; or

(iii) Change in Board Composition. A change in the composition of the Board of Directors, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of the Company as of February 15, 2006, or (B) are elected, or nominated for election, to the Board of Directors with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company).

CODE means the United States Internal Revenue Code of 1986, as amended.

COMMITTEE means the committee of the Board of Directors to which the Board of Directors has delegated power to act under or pursuant to the provisions of the Plan.

COMMON STOCK means shares of the Company's common stock, \$.0001 par value per share.

COMPANY means Synta Pharmaceuticals Corp., a Delaware corporation.

DISABILITY or DISABLED means permanent and total disability as defined in Section 22(e)(3) of the Code.

EMPLOYEE means any employee of the Company or of an Affiliate (including, without limitation, an employee who is also serving as an officer or director of the Company or of an Affiliate), designated by the Administrator to be eligible to be granted one or more Stock Rights under the Plan.

FAIR MARKET VALUE of a Share of Common Stock means:

(1) If the Common Stock is listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the Common Stock, the closing or last price of the Common Stock on the composite tape or other comparable reporting system for the trading day immediately preceding the applicable date;

(2) If the Common Stock is not traded on a national securities exchange but is traded on the over-the-counter market, if sales prices are not regularly reported for the Common Stock for the trading day referred to in clause (1), and if bid and asked prices for the Common Stock are regularly reported, the mean between the bid and the asked price for the Common Stock at the close of trading in the over-

Common Stock was traded immediately preceding the applicable date; and

(3) If the Common Stock is neither listed on a national securities exchange nor traded in the over-the-counter market, such value as the Administrator, in good faith, shall determine.

ISO means an option meant to qualify as an incentive stock option under Section 422 of the Code.

NON-QUALIFIED OPTION means an option which is not intended to qualify as an ISO.

OPTION means an ISO or Non-Qualified Option granted under the Plan.

PARTICIPANT means an Employee, director or consultant of the Company or an Affiliate to whom one or more Stock Rights are granted under the Plan. As used herein, "Participant" shall include "Participant's Survivors" where the context requires.

PLAN means this Synta Pharmaceuticals Corp. 2006 Stock Plan.

SHARES means shares of the Common Stock as to which Stock Rights have been or may be granted under the Plan or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Paragraph 3 of the Plan. The Shares issued under the Plan may be authorized and unissued shares or shares held by the Company in its treasury, or both.

STOCK-BASED AWARD means a grant by the Company under the Plan of an equity award or equity based award which is not an Option or Stock Grant.

STOCK GRANT means a grant by the Company of Shares under the Plan.

STOCK RIGHT means a right to Shares or the value of Shares of the Company granted pursuant to the Plan -- an ISO, a Non-Qualified Option, a Stock Grant or a Stock-Based Award.

SURVIVOR means a deceased Participant's legal representatives and/or any person or persons who acquired the Participant's rights to a Stock Right by will or by the laws of descent and distribution.

## 2. PURPOSES OF THE PLAN.

The Plan is intended to encourage ownership of Shares by Employees and directors of and certain consultants to the Company in order to attract such people, to induce them to work for the benefit of the Company or of an Affiliate and to provide additional incentive for them to

3

promote the success of the Company or of an Affiliate. The Plan provides for the granting of ISOs, Non-Qualified Options, Stock Grants and Stock-Based Awards.

## 3. SHARES SUBJECT TO THE PLAN.

(a) The number of Shares which may be issued from time to time pursuant

to this Plan, shall be 9,625,000, or the equivalent of such number of Shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with Paragraph 24 of the Plan.

(b) If an Option ceases to be outstanding, in whole or in part (other than by exercise), or if the Company shall reacquire (at no more than its original issuance price) any Shares issued pursuant to a Stock Grant or Stock-Based Award, or if any Stock Right expires or is forfeited, cancelled, or otherwise terminated or results in any Shares not being issued, the unissued Shares which were subject to such Stock Right shall again be available for issuance from time to time pursuant to this Plan.

(c) Notwithstanding Subparagraph (a) above, on the first day of each fiscal year of the Company during the period beginning in fiscal year 2007, and ending on the second day of fiscal year 2015, the number of Shares that may be issued from time to time pursuant to the Plan, shall be increased by an amount equal to the lesser of (i) 5,225,000 or the equivalent of such number of Shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with Paragraph 24 of the Plan; (ii) 5% of the number of outstanding shares of Common Stock on such date; and (iii) an amount determined by the Board. However, in no event shall the number of Shares available for issuance under this Plan be increased as set forth in this Subparagraph (c) to the extent such increase, in addition to any other increases proposed by the Board in the number of shares of Common Stock available for issuance under all other employee or director stock plans, including, without limitation, employee stock purchase plans, would result in the total number of shares of Common Stock then available for issuance under all employee and director stock plans exceeding 25% of the outstanding shares of the Company on the first day of the applicable fiscal year.

#### 4. ADMINISTRATION OF THE PLAN.

The Administrator of the Plan will be the Board of Directors, except to the extent the Board of Directors delegates its authority to the Committee, in which case the Committee shall be the Administrator. Subject to the provisions of the Plan, the Administrator is authorized to:

- a. Interpret the provisions of the Plan and all Stock Rights and to make all rules and determinations which it deems necessary or advisable for the administration of the Plan;
- b. Determine which Employees, directors and consultants shall be granted Stock Rights;
- c. Determine the number of Shares for which a Stock Right or Stock Rights shall be granted; provided, however, that in no event shall Stock Rights with respect to more than 500,000 Shares be granted to any Participant in any fiscal year;
- d. Specify the terms and conditions upon which a Stock Right or Stock Rights may be granted;
- e. to make changes to any outstanding Stock Right, including, without limitation, to reduce or increase the exercise price or purchase price, to accelerate the vesting schedule or to extend the expiration date, provided that no such change shall impair the rights of a Participant under any grant previously made without such Participant's consent;
- f. to buy out for a payment in cash or Shares, a Stock Right previously granted and/or to cancel any such Stock Right and grant in substitution therefor other Stock Rights, covering the same or a different numbers of Shares and having an exercise price or purchase

price per share which may be lower or higher than the exercise price or purchase price of the cancelled Stock Right, based on such terms and conditions as the Administrator shall establish and the Participant shall accept; and

- g. Adopt any sub-plans applicable to residents of any specified jurisdiction as it deems necessary or appropriate in order to comply with or take advantage of any tax or other laws applicable to the Company or to Plan Participants or to otherwise facilitate the administration of the Plan, which sub-plans may include additional restrictions or conditions applicable to Stock Rights or Shares issuable pursuant to a Stock Right;

provided, however, that all such interpretations, rules, determinations, terms and conditions shall be made and prescribed in the context of preserving the tax status under Section 422 of the Code of those Options which are designated as ISOs. Subject to the foregoing, the interpretation and construction by the Administrator of any provisions of the Plan or of any Stock Right granted under it shall be final, unless otherwise determined by the Board of Directors, if the Administrator is the Committee. In addition, if the Administrator is the Committee, the Board of Directors may take any action under the Plan that would otherwise be the responsibility of the Committee.

To the extent permitted under applicable law, the Board of Directors or the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any portion of its responsibilities and powers to any other person selected by it. Any such allocation or delegation may be revoked by the Board of Directors or the Committee at any time.

5

5. ELIGIBILITY FOR PARTICIPATION.

The Administrator will, in its sole discretion, name the Participants in the Plan, provided, however, that each Participant must be an Employee, director or consultant of the Company or of an Affiliate at the time a Stock Right is granted. Notwithstanding the foregoing, the Administrator may authorize the grant of a Stock Right to a person not then an Employee, director or consultant of the Company or of an Affiliate; provided, however, that the actual grant of such Stock Right shall be conditioned upon such person becoming eligible to become a Participant at or prior to the time of the execution of the Agreement evidencing such Stock Right. ISOs may be granted only to Employees. Non-Qualified Options, Stock Grants and Stock-Based Awards may be granted to any Employee, director or consultant of the Company or an Affiliate. The granting of any Stock Right to any individual shall neither entitle that individual to, nor disqualify him or her from, participation in any other grant of Stock Rights.

6. TERMS AND CONDITIONS OF OPTIONS.

Each Option shall be set forth in writing in an Option Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Administrator may provide that Options be granted subject to such terms and conditions, consistent with the terms and conditions specifically required under this Plan, as the Administrator may deem appropriate including, without limitation, subsequent approval by the shareholders of the Company of this Plan or any amendments thereto. The Option Agreements shall be subject to at least the following terms and conditions:

- A. NON-QUALIFIED OPTIONS: Each Option intended to be a Non-Qualified Option shall be subject to the terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards for any such Non-Qualified Option:
  - a. OPTION PRICE: Each Option Agreement shall state the option price (per share) of the Shares covered by each Option, which option

price shall be determined by the Administrator but shall not be less than the Fair Market Value per share of Common Stock.

- b. NUMBER OF SHARES: Each Option Agreement shall state the number of Shares to which it pertains.
- c. OPTION PERIODS: Each Option Agreement shall state the date or dates on which it first is exercisable and the date after which it may no longer be exercised, and may provide that the Option rights accrue or become exercisable in installments over a period of months or years, or upon the occurrence of certain conditions or the attainment of stated goals or events.

6

- d. OPTION CONDITIONS: Exercise of any Option may be conditioned upon the Participant's execution of a Share purchase agreement in form satisfactory to the Administrator providing for certain protections for the Company and its other shareholders, including requirements that:
  - i. The Participant's or the Participant's Survivors' right to sell or transfer the Shares may be restricted; and
  - ii. The Participant or the Participant's Survivors may be required to execute letters of investment intent and must also acknowledge that the Shares will bear legends noting any applicable restrictions.
- B. ISOS: Each Option intended to be an ISO shall be issued only to an Employee and be subject to the following terms and conditions, with such additional restrictions or changes as the Administrator determines are appropriate but not in conflict with Section 422 of the Code and relevant regulations and rulings of the Internal Revenue Service:
  - a. MINIMUM STANDARDS: The ISO shall meet the minimum standards required of Non-Qualified Options, as described in Paragraph 6(A) above, except clause (a) thereunder.
  - b. OPTION PRICE: Immediately before the ISO is granted, if the Participant owns, directly or by reason of the applicable attribution rules in Section 424(d) of the Code:
    - i. Ten percent (10%) OR LESS of the total combined voting power of all classes of stock of the Company or an Affiliate, the Option price per share of the Shares covered by each ISO shall not be less than one hundred percent (100%) of the Fair Market Value per share of the Shares on the date of the grant of the Option; or
    - ii. More than ten percent (10%) of the total combined voting power of all classes of stock of the Company or an Affiliate, the Option price per share of the Shares covered by each ISO shall not be less than one hundred ten percent (110%) of the Fair Market Value on the date of grant.
  - c. TERM OF OPTION: For Participants who own:
    - i. Ten percent (10%) OR LESS of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than ten (10) years from the date of the grant or at such earlier time as the Option Agreement may provide; or

7

- ii. More than ten percent (10%) of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than five (5) years from the date of the grant or at such earlier time as the Option Agreement may provide.

- d. LIMITATION ON YEARLY EXERCISE: The Option Agreements shall restrict the amount of ISOs which may become exercisable in any calendar year (under this or any other ISO plan of the Company or an Affiliate) so that the aggregate Fair Market Value (determined at the time each ISO is granted) of the stock with respect to which ISOs are exercisable for the first time by the Participant in any calendar year does not exceed \$100,000.

7. TERMS AND CONDITIONS OF STOCK GRANTS.

Each offer of a Stock Grant to a Participant shall state the date prior to which the Stock Grant must be accepted by the Participant, and the principal terms of each Stock Grant shall be set forth in an Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards:

- (a) Each Agreement shall state the purchase price (per share), if any, of the Shares covered by each Stock Grant, which purchase price shall be determined by the Administrator but shall not be less than the minimum consideration required by the Delaware General Corporation Law on the date of the grant of the Stock Grant;
- (b) Each Agreement shall state the number of Shares to which the Stock Grant pertains; and
- (c) Each Agreement shall include the terms of any right of the Company to restrict or reacquire the Shares subject to the Stock Grant, including the time and events upon which such rights shall accrue and the purchase price therefor, if any.

8. TERMS AND CONDITIONS OF OTHER STOCK-BASED AWARDS.

The Board shall have the right to grant other Stock-Based Awards based upon the Common Stock having such terms and conditions as the Board may determine, including, without limitation, the grant of Shares based upon certain conditions, the grant of securities convertible into Shares and the grant of stock appreciation rights, phantom stock awards or stock units. The principal terms of each Stock-Based Award shall be set forth in an Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by

the Participant. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company.

9. EXERCISE OF OPTIONS AND ISSUE OF SHARES.

An Option (or any part or installment thereof) shall be exercised by giving written notice to the Company or its designee, together with provision for payment of the full purchase price in accordance with this Paragraph for the Shares as to which the Option is being exercised, and upon compliance with any other condition(s) set forth in the Option Agreement. Such notice shall be signed by the person exercising the Option, shall state the number of Shares with respect to which the Option is being exercised and shall contain any



representation required by the Plan or the Option Agreement. Payment of the purchase price for the Shares as to which such Option is being exercised shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock having a Fair Market Value equal as of the date of the exercise to the cash exercise price of the Option, or (c) at the discretion of the Administrator, by having the Company retain from the shares otherwise issuable upon exercise of the Option, a number of shares having a Fair Market Value equal as of the date of exercise to the exercise price of the Option, or (d) at the discretion of the Administrator, by delivery of the grantee's personal recourse note bearing interest payable not less than annually at no less than 100% of the applicable Federal rate, as defined in Section 1274(d) of the Code, or (e) at the discretion of the Administrator, in accordance with a cashless exercise program established with a securities brokerage firm, and approved by the Administrator, or (f) at the discretion of the Administrator, by any combination of (a), (b), (c), (d) and (e) above, or (g) at the discretion of the Administrator, payment of such other lawful consideration as the Board may determine. Notwithstanding the foregoing, the Administrator shall accept only such payment on exercise of an ISO as is permitted by Section 422 of the Code.

The Company shall then reasonably promptly deliver the Shares as to which such Option was exercised to the Participant (or to the Participant's Survivors, as the case may be). In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance. The Shares shall, upon delivery, be fully paid, non-assessable Shares.

The Administrator shall have the right to accelerate the date of exercise of any installment of any Option; provided that the Administrator shall not accelerate the exercise date of any installment of any Option granted to an Employee as an ISO (and not previously converted into a Non-Qualified Option pursuant to Paragraph 27) if such acceleration would violate the annual vesting limitation contained in Section 422(d) of the Code, as described in Paragraph 6.B.d.

The Administrator may, in its discretion, amend any term or condition of an outstanding Option provided (i) such term or condition as amended is permitted by the Plan, (ii) any such

9

amendment shall be made only with the consent of the Participant to whom the Option was granted, or in the event of the death of the Participant, the Participant's Survivors, if the amendment is adverse to the Participant, and (iii) any such amendment of any ISO shall be made only after the Administrator determines whether such amendment would constitute a "modification" of any Option which is an ISO (as that term is defined in Section 424(h) of the Code) or would cause any adverse tax consequences for the holder of such ISO.

#### 10. ACCEPTANCE OF STOCK GRANTS AND STOCK-BASED AWARDS AND ISSUE OF SHARES.

A Stock Grant or Stock-Based Award (or any part or installment thereof) shall be accepted by executing the applicable Agreement and delivering it to the Company or its designee, together with provision for payment of the full purchase price, if any, in accordance with this Paragraph for the Shares as to which such Stock Grant or Stock-Based Award is being accepted, and upon compliance with any other conditions set forth in the applicable Agreement. Payment of the purchase price for the Shares as to which such Stock Grant or Stock-Based Award is being accepted shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock having a Fair Market Value equal as of the date of acceptance of the Stock Grant or Stock-Based Award to the purchase price of the Stock Grant or Stock-Based Award, or (c) at the discretion of the Administrator, by delivery of the grantee's personal recourse note bearing

interest payable not less than annually at no less than 100% of the applicable Federal rate, as defined in Section 1274(d) of the Code, or (d) at the discretion of the Administrator, by any combination of (a), (b) and (c) above.

The Company shall then, if required pursuant to the applicable Agreement, reasonably promptly deliver the Shares as to which such Stock Grant or Stock-Based Award was accepted to the Participant (or to the Participant's Survivors, as the case may be), subject to any escrow provision set forth in the applicable Agreement. In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance.

The Administrator may, in its discretion, amend any term or condition of an outstanding Stock Grant, Stock-Based Award or applicable Agreement provided (i) such term or condition as amended is permitted by the Plan, and (ii) any such amendment shall be made only with the consent of the Participant to whom the Stock Grant or Stock-Based Award was made, if the amendment is adverse to the Participant.

11. RIGHTS AS A SHAREHOLDER.

No Participant to whom a Stock Right has been granted shall have rights as a shareholder with respect to any Shares covered by such Stock Right, except after due exercise of the Option

10

or acceptance of the Stock Grant or as set forth in any Agreement and tender of the full purchase price, if any, for the Shares being purchased pursuant to such exercise or acceptance and registration of the Shares in the Company's share register in the name of the Participant.

12. ASSIGNABILITY AND TRANSFERABILITY OF STOCK RIGHTS.

By its terms, a Stock Right granted to a Participant shall not be transferable by the Participant other than (i) by will or by the laws of descent and distribution, or (ii) as approved by the Administrator in its discretion and set forth in the applicable Agreement. Notwithstanding the foregoing, an ISO transferred except in compliance with clause (i) above shall no longer qualify as an ISO. The designation of a beneficiary of a Stock Right by a Participant, with the prior approval of the Administrator and in such form as the Administrator shall prescribe, shall not be deemed a transfer prohibited by this Paragraph. Except as provided above, a Stock Right shall only be exercisable or may only be accepted, during the Participant's lifetime, by such Participant (or by his or her legal representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Stock Right or of any rights granted thereunder contrary to the provisions of this Plan, or the levy of any attachment or similar process upon a Stock Right, shall be null and void.

13. EFFECT ON OPTIONS OF TERMINATION OF SERVICE OTHER THAN "FOR CAUSE" OR DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement in the event of a termination of service (whether as an employee, director or consultant) with the Company or an Affiliate before the Participant has exercised an Option, the following rules apply:

- a. A Participant who ceases to be an employee, director or consultant of the Company or of an Affiliate (for any reason other than termination "for cause", Disability, or death for which events there are special rules in Paragraphs 14, 15, and

16, respectively), may exercise any Option granted to him or her to the extent that the Option is exercisable on the date of such termination of service, but only within such term as the Administrator has designated in a Participant's Option Agreement.

- b. Except as provided in Subparagraph (c) below, or Paragraph 15 or 16, in no event may an Option intended to be an ISO, be exercised later than three (3) months after the Participant's termination of employment.
- c. The provisions of this Paragraph, and not the provisions of Paragraph 15 or 16, shall apply to a Participant who subsequently becomes Disabled or dies after the termination of employment, director status or consultancy; provided, however, in the case of a Participant's Disability or death within three (3) months after the

11

termination of employment, director status or consultancy, the Participant or the Participant's Survivors may exercise the Option within one (1) year after the date of the Participant's termination of service, but in no event after the date of expiration of the term of the Option.

- d. Notwithstanding anything herein to the contrary, if subsequent to a Participant's termination of employment, termination of director status or termination of consultancy, but prior to the exercise of an Option, the Board of Directors determines that, either prior or subsequent to the Participant's termination, the Participant engaged in conduct which would constitute "cause", then such Participant shall forthwith cease to have any right to exercise any Option.
- e. A Participant to whom an Option has been granted under the Plan who is absent from the Company or an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide.
- f. Except as required by law or as set forth in a Participant's Option Agreement, Options granted under the Plan shall not be affected by any change of a Participant's status within or among the Company and any Affiliates, so long as the Participant continues to be an employee, director or consultant of the Company or any Affiliate.

14. EFFECT ON OPTIONS OF TERMINATION OF SERVICE "FOR CAUSE".

Except as otherwise provided in a Participant's Option Agreement, the following rules apply if the Participant's service (whether as an employee, director or consultant) with the Company or an Affiliate is terminated "for cause" prior to the time that all his or her outstanding Options have been exercised:

- a. All outstanding and unexercised Options as of the time the Participant is notified his or her service is terminated "for cause" will immediately be forfeited.
- b. For purposes of this Plan, "cause" shall include (and is not limited to) dishonesty with respect to the Company or any Affiliate, insubordination, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential

information, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, inventions assignment, non-competition or similar agreement between the Participant and the Company, and conduct substantially prejudicial to the business of the Company or any Affiliate. The determination of the Administrator as to the existence of "cause" will be conclusive on the Participant and the Company.

12

- c. "Cause" is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of "cause" occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service but prior to the exercise of an Option, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute "cause", then the right to exercise any Option is forfeited.
- d. Any provision in an agreement between the Participant and the Company or an Affiliate, which contains a conflicting definition of "cause" for termination and which is in effect at the time of such termination, shall supersede the definition in this Plan with respect to that Participant.

15. EFFECT ON OPTIONS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement, a Participant who ceases to be an employee, director or consultant of the Company or of an Affiliate by reason of Disability may exercise any Option granted to such Participant:

- a. To the extent that the Option has become exercisable but has not been exercised on the date of Disability; and
- b. In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of Disability of any additional vesting rights that would have accrued on the next vesting date had the Participant not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to the date of Disability.

A Disabled Participant may exercise such rights only within the period ending one (1) year after the date of the Participant's termination of employment, directorship or consultancy, as the case may be, notwithstanding that the Participant might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant had not become Disabled and had continued to be an employee, director or consultant or, if earlier, within the originally prescribed term of the Option.

The Administrator shall make the determination both of whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

13

16. EFFECT ON OPTIONS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in a Participant's Option Agreement, in the event of the death of a Participant while the Participant is an employee,

director or consultant of the Company or of an Affiliate, such Option may be exercised by the Participant's Survivors:

- a. To the extent that the Option has become exercisable but has not been exercised on the date of death; and
- b. In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Participant not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Participant's date of death.

If the Participant's Survivors wish to exercise the Option, they must take all necessary steps to exercise the Option within one (1) year after the date of death of such Participant, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the Shares on a later date if he or she had not died and had continued to be an employee, director or consultant or, if earlier, within the originally prescribed term of the Option.

17. EFFECT OF TERMINATION OF SERVICE ON UNACCEPTED STOCK GRANTS.

In the event of a termination of service (whether as an employee, director or consultant) with the Company or an Affiliate for any reason before the Participant has accepted a Stock Grant, such offer shall terminate.

For purposes of this Paragraph 17 and Paragraph 18 below, a Participant to whom a Stock Grant has been offered and accepted under the Plan who is absent from work with the Company or with an Affiliate because of temporary disability (any disability other than a permanent and total Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide.

In addition, for purposes of this Paragraph 17 and Paragraph 18 below, any change of employment or other service within or among the Company and any Affiliates shall not be treated as a termination of employment, director status or consultancy so long as the Participant continues to be an employee, director or consultant of the Company or any Affiliate.

14

18. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE OTHER THAN "FOR CAUSE" OR DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Agreement, in the event of a termination of service (whether as an employee, director or consultant), other than termination "for cause," Disability, or death for which events there are special rules in Paragraphs 19, 20, and 21, respectively, before all Company rights of repurchase shall have lapsed, then the Company shall have the right to repurchase that number of Shares subject to a Stock Grant as to which the Company's repurchase rights have not lapsed.

19. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE "FOR CAUSE".

Except as otherwise provided in a Participant's Agreement, the following rules apply if the Participant's service (whether as an employee, director or consultant) with the Company or an Affiliate is terminated "for cause":

- a. All Shares subject to any Stock Grant shall be immediately subject to repurchase by the Company at the purchase price, if any, thereof.
- b. For purposes of this Plan, "cause" shall include (and is not

limited to) dishonesty with respect to the employer, insubordination, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, inventions assignment, non-competition or similar agreement between the Participant and the Company, and conduct substantially prejudicial to the business of the Company or any Affiliate. The determination of the Administrator as to the existence of "cause" will be conclusive on the Participant and the Company.

- c. "Cause" is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of "cause" occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute "cause," then the Company's right to repurchase all of such Participant's Shares shall apply.
- d. Any provision in an agreement between the Participant and the Company or an Affiliate, which contains a conflicting definition of "cause" for termination and which is in effect at the time of such termination, shall supersede the definition in this Plan with respect to that Participant.

15

20. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Agreement, the following rules apply if a Participant ceases to be an employee, director or consultant of the Company or of an Affiliate by reason of Disability: to the extent the Company's rights of repurchase have not lapsed on the date of Disability, they shall be exercisable; provided, however, that in the event such rights of repurchase lapse periodically, such rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant through the date of Disability as would have lapsed had the Participant not become Disabled. The proration shall be based upon the number of days accrued prior to the date of Disability.

The Administrator shall make the determination both of whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

21. EFFECT ON STOCK GRANTS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in a Participant's Agreement, the following rules apply in the event of the death of a Participant while the Participant is an employee, director or consultant of the Company or of an Affiliate: to the extent the Company's rights of repurchase have not lapsed on the date of death, they shall be exercisable; provided, however, that in the event such rights of repurchase lapse periodically, such rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant through the date of death as would have lapsed had the Participant not died. The proration shall be based upon the number of days accrued prior to the Participant's death.

22. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares to be issued upon the

particular exercise or acceptance of a Stock Right shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended (the "1933 Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

- a. The person(s) who exercise(s) or accept(s) such Stock Right shall warrant to the Company, prior to the receipt of such Shares, that such person(s) are acquiring such Shares for their own respective accounts, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the

16

following legend which shall be endorsed upon the certificate(s) evidencing their Shares issued pursuant to such exercise or such grant:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws."

- b. At the discretion of the Administrator, the Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise or acceptance in compliance with the 1933 Act without registration thereunder.

## 23. DISSOLUTION OR LIQUIDATION OF THE COMPANY.

Upon the dissolution or liquidation of the Company, all Options granted under this Plan which as of such date shall not have been exercised and all Stock Grants and Stock-Based Awards which have not been accepted, will terminate and become null and void; provided, however, that if the rights of a Participant or a Participant's Survivors have not otherwise terminated and expired, the Participant or the Participant's Survivors will have the right immediately prior to such dissolution or liquidation to exercise or accept any Stock Right to the extent that the Stock Right is exercisable or subject to acceptance as of the date immediately prior to such dissolution or liquidation. Upon the dissolution or liquidation of the Company, any outstanding Stock-Based Awards shall immediately terminate unless otherwise determined by the Administrator or specifically provided in the applicable Agreement.

## 24. ADJUSTMENTS.

Upon the occurrence of any of the following events, a Participant's rights with respect to any Stock Right granted to him or her hereunder shall be adjusted as hereinafter provided, unless otherwise specifically provided in a Participant's Agreement:

A. STOCK DIVIDENDS AND STOCK SPLITS. If (i) the shares of Common Stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of Common Stock as a stock dividend on its outstanding Common Stock, or (ii) additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Common Stock, the number of shares of Common Stock deliverable upon the exercise of an Option or acceptance of a Stock Grant may be appropriately increased or decreased proportionately, and appropriate adjustments may be made including, in the purchase price per share to reflect

such events. The number of Shares

17

subject to the limitation in Paragraphs 3(a), 3(c) and 4(c) shall also be proportionately adjusted upon the occurrence of such events.

B. CORPORATE TRANSACTIONS. If the Company is to be consolidated with or acquired by another entity in a merger, sale of all or substantially all of the Company's assets other than a transaction to merely change the state of incorporation (a "Corporate Transaction"), the Administrator or the board of directors of any entity assuming the obligations of the Company hereunder (the "Successor Board"), shall, as to outstanding Options, either (i) make appropriate provision for the continuation of such Options by substituting on an equitable basis for the Shares then subject to such Options either the consideration payable with respect to the outstanding shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity; or (ii) upon written notice to the Participants, provide that all Options must be exercised, within a specified number of days of the date of such notice at the end of which period the Options shall terminate (all Options shall for purposes of this clause (ii) be made fully vested and exercisable immediately prior to their termination); or (iii) terminate all Options in exchange for a cash payment equal to the excess of the Fair Market Value of the Shares subject to such Options over the exercise price thereof (all Options shall for purposes of this clause (iii) be made fully vested and immediately exercisable immediately prior to their termination).

With respect to outstanding Stock Grants, the Administrator or the Successor Board, shall either (i) make appropriate provisions for the continuation of such Stock Grants on the same terms and conditions by substituting on an equitable basis for the Shares then subject to such Stock Grants either the consideration payable with respect to the outstanding Shares of Common Stock in connection with the Corporate Transaction or securities of any successor or acquiring entity; or (ii) terminate all Stock Grants in exchange for a cash payment equal to the excess of the Fair Market Value of the Shares (without regard to repurchase rights of the Company) subject to such Stock Grants over the purchase price thereof, if any.

C. RECAPITALIZATION OR REORGANIZATION. In the event of a recapitalization or reorganization of the Company, other than a Corporate Transaction, pursuant to which securities of the Company or of another corporation are issued with respect to the outstanding shares of Common Stock, a Participant upon exercising an Option or accepting a Stock Grant after the recapitalization or reorganization shall be entitled to receive for the purchase price paid upon such exercise or acceptance the number of replacement securities which would have been received if such Option had been exercised or Stock Grant accepted prior to such recapitalization or reorganization.

D. ADJUSTMENTS TO STOCK-BASED AWARDS. Upon the happening of any of the events described in Subparagraphs A, B or C above, any outstanding Stock-Based Award shall be appropriately adjusted to reflect the events described in such Subparagraphs. The Administrator or the Successor Board shall determine the specific adjustments to be made under this Paragraph 24 and, subject to Paragraph 4, its determination shall be conclusive.

E. MODIFICATION OF ISOS. Notwithstanding the foregoing, any adjustments made pursuant to Subparagraph A, B or C above with respect to ISOs shall be made only after the

18

Administrator determines whether such adjustments would constitute a "modification" of such ISOs (as that term is defined in Section 424(h) of the Code) or would cause any adverse tax consequences for the holders of such ISOs. If the Administrator determines that such adjustments made with respect to ISOs would constitute a modification of such ISOs, it may refrain from making such



adjustments, unless the holder of an ISO specifically requests in writing that such adjustment be made and such writing indicates that the holder has full knowledge of the consequences of such "modification" on his or her income tax treatment with respect to the ISO.

F. CHANGE OF CONTROL. In the event of either

(A) a Corporate Transaction that also constitutes a Change of Control, where outstanding options are assumed or substituted in accordance with the first paragraph of Subparagraph B clause (i) above and, with respect to Stock Grants, in accordance with the second paragraph of Subparagraph B clause (i); or

(B) a Change of Control that does not also constitute a Corporate Transaction,

if within six months after the date of such Change of Control, (i) a Participant's service is terminated by the Company or an Affiliate for any reason other than Cause; or (ii) a Participant terminates his or her service as a result of being required to change the principal location where he or she renders services to a location more than 50 miles from his or her location of employment or consultancy immediately prior to the Change of Control; or (iii) the Participant terminates his or her service after there occurs a material adverse change in a Participant's duties, authority or responsibilities which causes such Participant's position with the Company to become of significantly less responsibility or authority than such Participant's position was immediately prior to the Change of Control, THEN all of such Participant's Options outstanding under the Plan shall become fully vested and immediately exercisable as of the date of termination of such Participant, unless in any such case an Option has otherwise expired or been terminated pursuant to its terms or the terms of the Plan and any repurchase rights of the Company with respect to outstanding Stock Grants that have not lapsed or expired prior to such Change of Control shall terminate as of the date of termination of such Participant.

25. ISSUANCES OF SECURITIES.

Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares subject to Stock Rights. Except as expressly provided herein, no adjustments shall be made for dividends paid in cash or in property (including without limitation, securities) of the Company prior to any issuance of Shares pursuant to a Stock Right.

19

26. FRACTIONAL SHARES.

No fractional shares shall be issued under the Plan and the person exercising a Stock Right shall receive from the Company cash in lieu of such fractional shares equal to the Fair Market Value thereof.

27. CONVERSION OF ISOS INTO NON-QUALIFIED OPTIONS; TERMINATION OF ISOS.

The Administrator, at the written request of any Participant, may in its discretion take such actions as may be necessary to convert such Participant's ISOs (or any portions thereof) that have not been exercised on the date of conversion into Non-Qualified Options at any time prior to the expiration of such ISOs, regardless of whether the Participant is an employee of the Company or an Affiliate at the time of such conversion. At the time of such conversion, the Administrator (with the consent of the Participant) may impose such conditions on the exercise of the resulting Non-Qualified Options as the Administrator in its discretion may determine, provided that such conditions shall not be inconsistent with this Plan. Nothing in the Plan shall be deemed to give any Participant the right to have such Participant's ISOs converted into Non-Qualified Options, and no such conversion shall occur until and unless the

Administrator takes appropriate action. The Administrator, with the consent of the Participant, may also terminate any portion of any ISO that has not been exercised at the time of such conversion.

28. WITHHOLDING.

In the event that any federal, state, or local income taxes, employment taxes, Federal Insurance Contributions Act ("F.I.C.A.") withholdings or other amounts are required by applicable law or governmental regulation to be withheld from the Participant's salary, wages or other remuneration in connection with the exercise or acceptance of a Stock Right or in connection with a Disqualifying Disposition (as defined in Paragraph 29) or upon the lapsing of any right of repurchase, the Company may withhold from the Participant's compensation, if any, or may require that the Participant advance in cash to the Company, or to any Affiliate of the Company which employs or employed the Participant, the statutory minimum amount of such withholdings unless a different withholding arrangement, including the use of shares of the Company's Common Stock or a promissory note, is authorized by the Administrator (and permitted by law). For purposes hereof, the fair market value of the shares withheld for purposes of payroll withholding shall be determined in the manner provided in Paragraph 1 above, as of the most recent practicable date prior to the date of exercise. If the fair market value of the shares withheld is less than the amount of payroll withholdings required, the Participant may be required to advance the difference in cash to the Company or the Affiliate employer. The Administrator in its discretion may condition the exercise of an Option for less than the then Fair Market Value on the Participant's payment of such additional withholding.

20

29. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION.

Each Employee who receives an ISO must agree to notify the Company in writing immediately after the Employee makes a "Disqualifying Disposition" of any shares acquired pursuant to the exercise of an ISO. A Disqualifying Disposition is defined in Section 424(c) of the Code and includes any disposition (including any sale or gift) of such shares before the later of (a) two years after the date the Employee was granted the ISO, or (b) one year after the date the Employee acquired Shares by exercising the ISO, except as otherwise provided in Section 424(c) of the Code. If the Employee has died before such stock is sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

30. TERMINATION OF THE PLAN.

The Plan will terminate on February 14, 2016 the date which is ten (10) years from the EARLIER of the date of its adoption by the Board of Directors and the date of its approval by the shareholders of the Company. The Plan may be terminated at an earlier date by vote of the shareholders or the Board of Directors of the Company; provided, however, that any such earlier termination shall not affect any Agreements executed prior to the effective date of such termination.

31. AMENDMENT OF THE PLAN AND AGREEMENTS.

The Plan may be amended by the shareholders of the Company. The Plan may also be amended by the Administrator, including, without limitation, to the extent necessary to qualify any or all outstanding Stock Rights granted under the Plan or Stock Rights to be granted under the Plan for favorable federal income tax treatment (including deferral of taxation upon exercise) as may be afforded incentive stock options under Section 422 of the Code, and to the extent necessary to qualify the shares issuable upon exercise or acceptance of any outstanding Stock Rights granted, or Stock Rights to be granted, under the Plan for listing on any national securities exchange or quotation in any national automated quotation system of securities dealers. Any amendment approved by the Administrator which the Administrator determines is of a scope that requires shareholder approval shall be subject to obtaining such

shareholder approval. Any modification or amendment of the Plan shall not, without the consent of a Participant, adversely affect his or her rights under a Stock Right previously granted to him or her. With the consent of the Participant affected, the Administrator may amend outstanding Agreements in a manner which may be adverse to the Participant but which is not inconsistent with the Plan. In the discretion of the Administrator, outstanding Agreements may be amended by the Administrator in a manner which is not adverse to the Participant.

32. EMPLOYMENT OR OTHER RELATIONSHIP.

Nothing in this Plan or any Agreement shall be deemed to prevent the Company or an Affiliate from terminating the employment, consultancy or director status of a Participant, nor to

21

prevent a Participant from terminating his or her own employment, consultancy or director status or to give any Participant a right to be retained in employment or other service by the Company or any Affiliate for any period of time.

33. GOVERNING LAW.

This Plan shall be construed and enforced in accordance with the law of the State of Delaware.

SYNTA PHARMACEUTICALS CORP.  
DIRECTOR COMPENSATION POLICY

The Board of Directors of Synta Pharmaceuticals Corp. (the "Company") has approved the following policy which establishes compensation to be paid to non-employee directors of the Company, effective January 1, 2005, to provide an inducement to obtain and retain the services of qualified persons to serve as members of the Company's Board of Directors. Each such director will receive as compensation for his or her services (i) a stock option grant upon his or her initial appointment or election to the Board of Directors of the Company and (ii) an annual fee payable in cash and/or stock, all as further set forth herein.

APPLICABLE PERSONS

This Policy shall apply to each director of the Company who (a) is not an employee of the Company or any Affiliate and (b) does not receive compensation as a consultant to the Company or any Affiliate unless such compensation is received solely for services provided as a member of the Scientific Advisory Board (each, an "Outside Director"). Affiliate shall mean a corporation which is a direct or indirect parent or subsidiary of the Company, as determined pursuant to Section 424 of the Internal Revenue Code of 1986, as amended.

STOCK OPTION GRANT UPON INITIAL APPOINTMENT OR ELECTION AS A DIRECTOR

NUMBER OF SHARES

Each new Outside Director on the date of his or her initial appointment or election to the Board of Directors, shall be granted a non-qualified stock option to purchase 60,000 shares of the Company's common stock under the Company's then applicable stockholder-approved stock plan (the "Stock Plan"), subject to automatic adjustment in the event of any stock split or other recapitalization affecting the Company's common stock.

VESTING PROVISION

Such option shall vest as to 25% of such grant on the first anniversary of the date of grant of the option and as to an additional 6.25% of such grant on the last day of each calendar quarter of the Company thereafter, provided such Outside Director continues to serve as a member of the Board of Directors. However, in the event of termination of service of an Outside Director, such option shall vest to the extent of a pro rata portion through the Outside Director's last day of service based on the number of days accrued in the applicable period prior to his or her termination of service.

EXERCISE PRICE AND TERM OF OPTION

Each option granted shall have an exercise price per share equal to the Fair Market Value (as defined in the Stock Plan) of the shares of common stock of the Company on the date of grant of the option, have a term of ten years and shall be subject to the terms and conditions of the Stock Plan. Each such option grant shall be evidenced by the issuance of a non-qualified stock option agreement.

EARLY TERMINATION OF OPTION UPON TERMINATION OF SERVICE

If an Outside Director:

- a. ceases to be a member of the Board of Directors for any reason other than death or disability, any then vested and unexercised options granted to such Outside Director may be exercised by the director within a period of three months after the date the director ceases to be a member of the Board of Directors and in no event later than the

expiration date of the option; or

- b. ceases to be a member of the Board of Directors by reason of his or her death or disability, any then vested and unexercised options granted to such director may be exercised by the director (or by the director's personal representative, or the director's survivors) within a period of one year after the date the director ceases to be a member of the Board of Directors and in no event later than the expiration date of the option.

#### ANNUAL FEE

Each Outside Director shall be compensated on an annual basis for providing services to the Company. Except as otherwise set forth in this Policy, director compensation shall be paid for the period from July 1 through June 30 of each year. Each Outside Director shall receive compensation consisting of one of the following combinations of cash and/or a grant of common stock, subject to certain contractual restrictions, under the Stock Plan, at the election of each Outside Director, as follows:

- o \$40,000 cash,
- o \$30,000 cash and such number of shares of the Company's common stock as is equal to \$10,000 on the date of grant of the shares,
- o \$20,000 cash and such number of shares of the Company's common stock as is equal to \$20,000 on the date of grant of the shares,
- o \$10,000 cash and such number of shares of the Company's common stock as is equal to \$30,000 on the date of grant of the shares, or
- o such number of shares of the Company's common stock as is equal to \$40,000 on the date of the grant of the shares.

The number of shares to be received by an Outside Director shall be calculated by dividing the total dollar amount that the Outside Director has elected to be paid in shares of common stock by the Fair Market Value (as defined in the Stock Plan) of the shares of common

stock of the Company on the last business day prior to the date of grant of the shares (rounded down to the nearest whole number so that no fractional shares shall be issued).

#### ELECTION

Each Outside Director shall make an election on the form provided by the Company, indicating the combination of his or her annual compensation, prior to each annual meeting of stockholders. If the Company does not schedule an annual meeting of stockholders to be held on or before June 30th of any year, each Outside Director shall make his or her election by June 15th of the applicable year.

#### CASH PAYMENTS

Any cash portion to be paid to an Outside Director shall be paid quarterly in arrears as of the last day of each calendar quarter. If an Outside Director dies, resigns or is removed during any quarter, he or she shall be entitled to a cash payment on a pro rata basis through his or her last day of service.

#### RESTRICTED STOCK GRANTS

Shares of common stock shall be granted at the first meeting of the Board of Directors following each annual stockholders meeting, or if no such meeting of the Board of Directors shall occur before June 30 of the applicable year, by unanimous written consent dated June 30 of that year. The shares shall be subject to a lapsing repurchase right such that the shares shall be subject to forfeiture to the Company if such Outside Director does not continue to serve as a member of the Board of Directors as of the end of the applicable quarter as follows: the repurchase right shall lapse as to 25% of each such grant on each

of September 30, December 31, March 31 and June 30 thereafter, provided such Outside Director continues to serve as a member of the Board of Directors as of the applicable date.

#### INITIAL ANNUAL FEE UPON INSTITUTION OF POLICY

On the date of adoption of this Policy, each Outside Director then serving shall be entitled to receive compensation prorated for the period from January 1, 2005 through June 30, 2005. Each Outside Director shall make an election on or before January 14, 2005 as to the combination of cash and/or stock to be received. The Board of Directors shall, by unanimous written consent dated January 18, 2005, grant any shares to be issued as part of such compensation. The shares to be issued shall be subject to a lapsing repurchase right such that the Company's repurchase right shall lapse as to 50% of each such grant on each of March 31, 2005 and June 30, 2005, provided such Outside Director continues to serve as a member of the Board of Directors as of the applicable date.

#### INITIAL ANNUAL FEE FOR NEWLY APPOINTED OR ELECTED DIRECTORS

Each Outside Director who is first appointed or elected to the Board of Directors after the date of the adoption of this Policy shall receive his or her first year's annual fee prorated in accordance with the terms of this Policy from the beginning of the next calendar quarter after his or her initial appointment or election through the following June 30. Each such Outside Director

shall make an election prior to the beginning of the next calendar quarter after his or her initial appointment or election as to the combination of cash and/or stock. The Board of Directors shall, by unanimous written consent dated the date of the first day of such quarter, grant any shares to be issued to such Outside Director as part of such compensation. Any such shares shall be subject to a pro rata lapsing repurchase right as of the last day of each quarter remaining in such initial period, provided such Outside Director continues to serve as a member of the Board of Directors as of the end of the applicable quarter.

#### PURCHASE PRICE AND OTHER PROVISIONS APPLICABLE TO ALL STOCK GRANTS

Shares granted shall have a purchase price equal to the par value of the common stock on the date of grant and shall be subject to the terms and conditions of the Stock Plan. The terms of such grant shall be evidenced by a restricted stock agreement to be entered into between the Company and the Outside Director. In addition, in the event of termination of service of an Outside Director, the Company's lapsing repurchase right shall be deemed to have lapsed to the extent of a pro rata portion of the shares through the Outside Director's last day of service based on the number of days accrued in the applicable period prior to his or her termination of service.

#### BOARD COMMITTEE COMPENSATION

Each Outside Director shall also receive an annual fee of \$5,000 for each Committee of the Board of Directors on which such individual serves. However, the Chairman of each Committee, other than the Audit Committee, shall receive an annual fee of \$10,000, and the Chairman of the Audit Committee shall receive an annual fee of \$15,000 for services as Chairman. Payment shall commence effective January 1, 2005 and shall be made quarterly in arrears on the last day of each calendar quarter and upon death, resignation or removal, payment shall be made pro rata through the last day of service.

#### EXPENSES

Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each Outside Director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board of Directors, Committees thereof or in connection with

other Board related business.

#### AMENDMENTS

The Board of Directors shall review this Policy from time to time to assess whether any amendments in the type and amount of compensation provided herein should be adjusted in order to fulfill the objectives of this Policy.

DATED: January 11, 2005

300,000 SHARES OF COMMON STOCK

GRANT DATE: MAY 27, 2004

SYNTA PHARMACEUTICALS CORP.

NON-QUALIFIED STOCK OPTION AGREEMENT

SYNTA PHARMACEUTICALS CORP., a Delaware corporation (the "Company"), grants to KEITH R. GOLLUST (the "Optionee"), as of the date set forth above, the right and option (this "Option") to purchase from the Company up to 300,000 shares (the "Option Shares") of the Common Stock, \$.0001 par value, of the Company (the "Common Stock"). This Option is subject to the following terms and conditions:

1. OPTION PRICE. The price to be paid for each share of Common Stock upon exercise of the whole or any part of this Option shall be \$2.7108 (the "Purchase Price").

2. VESTING. This Option shall be exercisable with respect to 150,000 shares of the Option Shares as of the Grant Date, and the remainder of the Option Shares will become exercisable thereafter in eight equal cumulative quarterly installments of 18,750 shares, the first such installment occurring on August 27, 2004, PROVIDED THAT Optionee on the applicable installment date is providing services to the Company as a director, advisor or consultant. If the Optionee is granted the right to receive any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) pursuant to Section 6, then such new or substituted securities (together with the Option Shares, the "Option Securities") or other property shall be issued upon the exercise of this Option subject to the same vesting schedule applicable to this Option.

3. OPTION PERIOD. This Option shall terminate and be of no further force or effect at 5:00 P.M., Boston time, on May 27, 2014.

4. EXERCISE OF OPTION; PAYMENT FOR SHARES. This Option may be exercised at any time and from time to time, subject to the limitations of Sections 2 and 3 and set forth elsewhere in this Agreement, for up to the aggregate number of shares of Option Securities specified herein, but in no event for the purchase of other than whole shares. A written notice of exercise in the form of Exhibit A attached hereto, signed by the Optionee or his heirs or permitted assignees (the "Exercising Party"), shall be delivered to the Company at its principal office specifying the number of Option Securities with respect to which this Option is being exercised. Such notice shall be accompanied by this Agreement and by payment of the purchase price of the Option Securities being acquired, which payment may be (a) in United States dollars in cash, by check or by wire transfer to a deposit account specified by the Company, (b) at the discretion of the Company, through delivery to the Company of shares of its capital stock held by the Exercising Party for at least six (6) months prior to the exercise of this Option or retention by the Company of shares otherwise issuable upon exercise of this Option, in each case having a Fair Market Value (as defined in Section 7 below) as of the date of exercise equal to the number of exercised shares multiplied by the Purchase Price, (c) at the discretion of the Company, in accordance with a cashless exercise program established with a securities brokerage firm, or (d) by any combination of (a), (b), or (c) above.

5. NO RIGHTS AS STOCKHOLDERS NO RIGHT TO CONTINUING RELATIONSHIP. The Optionee shall not be deemed, for any purpose, to have any rights whatsoever with respect to Option Securities to which this Option shall not have been exercised and payment made as aforesaid. The Optionee shall have no rights as a stockholder with respect to shares of Option Securities until the date of issuance of such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such Option Securities are issued, except as provided in Section 6. The Optionee shall not



be deemed to have any rights to a continued relationship with the Company by virtue of the grant or exercise of this Option. The Optionee acknowledges that he has no right to continue as a director, advisor or consultant of the Company and that the Company, its Board, and/or its shareholders may terminate or remove the Optionee from his position as a director, advisor, or consultant with or without reason or cause at any time so long as such action to terminate or remove is in accordance with the Company's by-laws and applicable law.

6. EXTRAORDINARY EVENTS. Upon the occurrence of any of the following events, the Optionee's rights with respect to the Option Securities shall be adjusted as hereinafter provided:

(a) STOCK DIVIDENDS AND STOCK SPLITS. If (i) the shares of the Company's Common Stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of Common Stock as a stock dividend on its outstanding Common Stock, or (ii) additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Common Stock, the number of shares of Common Stock deliverable upon the exercise of the Optionee's rights pursuant to this Option shall be appropriately increased or decreased proportionately, and appropriate adjustments may be made in the purchase price per share to reflect such events.

(b) CONSOLIDATIONS OR MERGERS. If the Company is to be consolidated with or acquired by another entity in a merger, sale of all or substantially all of the Company's assets or otherwise (an "Acquisition"), the Board of Directors of any entity assuming the obligations of the Company hereunder, shall either (i) make appropriate provision for the continuation of this Option by substituting on an equitable basis for the Option Securities either the consideration payable with respect to the outstanding shares of Common Stock in connection with the Acquisition or securities of any successor or acquiring entity; or (ii) upon written notice to the Optionee, provide that the Option must be exercised (either to the extent then exercisable or, at the discretion of the Board of Directors, all Option Securities being made fully exercisable for purposes of this subparagraph) prior to a specified date at the end of which period this Option shall terminate; or (iii) terminate this Option in exchange for a cash payment equal to the excess of the Fair Market Value of the Option Securities (either to the extent then exercisable or, at the discretion of the Board of Directors, all Option Securities being made fully exercisable for purposes of this subparagraph) over the exercise price thereof.

(c) RECAPITALIZATION OR REORGANIZATION. In the event of a recapitalization or reorganization of the Company (other than a transaction described in subparagraph (b) above) pursuant to which securities of the Company or of another corporation are substituted or exchanged for the outstanding shares of Common Stock, the Optionee upon exercising the

2

Option shall be entitled to receive for the Purchase Price the securities which would have been received if this Option had been exercised prior to such recapitalization or reorganization.

7. FAIR MARKET VALUE. The fair market value ("Fair Market Value") of the Option Securities for purposes of this Option shall be an amount per share determined as follows:

(1) If the Option Securities are listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the Option Securities, the per share fair market value shall be the closing or last price of the Option Securities on the composite tape or other comparable reporting system for the trading day immediately preceding the applicable date;

(2) If the Option Securities are not traded on a national securities exchange but are traded on the over-the-counter market, if sales prices are not regularly reported for the Option Securities for

the trading day referred to in clause (1), and if bid and asked prices for the Option Securities are regularly reported, the per share fair market value shall be the mean between the bid and the asked price for the Option Securities at the close of trading in the over-the-counter market for the trading day on which Option Securities were traded immediately preceding the applicable date; and

(3) If the Option Securities are neither listed on a national securities exchange nor traded in the over-the-counter market, the per share fair market value shall be such value as the Company's Board of Directors, in good faith, shall determine.

8. NON-ASSIGNABILITY OF OPTION RIGHTS. Except as set forth below, the Option shall (a) not be assignable or transferable by the Optionee, either voluntarily or by operation of law, except by will or the laws of descent and distribution; (b) be exercisable only by the Optionee during the life of the Optionee; and (c) not be transferred, assigned, pledged, hypothecated or disposed of in any other way (whether by operation of law or otherwise), or be subject to execution, attachment or similar process. Notwithstanding the foregoing, the Optionee may upon written notice to the Company at any time assign or transfer the Option to a tax exempt organization as defined in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the "Code"), to a private foundation as defined in Section 509(a) of the Code, or to a charitable remainder trust under Section 664 of the Code, provided that:

- (i) such transferee shall automatically be bound by the terms of this Option;
- (ii) if requested, Optionee shall provide the Company with reasonable documentation verifying the federal tax exempt status of such transferee; and
- (iii) if this Option terminates for any reason, the Optionee or his personal representative shall give notice to such transferee of such termination.

9. INVESTMENT REPRESENTATION; COMPLIANCE WITH LISTING REQUIREMENTS AND LAW. The Optionee, by acceptance of this Option, hereby represents and warrants that this Option and any and all shares of the Option Securities which the Optionee shall acquire upon the exercise of this Option are being and will be acquired for his own account for investment and not with a view to, or for sale in connection with, any distribution thereof. It shall be a condition to the Optionee's right to purchase the Option Securities that the Company may require such steps or satisfaction

of such conditions as the counsel for the Company may reasonably deem necessary to comply with any law, rule or regulation applicable to the issuance of such Option Securities, including, without limitation, (a) that the Option Securities reserved for issue upon the exercise of this Option shall have been duly listed, upon official notice of issuance, upon any national securities exchange on which the Option Securities may then be listed, and (b) that either (i) a registration statement under the Securities Act of 1933, as amended (the "Act"), and the rules and regulations promulgated thereunder with respect to such shares shall be in effect or (ii) in the opinion of counsel for the Company the proposed purchase shall be exempt from registration under the Act and the Optionee shall have made such undertakings and agreements with the Company as the Company may reasonably require. The certificates representing the shares of Option Securities purchased under this Option may contain such legends as counsel for the Company shall deem necessary to comply with such applicable law, rule or regulation.

The exercise of this Option shall be subject to the requirement that if, at any time, counsel to the Company shall determine that the listing, registration or qualification of the Option Securities upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, or that the disclosure of non-public information or the satisfaction of any other condition is necessary as a condition of, or in

connection with, the issuance or purchase of the Option Securities, such shares may not be issued or this Option exercised, in whole or in part, unless such listing, registration, qualification, consent or approval, or satisfaction of such condition shall have been effected or obtained on conditions acceptable to the Company. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration or qualification, or to satisfy such condition.

10. PAYMENT OF TAXES.

(a) The Company's obligation to deliver the Option Securities upon the exercise of this Option shall be subject to the satisfaction by the Exercising Party of all applicable federal, state and local income and employment tax withholding requirements.

(b) Upon the exercise of this Option, the Exercising Party shall pay to the Company, or authorize it to deduct from other amounts payable to the Exercising Party, the amount of any taxes that the Company or any of its subsidiaries is required to withhold with respect to such exercise. Subject to the prior approval of the Company, which may be withheld by the Company in its discretion, the Exercising Party may elect to satisfy such obligations, in whole or in part, by (i) causing the Company to withhold shares of the Option Securities otherwise issuable pursuant to the exercise of this Option, or (ii) delivering to the Company, at the time this Option is exercised, shares of the Company's capital stock held by the Exercising Party for at least six (6) months prior to the exercise of the Option. The shares of the Company's capital stock so delivered or withheld shall have a Fair Market Value equal to such withholding obligation. The Fair Market Value of the shares of the Company's capital stock used to satisfy such withholding obligation shall be determined by the Company as of the date that the amount of tax to be withheld is to be determined.

(c) Notwithstanding the foregoing, in the event that the Exercising Party is a person required to file reports under Section 16(a) of the Securities Exchange Act of 1934, as amended, no election to use shares of the Company's capital stock for the payment of

4

withholding taxes shall be effective unless made in compliance with any applicable requirement of Rule 16b-3 (unless it is intended that the transaction not qualify for exemption under Rule 16b-3).

11. MISCELLANEOUS. This Option may not be altered or amended except by a written instrument signed by the Company and the Optionee. This Option contains the entire agreement and understanding between the Company and the Optionee with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements or understandings. This Option shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to any conflict of laws principles. If any provision of this Option shall be determined to be illegal and unenforceable, the remaining provisions shall be severable and enforceable in accordance with their terms. All the terms and provisions of this Option shall be binding upon and inure to the benefit of the parties hereto and, subject to the terms and provisions of Section 8 their respective heirs, legal representatives, successors and permitted assigns.

IN WITNESS WHEREOF, the Company has caused this Option to be executed on its behalf and its corporate seal to be hereunto affixed as of the date first set forth above.

SYNTA PHARMACEUTICALS CORP.

By: /S/ DR. SAFI BAHCALL

-----  
Name: Dr. Safi Bahcall

Title: President and Chief Executive  
Officer

The undersigned hereby accepts and agrees to the terms and conditions contained  
in this Option as of the date specified above.

/S/ KEITH R. GOLLUST

-----  
KEITH R. GOLLUST

5

EXHIBIT A

EXERCISE NOTICE

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421  
Attn.: Chief Financial Officer

This Exercise Notice is pursuant to a Non-Qualified Stock Option Agreement dated as of May 27, 2004 (the "Option"), by and between Synta Pharmaceuticals Corp. (the "Company") and Keith R. Gollust. Unless otherwise noted herein, capitalized terms used in this Exercise Notice have the meanings set forth in the Option. The undersigned, the recipient or permitted assignee of the Optionee, hereby elects today to exercise the Option to purchase \_\_\_\_\_ shares of the Option Securities of the Company (the "Purchased Shares"), and with this Exercise Notice the undersigned is delivering to you one or more of the following in payment of the aggregate exercise price for the shares (the "Exercise Price"):

- (a) \$\_\_\_\_\_ in cash, by personal check or by wire transfer;
- (b) stock certificates for \_\_\_\_\_ shares of the Company's capital stock (the "Certificates") with a Fair Market Value of \$\_\_\_\_\_, accompanied by duly executed stock power(s) for each Certificate; or
- (c) notice of the undersigned's consent for the Company to retain \_\_\_\_\_ shares of the Option Securities with a Fair Market Value of \$\_\_\_\_\_.

Accordingly, please issue a stock certificate for the shares in the undersigned's name and have it delivered to the undersigned at the address indicated below. Notwithstanding, the undersigned understands that the Company may issue a stock certificate for less than the total number of Purchased Shares in the event the Company withholds shares in order to satisfy any applicable withholding tax obligation of the Company. The undersigned acknowledges his or its responsibility to comply with the tax withholding requirements set forth in Section 10 of the Option.

The undersigned hereby acknowledge that he or it has been given the opportunity to ask questions of, and to obtain such information from, the Company as he or it deems necessary to evaluate the merits of making an investment in the Option Securities of the Company.

The undersigned hereby confirms that he or it is acquiring the Option Securities for the undersigned's own account for investment and not with any present intention of selling or otherwise distributing the shares, and the undersigned confirms that he or it will in no event sell, transfer, pledge or otherwise dispose of the shares prior to (a) receipt of an opinion of counsel for the Company authorizing any such proposed sale, transfer, pledge or other disposition, (b) receipt of a "no action" letter from the Securities and Exchange Commission or (c) registration of the Option Securities under the Securities Act of 1933, as amended. The undersigned

understands that the certificate representing the Option Securities will bear a legend noting these restrictions on transferability.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

Address: \_\_\_\_\_  
\_\_\_\_\_

Social Security No. or E.I.N.: \_\_\_\_\_

DUFFY HARTWELL LIMITED PARTNERSHIP  
COMMERCIAL LEASE

1. PARTIES:

DUFFY HARTWELL LIMITED PARTNERSHIP, a Massachusetts limited partnership located at 411 Waverley Oaks Rd. Waltham MA, LESSOR, which expression shall include its successors and assigns where the context so admits, does hereby lease to SHIONOGI BIORESEARCH, CORP. a Massachusetts corporation located at 187 East Emerson St. Lexington MA c/o LanBo Chen, LESSEE, which expression shall include its successors, and assigns where the context so admits, and the LESSEE hereby leases the following described Premises:

2. PREMISES:

Twenty-four Thousand, Four Hundred and Twenty (24,420) sq. ft., more or less, (the "Leased Premises") in the LESSOR'S Building located at 45 Hartwell Ave. Lexington MA, including exclusive use of the loading platform all as shown on Exhibit A, "Floor Plan", attached hereto, together with the right to use in common, with others entitled thereto, any hallways, and stairways necessary for access to said Leased Premises.

Appurtenant to the Premises the LESSEE shall have the right, in common with others entitled thereto, to use access ways, driveways, walkways and any other common facilities necessary for access to or beneficial use of the Leased Premises.

LESSEE shall have right to use four parking spaces per one thousand square feet of net leased space as unassigned parking spaces in the parking areas adjacent to the Buildings on the site. LESSEE shall have rights in common with other lessees to use of the common entrance serving the Leased Premises.

The Leased Premises shall be delivered "AS-IS" for build out by the LESSEE to its requirements, at LESSEE'S sole cost. See Exhibit B, "Buildout Obligations" for obligations of each party, cost allowance to LESSEE, and contingencies.

3. TERM:

The term of this lease shall be for Ten (10) years commencing on the Commencement Date (defined below) and ending on November 30, 2006.

The Commencement Date shall be the earlier of completion of the LESSEE'S work and fit up of the Lease Premises, or December 1, 1996. The LESSEE's work shall be deemed complete upon issuance of a certificate of occupancy for the Premises by the Town of Lexington MA

4. RENT:

The LESSEE shall pay to LESSOR rent at the rates per year, shown below, which rent shall be payable in advance in the monthly installments shown below on the first day of each month.

YEAR	ANNUAL RENT	MO. RENT	\$/SF RATE
-----	-----	-----	-----
1-5	\$ 383,382.40	\$ 31,990.20	\$ 15.72
6-10	\$ 481,562.40	\$ 40,130.20	\$ 19.72

The parties acknowledge that the exact area of the Lease Premises shall be measured from the interior surface of the exterior windows and the center line of demising walls for net usable space, to this will be added a prorata share of common areas of the building to determine Rentable Space.

5. SECURITY DEPOSIT:

Upon the execution of this lease, the LESSEE shall pay to the LESSOR the amount of \$36,060, which shall be held as a security for the LESSEE'S performance as herein provided and promptly refunded to the LESSEE at the end of this lease subject to the LESSEE'S satisfactory compliance with the conditions hereof.

6. RENT ADJUSTMENT:

A. TAX ADJUSTMENT

If in any tax year commencing with the fiscal year 1998 (the fiscal year ending June 30, 1998), the real estate taxes on the land and buildings, of which the Leased Premises are a part, are assessed an increase in value attributable to the LESSEE's improvements, LESSEE shall pay the real estate taxes attributable to that increase in assessed valuation. In the event the taxes otherwise levied on the real estate are in excess of the amount of the real estate taxes thereon for the fiscal year 1997 (hereinafter called the "Base Year"), LESSEE will pay to LESSOR as additional rent hereunder, when and as designated by notice in writing by LESSOR, Fifty (50%) percent of such excess. Such share of increased real estate taxes shall be paid as may occur in each year of the term of this lease or any extension or renewal thereof and proportionately for any part of a fiscal year. LESSOR'S demand shall be accompanied by a copy of the applicable tax bill or bills and a statement showing the manner of calculation of LESSEE'S proportionate share of such taxes. If the LESSOR obtains an abatement of any such excess real estate tax, a proportionate share of such abatement, less the reasonable fees and costs incurred in obtaining the same, if any, shall be refunded to the LESSEE. LESSEE may itself, or with any co-tenant, seek review of the assessed valuation of the property of which the Leased Premises are a part, or otherwise seek abatement of real estate taxes in any year in which the LESSOR declines to seek such review or reduction, provided it shall do so at its own cost or expense.

For purposes of this adjustment the fiscal year 1997 tax rate shall be \$1.08 per square foot, or \$54,472.08 for the land and building of which the lease premises are a part.

LESSEE shall not be required to pay any income, profits, excise, franchise, estate, succession, inheritance or transfer taxes of LESSOR or any other party.

2

B. OPERATING COSTS

The LESSEE shall pay to the LESSOR as additional rent hereunder within thirty (30) days after notice in writing by LESSOR, Fifty (50%) per cent of any operating costs incurred during the calendar year which are in excess of \$4.00 per square foot. LESSOR'S demand shall be accompanied by a statement of the applicable operating costs and a statement showing the manner of calculation of LESSEE'S proportionate share of such costs. In the event LESSEE wishes verification of the costs and its share, LESSOR will present substantiation of charges, if requested, authorize its' independent C.P.A. to provide certification of the statement and charges to the LESSEE, and LESSEE shall bear the expense of the C.P.A. certification. In the alternative, LESSEE may at its own expense audit LESSOR'S books and records with respect to operating costs (but only as regards this particular property, and not of any other property or other affiliates of LESSOR). The operating costs increase shall be prorated should this lease be in effect with respect to only a portion of any calendar year, or which pertain to less than a fully occupied building. Operating costs are defined for the purpose of this agreement as:

Maintenance Expenses of LESSOR for building structure and exterior grounds.  
Management Expenses (allocated at Five (5%) percent of gross rent)  
Premiums for Casualty and public liability Insurance

Exceptions to Operating Costs are defined in Exhibit E.

C. BUILDING ACCESS

The LESSEE shall have unlimited access to the Building without charge.

7. UTILITIES:

The LESSEE shall pay, as they become due, all bills for electricity, water and sewer use and other utilities (whether they are used for furnishing heat, cooling or other purposes) that are furnished to the Leased Premises and which are separately metered. The LESSOR agrees to provide utility services to the LEASED PREMISES, all subject to interruption due to any accident, to the making of repairs, alterations, or improvements, to labor difficulties, to trouble in obtaining fuel, electricity, service, or supplies from the sources from which they are usually obtained for said building, or to any cause beyond the LESSOR'S control, provided LESSOR shall make reasonable and diligent efforts to restore service in the event of any such-disruption.

LESSOR shall have no obligation to provide utilities or equipment other than the utilities and equipment within the premises as of the Commencement Date of this lease which include the HVAC now serving the Leased Premises. In the event LESSEE requires additional utilities or equipment, the installation and maintenance thereof shall be the LESSEE'S sole obligation, provided that such installation shall be the subject to the written consent of the LESSOR. Costs for the installation of separate metering for utilities shall be borne by the LESSOR.

3

8. USE OF LEASED PREMISES:

The LESSEE shall use the Leased Premises only for the purpose of office, light manufacturing and R&D purposes including without limitation biotechnological research, development and production.

9. COMPLIANCE WITH LAW:

The LESSEE acknowledges that no trade or occupation shall be conducted in the Leased Premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the Town of Lexington in which the premises are situated. LESSEE shall not be responsible to make alterations, installations, additions or improvements to the Leased Premises required by applicable law except if required due to improvements installed by or special or extraordinary uses by LESSEE.

10. FIRE INSURANCE:

The LESSEE shall not permit any use of the Leased Premises which will make voidable any insurance on the property of which the Leased Premises are a part, or on the contents of said property or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. The LESSEE shall on demand reimburse the LESSOR, and all other tenants all extra insurance premiums caused by the LESSEE'S use of the premises.

11. MAINTENANCE:

A. LESSEE'S OBLIGATIONS

The LESSEE agrees to maintain the Leased Premises in as good condition as at the beginning of the term, fair wear and tear and damage by fire and other casualty excepted. Also excepted are elements which are LESSOR'S obligation to maintain



hereunder. LESSEE, whenever necessary, shall replace plate glass and other glass therein. Upon occupancy the LESSEE acknowledges that, except for any latent defects, the Leased Premises are then in good condition as at Lease execution, and the glass whole. The LESSEE shall not permit the Leased Premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste. LESSEE shall obtain written consent of LESSOR before erecting any sign on the exterior of the Leased Premises, which consent shall not be unreasonably withheld or delayed. LESSEE shall be responsible for maintenance of the HVAC, plumbing, and other facilities which LESSEE shall install within the Leased Premises, and for cleaning of and trash removal from the Leased Premises.

#### B. LESSOR'S OBLIGATIONS

The LESSOR agrees to maintain the structure, roof, foundation, and exterior of the building of which the Leased Premises are a part, and such mechanical, electrical and plumbing facilities, and fire protection facilities as are common to lessees of the building, and parking lot, exterior lighting, exterior window frames and the common areas of the building in the same condition as it is at the commencement of the term or as it may be put in during the

4

term of this lease, but in any event in good, clean, tenantable and working order, condition and repair, reasonable wear and tear, damage by fire and other casualty only excepted (subject to the provisions of Section 18, below), unless such maintenance is required because of the LESSEE or those for whose conduct the LESSEE is legally responsible. LESSOR shall maintain access ways and common areas of the land in neat and orderly condition including clearance of snow and ice in the walkways and parking lot. LESSOR shall keep the building and common areas under its control in compliance with all current and future zoning laws and other applicable municipal laws, regulations and ordinances.

#### 12. ALTERATIONS/ADDITIONS:

The LESSEE shall design, construct and maintain such tenant improvements as it may require, at LESSEE'S sole cost, and subject to the prior written approval of plans by the LESSOR, which approval shall not be unreasonably withheld or delayed. Thereafter LESSEE may make alterations and additions provided the LESSOR consents thereto in writing. LESSOR shall respond within five business days of receipt of LESSEE'S plans. All such allowed alterations shall be at LESSEE'S expense and shall be in quality at least equal to the approved construction. LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the Leased Premises for labor and material furnished to LESSEE or claimed to have been furnished to LESSEE in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released of record forthwith without cost to LESSOR. Any alterations or improvements made by the LESSEE shall become the property of the LESSOR at the termination of occupancy as provided herein except for LESSEE'S trade improvements, alterations, installations, fixtures and equipment which shall remain the LESSEE'S property and shall be removed by LESSEE upon termination of the Lease, with the prompt repair by LESSEE of any and all damages occasioned by their removal. To confirm the foregoing, LESSEE will submit its plans for any alteration or improvement to LESSOR in writing before installation with a request for removal at LESSEE'S expense upon termination of this lease, and LESSOR'S approval of such request, shall be on the condition that LESSEE shall restore and repair all damages caused by the removal.

#### 13. ASSIGNMENT SUBLEASING:

The LESSEE shall not assign or sublet the whole or any part of the Leased Premises without LESSOR'S prior written consent which shall not be unreasonably withheld or delayed. Notwithstanding such consent, LESSEE shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this lease. However, LESSEE may, without obtaining such consent, make an assignment to any successor in interest by way of merger or other reorganization (except bankruptcy reorganization), "going public" or

"going private" transaction or acquisition of substantially all the assets or stock of LESSEE, or an assignment of leasehold rights as a component of security interest for a reputable financing institution.

5

14. SUBORDINATION:

This lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or any time hereafter, which may constitute a lien or liens on the property of which the Leased Premises are a part and the LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this lease to said mortgages, deeds, of trust or other such instruments in the nature of a mortgage, provided, however, that the mortgagee executes and delivers to LESSEE a non-disturbance and recognition agreement providing in substance that should the mortgagee or any party holding by, through or under the mortgagee (including without limitation any purchaser at foreclosure) acquire title to the property, then, as long as LESSEE is not in default, the mortgagee or such other party shall recognize this Lease and not disturb LESSEE'S rights hereunder.

15. LESSOR'S ACCESS:

The LESSOR or agents of the LESSOR may, at reasonable times and upon appropriate notice, (normally one day's prior notice) enter to view the Leased Premises and may remove placards and signs not approved and affixed to the exterior of the Leased Premises as herein provided, and make repairs and alterations as LESSOR should elect to do. The LESSOR may show the Leased Premises to others, and at any time within six (6) months before the expiration of the term, may affix to any suitable part of the lease premises a notice for letting or selling the Leased Premises or property of which the Leased Premises are a part and keep the same so affixed without hindrance or molestation. LESSOR shall use best effort to minimize inconvenience and interference with LESSEE and LESSEE'S business operations.

16. INDEMNIFICATION & LIABILITY:

The LESSEE shall save the LESSOR harmless from all loss and damage occasioned by the use or escape of water or by the bursting of pipes, as well as from any claim or damage resulting from neglect in removing snow or ice from the sidewalks bordering upon the premises so leased, or by any nuisance made or suffered on the Leased Premises, unless such loss is caused by the neglect of the LESSOR. The removal of snow and ice from the sidewalks bordering upon the Leased Premises shall be LESSOR'S responsibility. LESSOR shall save the LESSEE harmless from loss or damage occasioned by acts or omissions of the LESSOR, its employees or agents.

17. LESSEE'S LIABILITY INSURANCE:

(a) The LESSEE shall maintain with respect to the Leased Premises and the property of which the Leased Premises are a part comprehensive public liability insurance in the amount of \$1 million Combined Single Limit and property damage insurance in the amount of the value of the replacement of LESSEE'S personal property and improvements in responsible companies qualified to do business in the state. The LESSEE shall deposit with the LESSOR certificates for such insurance at or prior to the commencement of the term, and thereafter within (30) days prior to the expiration of any

6

such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein.

(b) All fire and property casualty insurance which either party

carries with respect to the building, Leased Premises or any property therein, whether or not required, shall include provisions which deny to the insurer acquisition by subrogation of rights of recovery against the other party to the extent such rights have been waived by the insured party prior to occurrence of loss, insofar as and to the extent that such provisions may be effective without making it impossible to obtain insurance coverage from responsible companies qualified to do business in the Commonwealth of Massachusetts (even though extra premium may result therefrom). In the event that any extra premium is payable by either party as a result of this provision, the other party shall reimburse the party paying such premium the amount of such extra premium. If at the request of one party, this non subrogation provision is waived as to such party, then the obligation of reimbursement by such party shall cease for such period of time as such waiver shall be effective. Each party shall be entitled to have duplicates or certificates of any policies containing such provisions. Each party hereby waives all rights of recovery against the other for loss or injury against which the waiving party is protected by insurance containing said non-subrogation provisions, reserving, however, any rights with respect to any excess of loss or injury over the amount recovered from such insurance.

18. FIRE, CASUALTY AND EMINENT DOMAIN:

Should fifty (50%) percent or more of the Leased Premises, or the property of which they are a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, the LESSOR may elect to terminate this lease. If the LESSOR does not elect to terminate, or if the damage is less than fifty (50%) percent of the Leased Premises or of the property, LESSOR shall then diligently restore the building, property and Leased Premises to substantially their condition at the inception of the Lease, as soon as reasonably possible. When such fire, casualty, or taking renders the Leased Premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and the LESSEE, may elect to terminate this lease if:

(a) the LESSOR fails to give written notice within thirty (30) days of the fire, casualty or taking of intention to restore Leased Premises, to the condition existing at inception of the lease, and before LESSEE'S improvements or

(b) the LESSOR fails to restore the Leased Premises to the condition substantially the same at inception of the Lease ( December 1, 1996) within on hundred and eighty (180) days of said fire, casualty or taking.

The LESSOR reserves, and the LESSEE grants to the LESSOR, all rights which the LESSEE may have for damages or injury to the Leased Premises for any taking by eminent domain, except for damage to the LESSEE'S fixtures, improvements, additions, property, or equipment.

19. LATE PAYMENT, DEFAULT AND BANKRUPTCY:

7

A. LATE PAYMENT: LESSEE agrees that because actual damages for a late payment or a dishonored check are difficult to fix or ascertain, but recognizing that damage and injury result therefore, LESSEE agrees that if payments of rent and other obligations are not received in hand by LESSOR five (5) business days after the date is due, LESSEE agrees to pay liquidated damages of \$100.00 plus 18% per annum on the delinquent amount from the due date. The postmark on the payment received plus two (2) days, shall be conclusive evidence of whether the payment is delinquent. However, LESSOR is not responsible for late deliveries by U.S. Mail. LESSEE agrees to pay a liquidated damage of \$25.00 for each dishonored check. In the event that two or more of the LESSEE'S checks are dishonored in a 12 month period, the LESSOR, in addition to other Rights, shall have the right to demand payment by Certified Check or Money Order.

B. DEFAULT AND BANKRUPTCY: In the event that (a) the LESSEE shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for ten (10) days after written notice of payment default, or if such written notice of payment default is required in three

events or more in any calendar year, thereafter ten days after the payment due date without written notice being required for the balance of such year; or (b) the LESSEE shall default in the observance or performance of any other of the LESSEE'S material covenants, agreement, or obligations hereunder and such default shall not be corrected within thirty (30) days after written notice thereof from LESSOR, of if such default is not susceptible to cure within thirty days, in the event the LESSEE shall fail to commence to cure within the thirty days or thereafter diligently to prosecute such cure to completion; or (c) the LESSEE shall be declared bankrupt or insolvent according to law, or, if any assignment shall be made of LESSEE'S property for the benefit of creditors, then the LESSOR shall have the right thereafter, while such default continues, to re-enter and take complete possession of the Leased Premises, to declare the term of this lease ended, and remove the LESSEE'S effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default. The LESSEE shall indemnify the LESSOR against all loss of rent and other payments which the LESSOR may incur by reason of such termination during the residue of the term. LESSOR shall make reasonable efforts to relet the Leased Premises, and net rents received by the LESSOR shall be credited to the LESSEE'S obligations hereunder. If the LESSEE shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on LESSEE'S part to be observed or performed under or by virtue of any of the provisions in any article of this lease and shall fail to cure such default within the applicable cure period, then the LESSOR, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the LESSEE. If the LESSOR makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations insured, with interest at the rate of 12 per cent per annum and costs, shall be paid to the LESSOR by the LESSEE as additional rent.

20. NOTICE:

Any notice from the LESSOR to the LESSEE relating to the Leased Premises or to the occupancy thereof, shall be deemed duly served, if delivered in hand at the Leased Premises addressed to the LESSEE, or if mailed to the Leased Premises, registered or

certified mail, return receipt requested, postage prepaid, addressed to the LESSEE. Any notice from the LESSEE to the LESSOR relating to the Leased Premises or to the occupancy thereof, shall be deemed duly served, if mailed to the LESSOR by registered or certified mail, return receipt requested, postage prepaid, addresses to the LESSOR at such address as the LESSOR may from time to time advise in writing. Until such advice all rent shall be paid and all notices sent to the LESSOR at 411 Waverley Oaks Road, Waltham MA 02154. All Notices under this Lease shall be in writing.

21. SURRENDER:

The LESSEE shall at the expiration or other termination of this lease remove all LESSEE'S goods and effects from the Leased Premises, (including, without hereby limiting the generality of the foregoing all signs and lettering affixed or painted by the LESSEE, either inside or outside the Leased Premises). LESSEE shall deliver to the LESSOR the Leased Premises and all keys, locks thereto, and subject to the provisions of Section 12, above, the fixtures connected therewith and all alterations and additions made to or upon the Leased Premises, in good condition, fair wear and tear, damage by fire or other casualty and elements which are the LESSOR'S responsibility to maintain and repair excepted. In the event of the LESSEE'S failure to remove any of LESSEE'S property from the premises, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE, to remove and store any of the property at LESSEE'S expense, or to retain same under LESSOR'S control or to sell at public or private sale, without notice, any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum hereunder, or to destroy such property.

22. BROKERAGE:

The Brokers named herein: Fallon Hines and O'Connor, Inc. and Leggat McCall/Grubb & Ellis warrant that they are duly licensed as such by the Commonwealth of Massachusetts, and join in this agreement and become parties hereto, insofar as any provisions of this agreement expressly apply to them, and to any amendments or modifications of such provisions to which they agree in writing.

LESSOR agrees to pay the above named Brokers upon the term commencement date a fee for professional services as agreed between LESSOR and Brokers under a separate agreement.

Each party represents and warrants that it has not retained or dealt with any other broker or brokers in connection with this Lease, and each party agrees to indemnify, defend and save harmless the other party from any claims for fees or commissions arising out of its dealings with any other broker with respect to this Lease.

24. QUIET ENJOYMENT

LESSOR covenants and agrees that upon paying rent and performing all the covenants and conditions of the Lease LESSEE shall and may peacefully and quietly have, hold and enjoy the Lease Premises for the term specified, subject to the terms of the Lease.

9

25. OTHER PROVISIONS:

It is also understood and agreed that:

- a. The attached Commercial Lease Addendum and the following Exhibits are incorporated by reference:

- |           |   |
|-----------|---|
| Exhibits: | A. Layout of Leased Premises                  |
|           | B. Buildout Obligations                       |
|           | C. INTENTIONALLY OMITTED                      |
|           | D. Right of First Refusal on Additional Space |
|           | E. Exclusions from Operating Expenses         |
|           | F. INTENTIONALLY OMITTED                      |
|           | G. INTENTIONALLY OMITTED                      |
|           | H. INTENTIONALLY OMITTED                      |
|           | I. Hazardous Waste Provisions                 |

- b. LESSEE shall have a Five Year option to extend the term of the Lease at market rates prevailing at the time of exercise of such option(s) for office space. Such option shall be exercised by written notice to LESSOR no less than six months prior to the expiration of the then current term. See Addendum Part D for procedure.
- c. LESSEE shall have a Right of First Refusal on additional space in the building, in accordance with provisions of Exhibit D.
- d. For Hazardous Waste Provisions, see Exhibit I.
- e. LESSOR approval of LESSEE requests, under any provisions of this Lease, shall not be unreasonably withheld or delayed.

f. At the request of either, the parties shall mutually execute and deliver a notice of lease in recordable form pursuant to Massachusetts General Laws, Chapter 183, Section 4, and either party may record such notice in the applicable registry of deeds.

IN WITNESS WHEREOF, the said parties hereunto set their hand and seal as of this 4th day of November, 1996.

SHIONOGI BIORESEARCH CORP.  
LESSEE

DUFFY HARTWELL LIMITED PARTNERSHIP  
LESSOR

/S/ LAN BO CHEN  
-----  
Lan Bo Chen  
President

/S/ NORMAN J. DUFFY  
-----  
NORMAN J. DUFFY,  
General Partner

10

DUFFY HARTWELL LIMITED PARTNERSHIP  
COMMERCIAL LEASE ADDENDUM

A. LESSEE OBLIGATIONS

1. LESSEE shall not change the color or appearance of the outside of the Leased Premises except upon the prior written consent of the LESSOR. However, LESSEE may install a its own emergency power generator to the exterior rear of the building.
2. LESSEE shall not post signs on or about the Premises without LESSOR'S prior approval, however LESSEE shall be entitled to reasonable signage to be erected a LESSEE'S own cost and expense, and in compliance with any relevant municipal regulations.
3. The parking areas shall not be used for storage of unused, damaged or unregistered vehicles, nor shall the LESSEE store merchandise or other materials in the parking areas.
4. LESSEE shall not otherwise store vehicles, containers, or refuse outside the Leased Premises, except for routine parking of vehicles and delivery or pickup of products or materials.
5. LESSEE shall be responsible to dispose of LESSEE trash and refuse.
6. The LESSEE may maintain insurance required by this Lease under a blanket policy of insurance which insures the LESSEE and any affiliates of the LESSEE.
7. No animals, reptiles or pets of any kind shall be kept in or about the building, except for research purposes in accordance with applicable laws and regulations.

B. LESSOR OBLIGATIONS

1. LESSOR shall, at its own cost and expense, maintain in good condition and repair all structural components of the building containing the Leased Premises, including the foundation, floor, walls, exterior, roof, common area, if any, of the Building, landscaping, parking areas and access ways.
2. LESSOR shall remove snow and ice from the access roadway, the parking areas, and the walkways which serve the building, provide exterior lighting, and LESSOR will remove snow or ice from the roof of the building if, as and when the conditions cause roof leakage or threaten ice falls over access ways.
3. LESSOR shall maintain with insurance companies, licensed in Massachusetts, all risk fire insurance policies with extended coverage insuring the property containing the Leased Premises against loss or damage caused by fire or casualty in an amount equal to the full replacement cost of the Building.

C. SUBLEASING PROVISION

11

The following provisions supplements the provisions of Section 13, "Assignment-Subleasing" above.

(i) If, after November 30, 2001, LESSEE requests consent of LESSOR for sublease or assignment of all or a material portion of the Lease Premises, LESSOR may refuse consent for the purpose of re-lease of the Leased Premises or the portion thereof to the assignee, the sub-LESSEE or to a third party. Upon the mutual agreement of the parties, hereto, this lease shall then terminate at a mutually agreed date as to the Leased Premises or the portion thereof, as if the Lease had expired on its termination date. However, LESSEE may withdraw the request for consent for sublease or assignment within five business days of receipt of notice by LESSOR of LESSOR'S intent to refuse consent for the purpose of re-lease.

(ii) The LESSOR shall be deemed to approve any assignment or sub-lease to a parent, subsidiary or affiliate of the LESSEE upon written assurance by LESSEE that the subsequent use will be in conformance with and subject to section 8, above, "USE OF LEASED PREMISES".

(iii) Provided that LESSEE pays all rent and other charges under this Lease, LESSEE shall be entitled to all rent and consideration received in connection with any assignment or subleasing, even if in excess of the rent hereunder.

D. MARKET RATE RENT FOR EXTENSION OPTIONS

Upon receipt of written notice from the LESSEE of intent to extend, under Section 25(b) of the Lease, LESSOR shall respond within thirty days with a quotation for market rate rent. For this purpose "market rate" shall mean the rate for office space in comparable buildings in the general area, and not for space with the specialized improvements installed by the LESSEE (the parties agreeing that LESSEE shall not be charged rent for or with respect to any laboratory, biotechnological, specialized or trade improvements which LESSEE make to the Leased Premises at LESSEE'S own expense). Fair market rate shall reflect the provisions of this Lease for escalation of real estate taxes, operating costs and for utility charges. The LESSEE shall respond within thirty (30) days agreeing to the quotation, rejecting the extension or requesting third party determination of market rate. In the later event each party shall then appoint a realty broker who has at least ten years experience in commercial real estate brokerage and/or appraisal in the Greater Boston area, and who is familiar with similar commercial property in the Lexington area, they shall confer, and each shall recommend a market rate by writing to the parties. In the event their recommendations are joint or equal, this shall be market rate. If the recommendations differ by 5% or less, their average shall be deemed market rate. In the event their rates differ by a greater amount they shall jointly nominate a third such broker who shall make an independent recommendation of market rate. The two closest of the three recommendations shall then be averaged to establish the market rate. Each party hereto shall pay the expense of its nominee broker, and each shall share equally the expense of a third, if required. However, in no event shall market rate, determined as aforesaid, be less than the rate then payable at the time of exercise of the option, by the LESSEE. The Market Rate shall be binding on both parties and shall be reflected in a Lease amendment.

12

EXHIBIT B.

BUILDOUT OBLIGATIONS

a) LESSOR'S OBLIGATIONS

The LESSOR shall deliver the Leased Premises AS-IS with respect to the layout and location of offices, rooms, corridors, lighting, bathrooms, plumbing, electrical services, floors, dock area and climate controls, free and clear of all tenants or occupants.

As to the building and land the LESSOR shall repair the base building, structure and roof where necessary, and shall upgrade the landscaping. The later shall include screening the boundary line which abuts the Federal Express parcel.

Upon completion of the design and construction by LESSEE of tenant improvements and upon occupancy of the Leased Premises the LESSOR shall pay to the LESSEE an allowance for tenant improvements of One Hundred Thousand (\$100,000.00) Dollars within thirty (30) days of completion and occupancy, and if LESSOR fails to do so, LESSEE shall have a credit for such amount against it next payment or payments for rent hereunder.

b) LESSEE'S OBLIGATIONS

LESSEE shall be responsible to layout, design and construct all tenant improvements and to obtain LESSOR'S prior approval of such layout and design.

In the event LESSEE elects to contract with an independent contractor for its buildout of its tenant improvements, that work shall be subject to the reasonable oversight by LESSOR. LESSEE shall reimburse LESSOR for this oversight service at the rate of \$50.00 per hour of on-site oversight and consultation, not to exceed \$25,000.00.

The LESSEE may design, construct and maintain at its own expense a Japanese garden at a mutually agreed location and, as agreed, in size.

c) SPECIAL PROVISION FOR PERMIT CONTINGENCY

- (i) If, within ninety (90) days of Lease execution, despite LESSEE'S good faith efforts, LESSEE has been unable to obtain any permit or approval necessary to construct its leasehold improvements or to use and occupy the Leased Premises for LESSEE'S intended use or is prevented from doing so by any applicable laws and regulations, then LESSEE may terminate this Lease by notice to LESSOR. In that event LESSEE shall forfeit its security deposit and restore the Leased Premises to the condition prior to undertaking any improvements or changes thereon, if any.
- (ii) In the event after the ninety day period in (i) above LESSEE wishes to continue its efforts to obtain such permits or approvals, LESSEE may, by paying an amount equal to six month's rent obtain an additional ninety day period during which it may terminate this lease. In the event LESSEE subsequently terminates the Lease in addition to the obligations in (i) above, LESSEE shall forfeit the security deposit and the amount paid under this clause. In the event LESSEE does not terminate the

13

Lease the amount paid, equal to six month's rent shall be credited to LESSEE'S rental obligations for the period following the second ninety day period.

- (iii) In the event that LESSEE is denied a building permit, certificate of occupancy or other required governmental approval due to any problems with respect to the base building, or in the event that any corrective work with respect to the base building shall be required by any governmental authority or pursuant to any applicable laws, codes or regulations, LESSOR shall perform any necessary corrective work at LESSOR'S own cost and expense as soon as possible, and the commencement of LESSEE'S obligations to pay the rent and other charges due hereunder shall be postponed by any resulting period of delay.

d) SPECIAL PROVISION FOR FINANCING



LESSEE may from time to time grant security interests in or make equipment leases with respect to LESSEE'S current or future installations, fixtures, equipment, improvements, additions and property in the Leased Premises in order to finance the same or LESSEE'S business, and LESSOR shall upon LESSEE'S request execute and deliver reasonable instruments confirming the same.

14

EXHIBIT C

CLEANING SCHEDULE

INTENTIONALLY OMITTED FROM THIS LEASE

15

EXHIBIT D.

RIGHT OF FIRST REFUSAL ON ADDITIONAL SPACE

LESSEE shall have a right of first refusal on additional lease space as it becomes available during the term of this Lease Agreement or any extension of such term. This right is subject to any preexisting rights of other LESSEES. The LESSOR will use its best efforts to accommodate LESSEE'S space requirements.

The procedure for effecting the Right of First Refusal shall be exercised in the following manner:

- (i) LESSEE shall in any quarter year of the lease term or its extension give to LESSOR written notice of its projected space requirements and its interest in space that is available or may become available for lease.
- (ii) LESSOR, within ten days of LESSEE'S notice, shall give written response describing to LESSEE the availability of or the projected availability of floor space. "Availability" shall mean and include any vacant space and any space which is or may become free of leasehold commitment. Such LESSOR notice will contain the rental rate for which such space will be offered.
- (iii) If the LESSOR can provide such space by relocation of an existing lessee, LESSOR shall, at the earliest reasonable date consistent with discussion with the existing lessee, respond to the LESSEE'S notice as set forth in the first paragraph of this Section.
- (iv) LESSEE shall have fourteen (14) days to exercise its right by written notice to LESSOR to accept or reject LESSOR'S notice and proposal.
- (v) In the event LESSEE, by writing, accepts such additional space the parties will forthwith, within 30 days of LESSEE'S written response, execute a lease agreement or lease modification to reflect the additional space, its rental rate, the adjusted term of Lease, if any, and such other changes as may be required to reflect the additional space.
- (vi) In the event LESSEE does not accept the LESSOR'S proposal within the 14 day period, or in the event the parties are unable to conclude a lease agreement for the additional premises within the above thirty day period, the LESSEE shall be deemed to have refused the space and LESSOR may offer and contract for lease of the space to third parties, the LESSEE'S rights under this provision having lapsed as to the proposed premises.
- (vii) This right shall be an on going right throughout the term of the Lease or any period of extension.

## EXHIBIT E

## EXCLUSIONS FROM OPERATING COSTS

The following items shall be excluded in computing LESSEE'S share of operating costs applicable to the Leased Premises:

1. Any ground lease rental;
2. Costs of capital repairs or capital replacements (except as specifically permitted in this paragraph 2), capital improvements and equipment; except those: (a) required by laws enacted on or after the date the temporary certificate of occupancy issued for the LESSEE work shall be validly issued with the cost of any such improvements and equipment depreciated or amortized over the usual life of the improvement and/or equipment, or (b) installed at the Leased Premises to reduce operating costs, with the cost of any such improvements and equipment depreciated or amortized at an annual rate reasonably calculated to equal the amount of operating costs to be saved in each calendar year throughout the term (as determined at the time LESSOR elected to proceed with the capital improvement or acquisition of the capital equipment to reduce operating costs); however, as respects (a) and (b) above, only depreciation or amortization attributable to a given calendar year shall be included in operating costs for such year. Depreciation or amortization shall be calculated on straight line basis and at interest rates calculated at market rates and terms then prevailing for borrowers similar to LESSOR.
3. Rentals for items (except when needed in connection with normal repairs and maintenance of the building which shall be permitted) which if purchased, rather than rented, would constitute a capital improvement specifically excluded in Subsection 2, above;
4. Costs incurred by LESSOR for the repair for replacement of damage to the building or its contents caused by fire or other casualty;
5. Depreciation, amortization, lender's fees and interest payments except as permitted pursuant to Subsection 2, above, and, if permitted, then determined in accordance with generally accepted accounting principles, consistently applied (as applied to commercial real estate) in accordance with the anticipated useful life of such item (as reasonably determined by LESSOR);
6. Overhead and profit increments paid to LESSOR or to subsidiaries or affiliates of LESSOR for goods and/or services in the building to the extent the same exceeds the cost of such goods and/or services rendered by unaffiliated third parties on a competitive basis;
7. Advertising and promotional expenditures, and the costs of acquiring and installing signs in or on the building identifying the owner of the building;
8. Interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the building or property;

9. Any costs associated with gift taxes, excise taxes, income taxes, transfer taxes or capital levies;
10. Costs incurred in connection with upgrading the building to comply with handicap, hazardous material, fire and safety codes which were in effect prior to the date of the lease or which become effective after date of the Lease;
11. Tax penalties incurred as a result of LESSOR'S negligence, inability or unwillingness to make payments when due, not attributable to LESSEE'S failure to make payments to LESSOR for such items in accordance with the lease;

12. Any and all costs arising from the presence of hazardous materials or substances (as defined by applicable Federal, Massachusetts and local laws) now or hereafter pertaining to the building ("Hazardous Substances") and property in or about the building including, without limitation, Hazardous Substances in the ground, water, or soil;

13. LESSOR'S general corporate overhead and general and administrative expenses except as contained and allowed in the 5% Management Fee per provision in Clause 6.B., above.

14. Costs of any items for which LESSOR is reimbursed by insurance, or otherwise compensated by parties other than LESSEE'S of the building;

15. Any legal fees associated with the sale or refinancing of the building;

16. Costs for any separate utility meters LESSOR may install in the building, unless the installation is required by a utility company or governmental entity.

17. Costs for construction for compliance with, or penalties assessed for non-compliance with the Americans with Disabilities Act of 1990 (42. U.S.C. 1281-1283).

18. Expenses incurred as a result of the LESSOR'S negligence or the negligence of another lessee.

19. Costs of procuring tenants for the building, including without limitation advertising, brokerage commissions and inducements paid or credited to such tenants for buildout costs.

20. Costs for special work or services to particular tenants.

18

#### EXHIBIT I.

##### HAZARDOUS WASTE PROVISIONS

a) "HAZARDOUS WASTE DEFINITION: "Hazardous Materials" for purposes hereof shall mean any chemical, substance, materials or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right to know" requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of a materials safety data sheet ("MSDS").

b) REGULATION OF HAZARDOUS MATERIALS: LESSEE shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any Hazardous Materials except in strict conformance with applicable federal, state and municipal laws and regulations. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within the Leased Premises of Hazardous Materials customarily used in the business or activity expressly permitted to be undertaken in the Leased Premises under Article 8 hereunder, provided: (a) such Hazardous Materials shall be used and maintained only in such quantities as are reasonably necessary for such permitted use of the Leased Premises and in the ordinary course of LESSEE'S business therein, strictly in accordance with applicable Law, highest prevailing standards, and the manufacturers' instructions therefor; (b) such Hazardous Materials shall not be disposed of, released or discharged in the Building or be transported to and from the Leased Premises except in strict compliance with all applicable Laws, and as LESSOR shall reasonably require; (c) if any applicable Law or LESSOR'S trash removal contractor requires any such Hazardous Materials to be disposed of separately from ordinary trash, LESSEE shall make arrangements at LESSEE'S expense for disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to

scheduling and approval by LESSOR); and (d) any remaining such Hazardous Materials shall be completely, properly, and lawfully removed from the Building upon expiration or earlier termination of this Lease.

c) NOTICES TO LESSOR: LESSEE shall promptly notify LESSOR of: (a) any enforcement, cleanup or other regulatory action taken or threatened by any governmental or regulatory authority with respect to the presence of any Hazardous Materials released, discharged or disposed of by LESSEE on the Leased Premises or the property of which the Leased Premises are a part, or the migration thereof from or to other property; (b) any demands or claims, made or threatened by any party relating to any loss or inquiry resulting from any Hazardous Materials on the Leased Premises; (c) any release discharge or non-routine, improper or unlawful disposal or transportation of any Hazardous Materials on or from the Leased Premises or in violation of this Article; and (d) any matters where LESSEE is required by Law to give a notice to any governmental or regulatory authority respecting any Hazardous Materials on the Leased Premises. LESSOR shall have the right (but not the obligation) to join and participate, as a party, in any legal proceedings or actions affecting the Leased Premises initiated in connection with any environmental, health or safety law. At such times as LESSOR may reasonably

19

request, LESSEE shall provide LESSOR with written list, certified to be true and complete, identifying any Hazardous Materials then used, stored, or maintained upon the Leased Premises, the use and approximate quantity of each such materials, a copy of any MSDS issued by the manufacturer therefor, and such other information as LESSOR may reasonably require or as may be required by Law.

d) INDEMNIFICATION OF LESSOR: If any Hazardous Materials are released, discharged or disposed of by LESSEE or any other occupant of the Leased Premises, or their employees, agents, invitees or contractors, on or about the Building in violation of the foregoing provisions, LESSEE shall immediately, properly and in compliance with applicable Laws clean up, remediate and remove the Hazardous Materials from the Building and any other affected property and clean or replace any affected personal property (whether or not owned by LESSOR), at LESSEE'S expense (without limited LESSOR'S other remedies therefor). LESSEE shall further be required to indemnify and hold LESSOR, LESSOR'S directors, officers, employees and agents harmless from and against any and all claims, demands, liabilities, losses, damages, penalties and judgments directly or indirectly arising out of or attributable to a violation of the provisions of this provision by LESSEE, LESSEE'S occupants, employees, contractors or agents. Any clean up, remediation and removal work shall be subject to LESSOR'S prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by LESSOR. If LESSOR or any Lender or governmental body arranges for any tests or studies showing that this Article has been violated, LESSEE shall pay for the costs of such tests. The provisions of this Article shall survive the expiration or earlier termination of this Lease."

e) PREEXISTING CONDITIONS AND CONDITIONS CAUSED BY THIRD PARTIES: LESSEE shall not in any manner be liable or responsible for, be made to bear any costs and expenses regarding, be required to test, contain, remediate, remove, clean up or do any work or take any other action with respect to, be responsible for compliance with applicable laws and regulations regarding, and does not indemnify LESSOR or any other party with respect to, any hazardous or toxic substances, materials or wastes or any other pollutants which were or are brought, generated, stored, used, located, installed, disposed of, spilled, released, emitted or discharged on, in or from the Leased Premises, building or property by any party other than Lessee or Lessee's employees, agents, contractors, licensees, sublessees or invitees. Without limiting the foregoing, Lessee shall not be responsible or liable for any such substances, materials, wastes or pollutants pre-existing on the Leased Premises, building or property prior to the commencement of this Lease.

f) REPRESENTATION: LESSOR represents that to the best of LESSOR'S knowledge and

belief LESSOR has no knowledge of hazardous wastes on the land or in the building other than disclosed to D.E.P. as background and down gradient contamination affecting the general area in which the property is located. LESSOR warrants that to the best of its knowledge and belief no friable asbestos is present upon the premises. LESSOR agrees to indemnify and save harmless the LESSEE from any liability arising out of any such contamination of the property which preexists this Lease Agreement.

20

DUFFY HARTWELL LIMITED PARTNERSHIP

November 5, 1996

Shionogi BioResearch Corp.  
187 East Emerson St.  
Lexington MA

Re: Lease Agreement for 45 Hartwell Ave. Lexington MA

Sirs:

This letter supplements the letter of November 1, 1996.

The parties to the above Agreement concur that the Lease Agreement, now dated November 4, 1996 precedes certain determinations by Shionogi which may effect several Lease provisions.

Shionogi must design build-out for its needs, which build-out will reflect use or replacement of HVAC, plumbing, gas and other facilities presently installed in the building. As a consequence several provisions of the Lease Agreement will or may require adjustment.

These include:

Maintenance Obligations under Section 11. The Lessee shall be responsible for maintenance of all facilities which it installs. The Lessor shall be responsible for maintenance and repair of any HVAC, plumbing or facilities which serve the lessees in common, or which are presently installed and Shionogi determines to use them rather than replace them. This arrangement is also reflected in Exhibit B "Buildout Obligations" where the Lessee is to be compensated for work whose costs are normally borne by a Lessor.

Operating Costs provisions of Section 6B, which is currently shown as \$4.00 per square foot will be adjusted when the build-out design of the Lessee determines what use or replacement of existing heating and air conditioning is contemplated. That \$4.00 per square foot figure includes square foot allowances estimated at \$1.03 for HVAC, \$.80 for cleaning, and \$.10 for water and sewer charges. The Lessee's HVAC plans will determine the final base amount for operating costs. This will then be reflected in Section 6B.

Section 6C contemplates that the Lessee has unlimited access to the Leased Premises. Presently no additional costs are contemplated for HVAC. If the final plans of the Lessee make use of common HVAC facilities the Lessor shall provide such HVAC service, but reserves the right to charge for use out of normal business hours. Normal business hours are deemed to be 7:00AM to 6:00PM Monday through Friday and 8:00AM to 1:00PM on Saturday. In the event plans so indicate,

21

the prospective charge for such use will be reflected in additional wording in Section 6C.

Lessor's obligations to maintain and service, as shown in the Addendum,

Part B 1. will be adapted should additional maintenance and service obligations result.

To the extend that operating costs are shifted to the Lessor by these changes, the base rent shown on the lease, which is net of operating costs which are included in the \$4.00 per square foot estimate, may be adjusted.

Another matter of concern is what facilities, which Shionogi will install in the building as fixtures (i.e.: attached to the building) may be removed, as of right, upon surrender of the Leased Premises, under provisions of Section 21, "Surrender". Both parties contemplate that, upon a listing of specific or generic items by Shionogi and a joint review, we shall amend the Agreement to show in an exhibit the items to be regarded as tools of the trade of Shionogi, for which it shall have a right to detach and remove.

Upon resolution of the above items the parties will prepare and execute a lease amendment to reflect the resolution of the open items. The parties agree to execute a notice of lease and an appropriate agreement of recognition and non-disturbance with respect to the present mortgagee of the property, Duffy Bros. Management Co., Inc.

We trust this letter reflects our agreement as to resolving and defining open items in the Lease Agreement. Please sign Shionogi's assent and return a copy with two copies of the executed Lease for our execution and return.

Very truly yours

/S/ NORMAN J. DUFFY  
-----

Norman J Duffy

ASSENT

/S/ LAN BO CHEN  
-----

22

#### FIRST AMENDMENT TO COMMERCIAL LEASE

Duffy Hartwell LLC, as successor in interest to Duffy Hartwell Limited Partnership, ("LESSOR") and Synta Pharmaceuticals Corporation, as successor in interest to Shionogi BioResearch Corp., ("LESSEE") (the LESSOR and the LESSEE are collectively referred to as the "Parties" in this first Amendment) are landlord and tenant, respectively, under a certain Commercial Lease ("Lease Agreement") dated November 4, 1996, for approximately 24,420 rentable square feet, more or less, in the building located at 45 Hartwell Avenue, Lexington, MA and hereby agree as follows:

Whereas, the Parties have agreed to amend the Lease Agreement by this First Amendment to the Commercial Lease ("First Amendment") to extend the Term of the Lease Agreement and to adjust relevant provisions of the Lease Agreement pursuant to the terms and conditions stated herein.

Now therefore, for consideration of \$1.00 and other mutual and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both LESSOR and LESSEE, effective on and after the date of execution set forth below, the Lease Agreement is hereby amended to reflect the following changes for the Lease Term and Extended Term:

3. TERM:  
----

This paragraph is hereby deleted and replaced with the following: The

Initial Term of this lease shall be for ten (10) years commencing on the Commencement Date (as defined in the Lease Agreement) and ending on November 30, 2006. The Extended Term of this lease shall be for five (5) years commencing on December 1, 2006 and ending on November 30, 2011. Unless otherwise specified herein, any reference to "term" or "Term" shall include both the Initial and Extended Term.

4. RENT:  
-----

This paragraph is hereby amended with the addition of the following: During the Extended Term, the LESSEE shall pay to the LESSOR base rent at the rate of \$522,832.20 dollars per year, payable in advance in monthly installments of \$43,569.35, commencing December 1, 2006. Thereafter, during the Extended Term of the lease. LESSEE shall pay base rent and additional rent to the LESSOR monthly, in advance, not later than the first day of each calendar month.

5. SECURITY DEPOSIT:  
-----

This paragraph is hereby amended with the addition of the following: Upon the execution of this First Amendment, the LESSEE shall pay to the LESSOR the amount of \$7,509.35 dollars which, in addition to the \$36,060.00 previously paid, shall be held as a security for the LESSEE'S performance as herein provided and promptly refunded to the LESSEE at the end of this lease subject to the LESSEE'S satisfactory compliance with the conditions hereof. The LESSEE shall maintain at all times a security deposit equivalent to a minimum of one month's base rent, including, if applicable, any and options to renew.

6. RENT ADJUSTMENT:  
-----

A. TAX ADJUSTMENT: Section 6A of the Lease Agreement is hereby amended by deleting the numbers "1998" and "1997" and inserting in lieu thereof the numbers "2007" and "2006'", respectively. The second full paragraph of Section 6A is hereby deleted in its entirety.

B. OPERATING COSTS,: Section 6B of the Lease Agreement is hereby amended by deleting the first sentence in its entirety and inserting in lieu thereof the following sentence: "During the Extended Term, the LESSEE shall pay to the LESSOR as additional rent hereunder within thirty (30) days after receipt of written notice from LESSOR, 50% of any increase in operating expenses over those incurred during the calendar year 2006.

22. BROKERAGE:  
-----

This paragraph is hereby supplemented with the addition of the following: LESSOR and LESSEE represent to each other that neither party has dealt with any broker or brokers in connection with this First Amendment other than RICHARDS BARRY JOYCE & PARTNERS AND GLENN COMMERCIAL GROUP, which will be paid by the LESSOR in full and without contribution from LESSEE pursuant to a separate agreement. LESSOR and LESSEE agree that each will hold harmless and indemnify the other from any loss, cost, damage and expense, including reasonable attorney's fees incurred by LESSOR or LESSEE for a commission or finder's fee as a result of the falseness of this representation.

25. OTHER PROVISIONS:  
-----

a. Section 25(a) of the Lease Agreement is hereby deleted and replaced with the following: "The attached Commercial Lease Addendum, with the exception of subparagraph D. Market Rate Rent for Extension Options

which has been exercised by this First Amendment and is hereby deleted as moot, and the following Exhibits are incorporated by reference:

Exhibits:   A. Layout of Leased Premises  
              B. Buildout Obligations - Excepting Paragraphs (a)-(c)  
                  which are hereby deleted as moot.  
              C. INTENTIONALLY OMITTED  
              D. Right of First Refusal on Additional Space  
              E. Exclusions from Operating Expenses  
              F. INTENTIONALLY OMITTED  
              G. INTENTIONALLY OMITTED  
              H. INTENTIONALLY OMITTED  
              I. Hazardous Waste Provisions"

- b.   Section 25(b) of the Lease Agreement is hereby deleted in its entirety.

The Lease Agreement is further amended by inserting the following:

2

26.   OPTION TO EXTEND:

-----

Provided the LESSEE is not in material default hereunder after any notice and grace periods. LESSEE shall have one (1) five (5) year option to extend the lease term at a rent equal to the greater of the following: (a) market rate for equivalent lab space in similarly located buildings in Lexington within one (1) mile of the Leased Premises (including, without limitation, taking into consideration the age and condition of the building) ("Market Rate"); or (b) the rent then in effect as of the expiration date of the then current lease term. In no event shall the rent for the option term be less than the current total rent at the end of the initial term. LESSEE must give LESSOR written notice it is exercising its extension option no later than nine (9) months prior to the expiration of the then current lease term. If LESSEE notifies LESSOR as provided herein. LESSOR shall notify LESSEE of its good faith estimate of the Market Rate for the extended term; then within thirty (30) days of receiving the LESSOR'S Market Rate for the extended term the LESSEE shall either:

(1) deliver a written notice accepting the rent rate, and thereafter the parties shall fully execute a Lease amendment within thirty (30) days from the date the LESSOR receives LESSEE'S written notice accepting the rent rate, which lease amendment shall be on the same terms and conditions as the Lease Agreement except as otherwise provided in this Paragraph 26 and except that the base rent shall be the Market Rate and the lease term shall be extended by five (5) years; or  
(2) deliver a written notice disagreeing with the LESSOR'S Market Rate for the extended term, said notice to include LESSEE'S good faith estimate of the Market Rate for the extended term, and the LESSOR and LESSEE shall attempt to agree upon the rent rate using their best good-faith efforts. If LESSOR and LESSEE fail to reach an agreement within thirty (30) days following LESSOR'S receipt of LESSEE'S above-mentioned written notice of disagreement ("Outside Agreement Date"), then:

(i) LESSOR and LESSEE shall each appoint, at their own cost and expense, within ten (10) business days of the Outside Agreement Date, one arbitrator who shall by profession be a current commercial real estate broker or appraiser of comparable properties in Lexington within one (1) mile from the Leased Premises, and who has been active in such field over the last five (5) years. The two (2) arbitrators shall confer and within thirty (30) days from the date the last arbitrator was appointed, shall each recommend a Market Rate in writing to both parties. In the event their recommendation is joint or equal, then this



- recommendation shall be the rent rate for the extended term; and
- (ii) In the event the arbitrators' recommendation of the Market Rate differs by five percent (5%) or less, then the average shall be the rent rate for the extended term; and
  - (iii) In the event the arbitrators' recommendation differs by more than five percent (5%), then the two arbitrators so appointed shall, within five (5) business days of the date of the last written recommendation, agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two arbitrators. The third arbitrator shall, within fifteen (15) days after his/her appointment, recommend a Market Rate in writing to both

3

- parties, and the two (2) closest of the three (3) recommendations shall then be averaged to establish the rent rate for the extended term; and
- (iv) If either LESSOR or LESSEE fails to appoint an arbitrator within ten (10) business days after the applicable Outside Agreement Date, the arbitrator appointed by one of them shall reach a decision, notify LESSOR and LESSEE thereof, and such arbitrator's decision shall be binding upon LESSOR and LESSEE; and
  - (v) If the two arbitrators fail to agree upon and appoint a third arbitrator, or both parties fail to appoint an arbitrator, and this matter has not been otherwise resolved, then the appointment of the third arbitrator shall be made by the American Arbitration Association (or, if not available, an equivalent arbitration association) subject to the instructions set forth in this Paragraph 26; and
  - (vi) The cost of arbitration, as well as the above-mentioned third arbitrator, shall be paid by LESSOR and LESSEE equally; and
  - (vii) Notwithstanding the above, in no event shall the Market Rate or rent for the option term be less than the current total rent at the end of the initial term.

In the event the rent for the option term is being established in accordance with Paragraph 26(2) above, then the parties shall fully execute a lease amendment within thirty (30) days from the date the rent rate is established in accordance with the above, which lease amendment shall be on the same terms and conditions as the Lease Agreement except as otherwise provided in this Paragraph 26 and except that the base rent shall be the Market Rate and the lease term shall be extended by five (5) years from the date the Lease Agreement would have expired had the option to extend not been exercised. LESSEE shall be responsible for all payments necessary to maintain a security deposit equivalent to one (1) month's base rent. All other terms and provisions under the Lease Agreement, as amended, shall continue through the extended lease term. In the event the LESSEE does not provide payment or has not delivered an executed lease amendment or written notice as provided in this Paragraph 26 and subparagraphs (1) and (2) above, the LESSEE shall be deemed to have waived its option to extend the lease term and this Lease Agreement shall terminate upon the expiration of the then current term.

Notwithstanding the above, LESSEE accepts the Leased Premises in its current "AS IS" condition and acknowledges that the Leased Premises are currently occupied by the LESSEE and that the Leased Premises, as delivered and currently constituted, is suitable for the LESSEE'S intended use. LESSEE acknowledges that all work, if any, contemplated in the Lease Agreement and this First Amendment to the Lease Agreement, including but not limited to the Exhibit B thereto, to be performed by the LESSOR has been completed to the full satisfaction of the LESSEE.

The Parties acknowledge that the Lease Agreement and this First Amendment

represent the entire agreement between the Parties and that no other modification, written or otherwise, exists between the Parties. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of the Lease Agreement or this First Amendment or any exhibits or amendments thereto.

4

All other terms and provisions wider the Lease Agreement shall remain unchanged, are in full force and effect, and are hereby ratified and affirmed. LESSOR and LESSEE hereby acknowledge and confirm that, to the best of their respective knowledge, neither the LESSOR nor the LESSEE is in default of any other term or condition of the Lease Agreement. In the event of a conflict between this First Amendment and the Lease Agreement, the terms of this First Amendment shall govern. All capitalized terms used but not defined herein shall have the same definitions ascribed to such terms in the Lease Agreement.

IN WITNESS WHEREOF, the said Parties hereto set their hands and seals this 30 day of August, 2006.

LESSEE  
Synta Pharmaceuticals Corporation,  
as successor in interest to  
Shionogi BioResearch Corp.,

LESSOR  
Duffy Hartwell LLC,  
as successor in interest to  
Duffy Hartwell LLC,

By: /s/ KEITH EHRLICH  
-----

Vice President, Finance and Administration  
Duly Authorized

By: /s/ STEPHEN P. DUFFY  
-----

Hartwell Management LLC, Manager  
Steven P. Duffy, Duly Authorized

5

LEASE OF  
125 HARTWELL AVENUE  
LEXINGTON, MASSACHUSETTS

Section Number -----	Caption	Page ----
	EXHIBIT 1	
1.	REFERENCE DATA.....	
2.	LEASE OF PREMISES.....	
3.	BASIC RENT.....	
4.	COVENANT BY LANDLORD OF TENANT'S QUIET ENJOYMENT.....	
5.	RENT COMMENCEMENT DATE.....	
6.	PREPARATION OF THE PREMISES.....	
7.	USE.....	
8.	IMPROVEMENTS AND ALTERATIONS.....	
9.	ASSIGNMENT AND SUBLETTING.....	
10.	REPAIRS AND MAINTENANCE BY LANDLORD.....	
11.	REPAIRS AND MAINTENANCE BY TENANT.....	
12.	SERVICES, UTILITIES, SUPPLIES AND FACILITIES.....	
13.	INTERRUPTION OR CURTAILMENT OF BUILDING SERVICES.....	
14.	BUILDING EXPENSE.....	
15.	INSURANCE.....	
16.	INDEMNITIES OF TENANT AND LANDLORD.....	
17.	TENANT'S RISK.....	
18.	LANDLORD'S ACCESS RIGHTS.....	
19.	CONDEMNATION.....	
20.	CASUALTY.....	
21.	TENANT'S DEFAULT.....	
22.	LANDLORD'S DEFAULT.....	
23.	LIMITATIONS ON LIABILITY.....	
24.	RULES AND REGULATIONS.....	
25.	NOTICE.....	
26.	LANDLORD'S TITLE AND CONFORMITY WITH LEGAL REQUIREMENTS.....	
27.	SUBORDINATION AND NON-DISTURBANCE.....	
28.	ESTOPPEL CERTIFICATE.....	
29.	REMEDYING TENANT DEFAULTS.....	
30.	REASONABLE CONSENT.....	
31.	HOLDING OVER.....	
32.	SURRENDER OF PREMISES.....	
33.	ARBITRATION.....	
34.	BROKERAGE.....	
35.	GOVERNING LAW.....	
36.	TENANT'S OPTION TO EXTEND THE TERM OF LEASE.....	
37.	DEFINITION OF FAIR MARKET RENTAL VALUE.....	
38.	TENANT'S RIGHT OF FIRST OFFER.....	
39.	FORCE MAJEURE.....	
40.	ENVIRONMENTAL	
	CONCERNS.....	
41.	SIGNS.....	
42.	NOTICE OF LEASE.....	
43.	CHANGE OF NAME.....	
44.	MISCELLANEOUS PROVISIONS.....	
45.	BINDING AGREEMENT.....	
46.	ENTIRE AGREEMENT.....	
EXHIBIT 1	Lease Reference Data	
EXHIBIT 2	Building Expense Base	

EXHIBIT 3	Plans showing the Premises, the parking area, the so-called RFO Premises, and Tenant's Approved Floor Plan
EXHIBIT 4	Items of Tenant's Work to be paid from the Proceeds of Landlord's Contribution
EXHIBIT 5	125 Hartwell Avenue Fact Sheet
EXHIBIT 6	Rules and Regulations
EXHIBIT 7	Cleaning Specifications
EXHIBIT 8	Certificate of Landlord's Insurance
EXHIBIT 9	Notice of Lease
EXHIBIT 10	Plans for Additional Bathrooms

## LEASE

THIS INSTRUMENT IS A LEASE, dated as of the Execution Date stated in Exhibit 1, in which Landlord and Tenant are the parties named in said Exhibit, and which relates to space in the Building. The parties to this instrument hereby agree with each other as follows:

1. REFERENCE DATA. All Exhibits attached to this Lease are hereby incorporated herein and made a part hereof.

2. LEASE OF PREMISES. Landlord hereby demises and leases to Tenant for the Term of the Lease and upon the terms and conditions hereinafter set forth, and Tenant hereby accepts from Landlord, the Premises described in Exhibit 1 and shown on Exhibit 3 (Exhibit 3 hereto shall show the Premises, the parking area and the so-called RFO Premises, and shall include the Tenant's Approved Floor Plan described in Section 6(b) below). Excepted and excluded from the Premises are the ceiling, floor, perimeter walls and exterior windows, except the inner surfaces of each thereof, but the entry doors (and related glass and finish work) to the Premises are a part thereof; and Tenant agrees that Landlord shall have the right to place in the premises (but in such manner so as not to unreasonably interfere with Tenant's use of the Premises) utility lines, pipes, equipment and the like, in, over, upon and through the Premises provided that such items are located in the central core of the Building, above ceiling surfaces, below floor surfaces and within perimeter walls, no material reduction in square footage of the Premises shall result, and Landlord shall provide Tenant with reasonable advance written notice of the foregoing. Tenant shall have as appurtenant to the Premises the right, in common with others entitled thereto, to use the first floor loading dock at the rear of the Building, the elevator located at the rear of the Building, the common hallway dividing the second floor of the Building, common walks leading to and from the Building, parking at the parking lots serving the Building, and all other appurtenant rights or easements available to the Property. Tenant shall also have as appurtenant to the Premises the exclusive right to use the bathrooms and showers located in the center of the second floor of the Building. The Landlord, at no additional charge to Tenant, shall provide and maintain, for the use of the Tenant's employees and invitees, a total of forty-one (41) parking spaces (allocated at the ratio of 3.8 spaces per 1,000 square feet of leased Premises) in a paved parking area located adjacent to the Building as shown on Exhibit 3; provided that in the event Tenant exercises any rights arising under Section 38 hereof relating to so-called "RFO Premises" or otherwise leases additional space within the Building, then the Tenant shall thereupon become entitled to the use of additional parking spaces at the ratio of 3.8 spaces per 1,000 square feet of so-called RFO Premises or other additional leased space. In the event that other tenants in the Building or other persons utilize the parking spaces of the Property, in a general way, which prevents Tenant from generally using the above-referenced 41 parking spaces (as they may be increased from time to time) allocable to Tenant, then Tenant shall have the right to require Landlord to specifically designate that appropriate number of parking spaces allocable to Tenant for the sole and exclusive use of Tenant.

3. BASIC RENT. Tenant agrees to pay to Landlord, commencing on the Rent Commencement Date, the Basic Rent (sometimes hereinafter "rent") set forth in Exhibit 1. Tenant's obligation to pay all charges for utilities and other items specified in Section 12 shall commence to accrue as of the Execution Date. Such Basic Rent shall be payable in equal monthly installments, in advance, on the first day of each calendar month during the Term of this

Lease, at such address as Landlord shall from time to time designate by notice. Basic Rent for any period of less than one month shall be apportioned based on the number of days in that month. In the event that any installment of Basic Rent is not paid within ten (10) days after the same shall have become due, Tenant shall pay, at Landlord's request, an administrative fee equal to 1% of the overdue payment.

4. COVENANT BY LANDLORD OF TENANT'S QUIET ENJOYMENT. In consideration for payment by the Tenant of the Basic Rent so long as the Tenant pays the Basic Rent reserved under this Lease and fulfills its obligations hereunder, the Tenant shall peaceably hold and quietly enjoy the leased Premises without interruption by reason of claims asserted by the Landlord or any other person, firm, corporation or other entity claiming under Landlord, subject always to the terms and conditions of this Lease.

5. RENT COMMENCEMENT DATE. The Rent Commencement Date shall be the earlier of (i) February 1, 1993 or (ii) the day on which Tenant shall occupy all or any part of the Premises for the conduct of business.

6. PREPARATION OF THE PREMISES.

(a) BY TENANT. Tenant shall, at Tenant's sole cost and expense, subject to the provisions of paragraph (e) of this Section 6, prepare the Premises for Tenant's occupancy (except as described in Section 6(f)). Landlord shall have no obligation to perform any construction work to prepare the Premises for Tenant's occupancy. As of the date hereof, Landlord hereby delivers to Tenant and Tenant hereby accepts from Landlord the Premises in the condition in which they are in, "as is," as of the date hereof. Tenant shall have access to the Premises from and after the date hereof in order to perform its work ("Tenant's Work") in the Premises, subject to the other terms and conditions of this Lease, including, without limitation, Sections 15, 16 and 17. Tenant shall use all reasonable diligence to perform Tenant's Work in a timely manner.

(b) PLANS. Tenant shall prepare all necessary plans and working drawings ("Tenant's Plans") reflecting all of Tenant's Work. The cost to prepare and revise Tenant's Plans as necessary shall be borne solely by Tenant. Tenant's Plans shall be subject to review and approval by Landlord, which shall not be unreasonably withheld or delayed. Tenant shall use all reasonable diligence to prepare Tenant's Plans in a timely manner for Landlord's review. If Landlord shall disapprove such Tenant's Plans, it shall state in reasonable detail the grounds for its disapproval, and Tenant shall revise its Plans and resubmit same for Landlord's review. Tenant shall make no material changes to Tenant's Plans except upon prior written notice to Landlord setting forth such changes. Landlord shall respond to Tenant's submission of its Plans within five (5) business days of receiving Tenant's Plans. Landlord shall respond to any resubmission of Tenant's Plans with revisions in response to Landlord's disapproval of Tenant's Plans within two (2) business days of receiving Tenant's resubmission of Plans. Landlord shall respond to any other revisions of Tenant's Plans within three (3) business days of receiving them from Tenant. Landlord hereby approves the floor plan of the Premises ("Tenant's Approved Floor Plan") attached hereto as part of Exhibit 3; Tenant's Approved Floor Plan shall constitute a part of Tenant's Plans.

2

(c) TERMINATION. If Landlord shall fail to respond to the submission of Tenant's Plans (or changes thereto) within the applicable time periods specified above, then Tenant, upon a written notice of one (1) business day to Landlord, shall have the option to proceed with the changes as if Landlord had agreed thereto, or to terminate the Lease, provided that if Landlord shall respond to the submission in respect of Tenant's Plans in question by the end of such business day then Tenant's notice shall be of no force or effect.

(d) CONSTRUCTION. Tenant shall diligently proceed with construction of the Premises substantially in accordance with Tenant's Plans (and any amendments thereto approved or deemed approved by Landlord as hereinabove provided), utilizing Tenant's Contractor named in Exhibit 1, who has been approved by Landlord, or such other contractors as Tenant may engage with Landlord's prior consent, which consent shall not be unreasonably withheld or delayed. All work shall be of a good and workmanlike quality, utilizing materials at least equal to the materials specified in Part C of Exhibit 5 of the Lease. Tenant shall, at its own cost and expense, obtain all permits needed to construct the Premises for its occupancy and to occupy the Premises for the uses specified in Exhibit 1. Prior to the commencement of Tenant's Work, all contractors shall provide Landlord and Tenant with reasonable evidence of insurance coverage, including policies of comprehensive general liability insurance in a combined single limit of not less than \$2,000,000.00, workers' compensation coverage in the statutory amounts, and automobile liability insurance. Tenant shall pay for all labor and materials supplied to it promptly and shall permit no contractor's or material supplier's lien to be filed against the Premises, the Building or the Property. If any such lien shall be filed, Tenant shall promptly cause such lien to be discharged, by paying such claimed amounts or by bonding over the lien in a manner satisfactory to Landlord. If Tenant shall fail to discharge any such lien within ten (10) days of filing, Landlord may, but shall not be obligated to, pay the amount of such claim and thereby discharge the lien. Tenant shall promptly reimburse Landlord therefor upon demand and Landlord shall have the same right to enforce collection of such reimbursement (together with interest thereon at the rate provided for in Section 29 below) as to enforce collection of unpaid amounts of Basic Rent, escalations or other charges due under the Lease.

(e) LANDLORD'S CONTRIBUTION. Notwithstanding anything to the contrary the foregoing contained, Landlord shall contribute an amount up to \$54,900 ("Landlord's Contribution") expressly for the purchase and installation of the items of work set forth in Exhibit 4 of this Lease, which Tenant shall purchase and install as part of Tenant's Work. All such items set forth in Exhibit 4 shall be at least equal to the quality of items set forth in Part C of Exhibit 5. Landlord's Contribution shall be used for no purpose other than for the purchase and installation of the items listed in Exhibit 4. Landlord shall pay amounts on account of Landlord's Contribution directly to contractors or suppliers upon receiving from Tenant actual vendor invoices for labor and/or materials billed to Tenant. There shall be no credit due Tenant for any unused portion of Landlord's Contribution.

(f) LANDLORD'S SPRINKLER WORK. Notwithstanding the foregoing, Landlord shall, at its own cost and expense, install the sprinkler system as described in Exhibit 5 for the Premises and a fire protection system as required by all applicable federal, state or local requirements for the Premises, to the extent applicable to general office space. With respect to additional sprinkler/fire protection requirements, if any, necessitated by Tenant's particular use of the Premises, at Tenant's election, either (i) Tenant shall make such installations as are

3

necessary to conform to such additional requirements at Tenant's expense, or (ii) Landlord shall make such additional installations, and Tenant shall reimburse Landlord (as additional rent hereunder) for the costs and expenses incurred by Landlord in performing such additional work, upon receiving from Landlord copies of actual invoices from Landlord's contractor(s) or other evidence of the cost thereof reasonably satisfactory to Tenant. Landlord's sprinkler installation shall be commenced by Landlord promptly after approval of Tenant's Plans, and shall be coordinated with Tenant's work so as not to unreasonably interfere with or delay the completion of Tenant's Work.

(g) ADDITIONAL CONSTRUCTION. Notwithstanding anything to the contrary in the Lease contained, if after the date of this Lease, Landlord shall enter into one or more leases or occupancy agreements with third parties demising all or part of the balance of the second (2nd) floor of the Building (this Lease being the only lease of second floor space as of the date hereof),

then Landlord shall, at Tenant's cost and expense, construct on the second (2nd) floor separate men's and women's bathrooms (in finishes equal to those in the existing bathrooms) and one or more corridors as necessary for access to such premises and to such bathrooms from such premises for the exclusive use of Landlord and such third parties. All such work shall be performed substantially in accordance with Exhibit 10. Such additional construction work shall be performed by Landlord as and when required so that the same shall be completed in conjunction with the completion of any work required to prepare such leased premises by Landlord for occupancy by such other tenants or occupants. Tenant shall reimburse Landlord (as additional rent hereunder) for all costs and expenses incurred by Landlord in performing such work, upon receiving from Landlord copies of actual invoices from contractors, suppliers and/or vendors for labor and/or materials furnished with respect to such work or other evidence of the cost thereof reasonably satisfactory to Tenant; provided, however, that in no event shall Tenant's costs and expenses under this Section 6(g) exceed the amount of \$17,500.00.

(h) INSPECTION BY LANDLORD. Upon substantial completion of Tenant's Work, Tenant shall give notice thereof to Landlord, and shall afford Landlord the opportunity to participate with Tenant in the preparation of a punchlist for Tenant's Contractor. Upon completion of such punchlist items, Tenant shall give Landlord notice thereof and an opportunity to inspect Tenant's Work; and thereafter, (except for latent defects) Landlord shall be deemed to have accepted Tenant's Work as having been performed in accordance with the requirements of this Lease applicable thereto, unless and except to the extent that Landlord notifies Tenant of defects therein or other items requiring correction within ten (10) days after Tenant notifies Landlord of the final completion of Tenant's work.

7. USE. Tenant agrees that it shall use and occupy the Premises during the Term only for the Permitted Uses described in Exhibit 1. Tenant shall, in its use of the Premises, comply with the requirements of all applicable governmental laws, rules and regulations, and shall obtain (and keep in full force and effect) all required licenses and permits therefor. Tenant shall not permit any use of the Premises which will make voidable any insurance on the Property, or on the contents of the Property, or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. Tenant shall within 10 days after demand reimburse Landlord for all extra insurance premiums caused by Tenant's use of the Premises other than for Permitted Uses. If any governmental license or permit, including, without limitation, a certificate

of occupancy shall be required for the proper and lawful conduct of Tenant's business, Tenant, at its expense, shall duly procure and thereafter maintain and comply with such license or permit and submit the same to inspection by Landlord. To the extent reasonably necessary or expedient to obtain such license or permit, Landlord agrees to cooperate with Tenant in procuring such license or permit.

8. IMPROVEMENTS AND ALTERATIONS. Subject to the further provisions of this Section 8, Tenant shall make no additional (i.e., in addition to the items shown on Tenant's Plans in respect of the initial preparation of the Premises) alterations or improvements to the Premises except in each case, (i) at Tenant's sole cost and expense, (ii) with the prior written consent of Landlord, (iii) in accordance with complete plans and specifications, presented to Landlord for Landlord's prior approval, and (iv) performed by contractors approved by Landlord and in accordance with all applicable laws, rules and ordinances and otherwise in accordance with the other terms, provisions and conditions of the Lease. All approvals required to be obtained from Landlord pursuant to the foregoing by Tenant shall not be unreasonably withheld or delayed. Without limiting Landlord's right of review, Landlord may disapprove any proposed alteration or improvement which, in Landlord's reasonable opinion, may adversely affect any of the Building's exterior, common areas, structure or systems. Notwithstanding the foregoing for any alteration or improvement which Tenant may

propose and which shall not, in Landlord's reasonable opinion, affect the Building's exterior, common areas, structure or systems, and which shall not exceed an aggregate "completed-job" cost of \$5,000.00 per alteration, Tenant shall not be required to obtain Landlord's prior written consent, provided Tenant shall first notify Landlord of the proposed alteration or improvement and present complete plans and specifications therefor. All alterations or improvements shall be performed by Tenant in accordance with the applicable provisions of Section 6(d) of this Lease. If any alteration or improvement which Tenant shall make shall result in any increase in the real estate taxes upon the Property, then Tenant shall pay the entire increase in such taxes attributed to such alteration or improvement. All fixtures (whether or not attached) and equipment installed by or at the expense of Tenant (including, without limitation, fixtures and equipment installed by Tenant at its expense as part of Tenant's Work) shall remain the property of the Tenant and in case of damage or destruction thereto by fire or other causes, the Tenant shall have the right to recover the value thereof as its own loss from any insurance company with which it has insured the same, or to claim an award in the event of condemnation, notwithstanding that any of such things might be considered a part of the Premises, subject to the provisions of Section 19. Tenant may remove all or any of such fixtures and equipment at any time during the term, provided Tenant repairs any damage to the Premises caused by the installation, presence or removal thereof, or, at its option, Tenant may abandon the same, in whole or in part, to Landlord. Tenant shall not be required to remove pipes, wires and the like from the walls, ceilings or floors, provided the Tenant properly cuts, disconnects and caps such pipes and wires and seals them off, if necessary, in a safe and lawful manner.

9. ASSIGNMENT AND SUBLETTING.

(a). Upon prior written notice to Landlord, Tenant may assign this Lease or sublet all or any part of the Premises at any time during the term hereof (or any extension thereof) without the consent of the Landlord to a division, department, subsidiary or corporation a majority of the stock of which is controlled by Tenant, provided such entity remains in the

5

same relationship with Tenant after such transfer, or to an entity created by merger, split-off, reorganization or by governmental action relating to Tenant or in the event of the acquisition of Tenant or of substantially all of its assets by another party. (Any entity referred to in this paragraph (a) is sometimes hereinafter called a "Fuji Successor.")

(b) In all other cases not involving entities described in paragraph (a) of this Section 9, the prior written consent of Landlord shall be required prior to any assignment of this Lease or sublease by Tenant of all or any portion of the Premises, or other transfer of Tenant's leasehold interest. Such consent by Landlord shall not be unreasonably withheld or delayed; provided, however, Landlord shall not be deemed to be unreasonable in withholding its consent to a proposed assignment, subletting or other transfer if (i) the proposed assignee or subtenant (or a related or controlled entity) is then a tenant in the Building, unless such proposed assignee or subtenant requires expansion premises in addition to, rather than in substitution for, the other premises in the Building then occupied by such proposed assignee or subtenant (or a related or controlled entity), and/or (ii) Tenant is then in default of its obligations under this Lease.

(c) Landlord agrees that if Tenant assigns or transfers this Lease to anyone other than a Fuji Successor, Tenant shall be given a copy of any notice of default given by Landlord to any assignee or transferee, and Tenant shall have the right to avoid termination of this Lease by curing such default within the applicable notice and grace periods provided under Section 21 below, and in such event Tenant shall have the right to recover possession of the Premises, provided that it cures such defaults within the applicable notice and grace periods as aforesaid.

(d) No subletting or assignment shall relieve Tenant of its



primary obligation as party-Tenant hereunder. No subletting or assignment pursuant to this Section 9 shall affect or vary the Permitted Uses. No consent, once given by Landlord, shall negate the obligation to obtain Landlord's consent, when required, to any subsequent assignment or subletting whatsoever.

(e) Landlord may, whether or not Landlord's Consent is required, require such assignee, sublessee or transferee to expressly assume the covenants, terms and conditions of the Lease.

(f) Tenant hereby agrees to reimburse Landlord for the reasonable amount of any legal and other out-of-pocket expenses incurred by Landlord in connection with any request by Tenant for Landlord's consent required under this Section 9 or in connection with any transfer or assignment permitted hereunder.

(g) In the event that Tenant assigns or transfers this Lease or subleases all or any part of the Premises, Tenant shall pay to Landlord (as additional rent) twenty-five percent (25%) of the Profits (as hereinafter defined), if any, earned by Tenant in connection with such assignment or sublease, as and when received by Tenant. "Profits" shall mean, the excess, if any, of (a) the rent and additional rent (including, without limitation, payments on account of escalation) and any other consideration received by Tenant on account of or in connection with the assignment, transfer or subletting in question over (b) the rent and additional rent (including, without limitation, payments on account of escalation) payable by Tenant under this Lease in

6

respect of the Premises or portion thereof in question (calculated on a per square foot basis in the case of a subletting of less than all of the Premises). Profits shall be calculated on a gross basis as aforesaid, without regard to the costs and expenses incurred by Tenant in connection with the assignment, transfer or subletting in question or in connection with entering into this Lease or preparing the Premises for occupancy by Tenant or by any assignee or sublessee.

10. REPAIRS AND MAINTENANCE BY LANDLORD. Landlord represents that as of the date hereof, the parking facility and all Building and Property service systems (including, without limitation, plumbing and electrical lines and equipment, heating, ventilating and air conditioning systems, boilers and elevators) are in good repair and condition. Notwithstanding anything to the contrary contained herein, Tenant shall pay all costs associated with the maintenance or repair of, or any changes to, any of the foregoing, the need for which arises from Tenant's construction to prepare the Premises for its occupancy or subsequent alteration or improvement for Tenant's use and benefit.

During the term of this Lease, Landlord shall maintain, repair and replace, as necessary, and keep in good order, safe and clean condition: (1) the plumbing, sprinkler, HVAC, electric and mechanical lines and equipment associated therewith, and elevators and boilers, all of which are located in or serve the Premises, common areas of the building and the parking facility; broken glass; (2) underground utility lines and transformers and interior and exterior structure of the Building, including the roof, exterior doors and windows and lateral support to the Building and parking facility; (3) the interior walls, ceilings and floors of the common areas of the Building, and floor coverings (including carpets and tiles) of the common areas of the Building; (4) repair and replacement of the interior walls, ceilings and floors of the Premises due to latent defects and any negligent act or omission of Landlord, its agents, contractors, employees and invitees; (5) the exterior improvements to the land, including ditches, shrubbery, landscaping and fencing; (6) the common areas located within or outside the Building, including the common entrances, corridors, doors and windows, loading dock, stairways and lavatory facilities and the parking facility and access ways therefor; and (7) all lawns and landscaped areas of the Property, which shall be watered, fertilized and trimmed. Landlord shall provide for removal of snow and ice from, and sanding of, the sidewalks, parking lots, access driveways and walkways as

necessitated by weather conditions and shall provide for parking lot lighting and shall repair and maintain the parking lot and the lighting serving the same as reasonably necessary. The Landlord shall perform all repairs and restoration required arising from the provisions of section 19, "Casualty," and Section 20, "Condemnation," subject to the limitations set forth therein.

Notwithstanding anything to the contrary in the foregoing contained, Landlord shall have no obligation to repair, maintain or replace (a) any equipment or systems installed by or at the expense of Tenant, or (b) any damage to the Premises, the Building or the Property caused by Tenant, its agents or employees.

The Landlord shall comply with all rules, regulations, orders, laws, ordinances and legal requirements and standards thereunder, all insofar as any of the same shall relate to the use of the Building for general office purposes.

7

Landlord shall be responsible for providing those specific cleaning, janitorial and trash removal services for the Premises as described on Exhibit 7 hereto. If Landlord shall have failed to make or proceed with due diligence to make any necessary or appropriate repairs or fulfill any maintenance responsibilities set forth in this Lease within two (2) business days after notice thereof from Tenant, Tenant shall have the right, upon a subsequent written notice of not less than two (2) business days to Landlord, to undertake and perform such repair(s), provided, however, that if Landlord shall commence such repair(s) during such second two (2) business day period and thereafter diligently pursue same to completion, Tenant shall not have the right to continue to undertake such repair(s). Landlord shall pay all costs of such repairs required of Landlord under this Section 10 and which may be made by Tenant as permitted hereby upon the presentation of bona fide contractor invoices therefor. Landlord shall have no liability to Tenant for any loss or damage to Tenant or its property resulting from Tenant's performance of any repair or maintenance on behalf of Landlord pursuant to its rights hereunder.

All costs and expenses incurred by the Landlord under this Section 10 which are incurred in, furtherance of the Landlord's repair and maintenance responsibilities hereunder and are defined as Operating Costs hereunder shall be included in Operating Costs under Section 14 below, subject to the specific limitations and exclusions set forth in Section 14.

11. REPAIRS AND MAINTENANCE BY TENANT. Subject to the provisions herein, Tenant shall keep and maintain all portions of the Premises, including, without limitation, all equipment and systems installed by or at the expense of Tenant, in good order and repair, in a clean and orderly condition, free of accumulation of dirt, rubbish and other debris. Tenant shall be responsible (up to the amount of Landlord's deductible in the case of an insured loss) for the cost of repairs which may be made necessary by reason of damage to the Building or the Property caused by any act or neglect of Tenant or its agents, employees, contractors or invitees (including any damage by fire or any other casualty arising therefrom). Tenant shall not be liable for such insured costs above such deductible. Tenant shall comply with all applicable rules, regulations, orders, laws, ordinances and legal requirements (including, without limitation, the Occupational Safety and Health Act, as amended) and standards issued thereunder, all insofar as any of the same shall relate to Tenant's use of the Premises and/or the conduct of its business therein.

12. SERVICE, UTILITIES, SUPPLIES AND FACILITIES.

(a) In addition to the repair and maintenance by Landlord as stated in Section 10 hereof, Landlord shall furnish to the Tenant the following services, utilities, supplies and facilities:

(1) Access to the Premises twenty-four (24) hours a day, seven (7) days a week. Access to the Premises shall be subject to a reasonable security system installed by Tenant as part of Tenant's

construction of the Premises. Landlord shall, at Landlord's cost and expense in addition to the amount of Landlord's Contribution, purchase and install one (1) card key access device at the rear entrance to the Building for use by Tenant and all other tenants occupying space in the Building. Such device shall be consistent with like systems generally in use in similar buildings in the greater Boston area. Landlord agrees to hire Tenant's security contractor to install such system (at a cost

8

to Landlord not to exceed commercially competitive rates) so as to reasonably coordinate the operation of such Building access system with Tenant's security system to be installed in the Premises by Tenant. Landlord acknowledges the particular security needs of Tenant and shall make reasonable efforts to accommodate such needs in Landlord's compliance with the provisions of this Lease and their application to Tenant.

(2) Freight and passenger elevator service for the use of the Tenant, in common with others entitled thereto.

(3) Heat in accordance with seasonal requirements on Mondays through Saturdays (except legal holidays) from 8:00 a.m. to 9:00 p.m. and at such additional times as may be requested by Tenant from time to time upon reasonable advance notice to Landlord. Landlord's cost of supplying such additional service shall be paid by the Tenant or alternatively shall be shared proportionately between the Tenant and other tenants, if any, who request such service. Any such costs for additional heating services whether requested by Tenant or other tenants in the Building shall not be included in Operating costs but calculated as a separate charge to Tenant, and/or other tenants, by Landlord.

(4) Cleaning and janitor services including removal of refuse and rubbish and furnishing washroom supplies, as set forth in Exhibit 7.

(5) Hot and cold running water as supplied by the city or town or other supplier. If Tenant uses water for anything other than ordinary lavatory and drinking purposes, Landlord may assess a reasonable charge for the additional water so used, or install a water meter and thereby measure Tenant's water consumption for any purposes. In the latter event, Tenant shall pay the cost of the meter and the cost of the installation thereof and shall keep such meter and installation equipment in good working order and repair. Tenant agrees to pay for water consumed, as shown on said meter, together with the sewer charges based on such meter charges, as and when bills are rendered, and in default of making such payment, Landlord may pay such charges and collect the same from Tenant as an additional charge.

(6) Electricity for all common areas in the Building and parking area lighting.

(7) Provision, installation, and replacement of all necessary light bulbs, tubes, lighting fixtures, and ballasts.

(8) Vermin extermination.

(9) The existing facilities for the Tenant's loading, unloading, delivery and pick-up activity including access thereto in common with others entitled thereto. The Tenant may use such facilities without providing the Landlord with notice on business days (i.e., Mondays through Fridays, except legal holidays) from 8:00 a.m. to 6:00 p.m. At all other times the Tenant shall give the Landlord reasonable advance notice.

9

Except for items to be charged directly to Tenant as expressly provided above, all costs and expenses incurred by the Landlord under this paragraph (a) shall be included in Operating Costs under Section 14 below, subject to the specific limitations and exclusions set forth in Section 14.

(b) Tenant shall contract directly with the electric utility supplier to furnish electric current to the Premises through the existing utility facilities serving the Building for lighting, outlets and the operation of the air conditioning system serving the Premises. The consumption of such electricity shall be measured by a separate Premises electric meter which Tenant shall install. Tenant shall pay all charges as reflected on such meter directly to the utility supplier. Tenant shall maintain and keep such meter in good order and repair throughout the term.

(c) The parties agree and acknowledge that the air conditioning system which serves the Premises serves the entire second floor of the Building. Until such time as another tenant(s) occupies all or any portion of the remainder of the second floor, Tenant shall pay for the entire cost of operating such air conditioning system, as provided in paragraph (b) above. From and after the date on which another tenant(s) occupy(ies) all or part of the balance of the second floor, Landlord shall reimburse Tenant on a monthly basis for the pro rata portion of the cost of electricity to operate such air conditioning system fairly allocable to such other tenant(s).

### 13. INTERRUPTION OR CURTAILMENT OF BUILDING SERVICES.

(a) Landlord shall have the right to interrupt, curtail, stop or suspend the operation of the Building's plumbing and electrical systems and any other Building services or utilities in the case of emergency or accident, or for the purpose of making any repairs, alteration, or improvement to the Building or Premises, or in the case of Force Majeure or other event beyond Landlord's reasonable control; provided however, that in any such case where it is possible, Landlord shall provide to Tenant reasonable prior written notice thereof and Tenant shall have the option to consult and meet with and accompany Landlord and/or any of his agents or contractors during such period(s).

(b) Notwithstanding anything to the contrary in this Lease contained, if the Premises shall lack any service which Landlord is required to provide hereunder or if Tenant's use and occupancy of the Premises be adversely affected by any of the Landlord's actions or inactions arising in connection with the situations described in paragraph (a) above, (in either case) rendering the Premises or a portion thereof untenable for a period of five (5) consecutive business days, then, provided that such condition or Landlord's inability to cure such condition is not caused by the fault or neglect of Tenant or Tenant's agents, employees, contractors, or invitees, nor by events arising from Force Majeure, as defined in section 39, Basic Rent shall thereafter be abated in proportion to such untenability until the day such condition is completely corrected. In the case where the cause of such interruption arises from an event of Force Majeure (i.e., but not due to the fault or neglect of Tenant, its agents, contractors, employees or invitees), Tenant's right to such abatement shall commence from and after the twenty-first (21st) consecutive day of such interruption. If such interruption continues for thirty (30) consecutive days (forty-five (45) consecutive days in the case of an interruption caused by Force Majeure), for any reason other than the fault or neglect of Tenant, its agents, contractor, employees or invitees, then Tenant shall have the right and option, in addition to the right to

continue abatement of rent, from and after such date, to terminate this Lease by giving Landlord a written thirty (30) day termination notice, and in such event, the Lease shall terminate on the thirtieth (30th) day after the giving of the notice without further obligation or liability on the part of either party, provided however that if Landlord shall have corrected the condition previously rendering the Premises or a portion thereof untenable by such thirtieth (30th) day, this Lease shall not terminate and Tenant's notice of such

termination shall be of no further force or effect.

14. BUILDING EXPENSES.

(a) DEFINITIONS. For the purposes of this Section 14, the following terms shall have the following respective meanings:

(i) YEAR: Each calendar year in which any part of the Term of this Lease shall fall.

(ii) OPERATING COSTS: "Operating Costs" are defined as those costs and expenses incurred by Landlord to operate, repair and maintain the Building and the Property as required by this Lease, and in the manner in which similar properties in the area in which the Property is located are operated, and shall include the following:

(a) Costs and expenses directly related to the Building for repairing, maintaining, operating and cleaning the tenant and common areas, and for removing snow, ice and debris, costs of property, liability and business interruption insurance, and associated equipment, tools and supplies.

(b) Costs and expenses of repairing paving, curbs, walkways, landscaping (including replanting and replacing flowers and other plantings), common and public lighting facilities in the Building and the Property.

(c) Electricity for lighting the common and public areas, and fuel used in heating, ventilating and air-conditioning the Building (exclusive of electricity for air conditioning furnished to the Premises and to the premises of other tenants, the cost of which shall not be included in Operating Costs).

(d) Maintenance and repair of mechanical and electrical equipment, including, without limitation, heating, ventilating and air-conditioning equipment in the Building (not including supplemental HVAC units installed by or at the expense of Tenant).

(e) Window cleaning and janitor service, including janitor equipment and supplies for the common and public areas.

(f) Maintenance of elevators, rest rooms, lobbies, hallways and other common and public areas of the Building.

(g) Building management fees in a sum equal to the amounts customarily and reasonably charged by management firms for similar properties in the area in which the Property is located.

Operating Costs shall not include: expenses for any capital repairs, replacements or improvements (capital repairs and/or capital expenditures shall include, without limitation, any repair which under Internal Revenue Code regulations would be amortized or depreciated over a period of three (3) years or greater); expenses for which the Landlord is reimbursed or indemnified (either by an insurer, condemnor, tenant or otherwise); expenses incurred in leasing or procuring tenants (including, without limitation, lease commissions, brokerage fees, advertising expenses and expenses of renovating space for current or prospective lessees or tenants), or any expenses or payments arising in any way in connection with the preparation, negotiation, and/or enforcement of the provisions of any lease of space in the Building or Property, including any professional fees; interest, principal, or any other

payments or charges of any sort or nature on any mortgage or mortgages, including any professional fees related thereto, and rental or other charges under any ground or underlying lease or leases; depreciation, amortization, and/or other non-cash charges; wages, salaries or other compensation paid for clerks or attendants in concessions or newsstands operated by the Landlord; the cost of any work or service performed for or facilities furnished to a tenant at the tenant's cost; the cost of correcting defects (latent or otherwise) in the construction of the Building or in the Building equipment, except that conditions (not occasioned by construction defects) resulting from ordinary wear and tear shall not be deemed defects; salaries and fringe benefits and other costs of personnel above the grade of building supervisor; the cost of installing, operating and maintaining a specialty improvement including, without limitation, an observatory or broadcasting, cafeteria or dining facility, or athletic, luncheon or recreational club; and any cost or expense representing an amount paid to a related corporation or other entity which is in excess of the amount which would be paid in the absence of such relationship; any income, estate, franchise, succession, inheritance, use, occupancy, gross receipts, rental or capital gains taxes, or any other taxes.

If Tenant shall assume responsibility for its own cleaning of the Premises, premises cleaning costs shall be excluded from Operating Costs, and in such event, the Building Expense Base shall be reduced by the cost of premises cleaning included therein.

If less than all of the Building Rentable Area was occupied by tenants during any Year or if Landlord did not incur Operating costs with respect to all tenants during any Year, then each of said Costs shall be reasonably adjusted and extrapolated by Landlord on an item-by-item basis (i.e., those which vary in accordance with the extent of occupancy or the provision of services, as the case may be) to the estimated Operating Costs that would have been incurred if the Building had been fully occupied for such Year and such Costs had been incurred in respect of all tenants; and such extrapolated amount shall, for the purposes hereof, be deemed to be the operating Costs for such Year.

(iii) TAXES. The real estate taxes and other taxes, levies and assessments imposed upon the Building and the Property and upon any personal property of Landlord used solely and exclusively in the operation thereof; betterment assessments apportioned over the longest payment period permitted by law (including interest thereon); charges, fees and assessments for police, fire or other governmental services or purported benefits to the Building; service or user payments in lieu of taxes; and any and all other taxes, levies, betterments, assessments and charges arising from the ownership, leasing, operating, use or occupancy of the Building or based upon rentals derived therefrom, which are or shall be

imposed by National, State, Municipal or other authorities having jurisdiction. As of the Execution Date, Taxes shall not include any income, estate, franchise, succession, inheritance, use, occupancy, gross receipts, rental, capital gains or profit tax, provided, however, that any tax, excise, fee, levy, charge or assessment, however described, that may in the future be levied or assessed as a substitute for or in addition to (in whole or in part) any tax, levy or assessment which would otherwise constitute Taxes, whether or not now customary or in the contemplation of the parties on the Execution Date of this Lease, shall constitute Taxes, but only to the extent calculated as if the Building and the Property were the only real estate owned by Landlord. Taxes shall also include reasonable, actual out-of-pocket expenses of tax abatement or other proceedings contesting assessments or levies, or any professional fees related thereto. Although Taxes in Massachusetts are payable on the basis of a July 1 - June 30 fiscal/tax year, for the purposes of this Section, Taxes shall be computed on a calendar year basis, based upon the sum of one-half (1/2) the Taxes payable in respect of each applicable fiscal/tax year. (For example, Taxes for 1993 would be 1/2 the Taxes in respect of the 1993 fiscal/tax year, plus 1/2 the Taxes in respect of the 1994 fiscal/tax years.)

If the real estate taxes are reduced after the Tenant has paid its proportionate share thereof, and provided Tenant shall not then be in default of any monetary obligation under this Lease, beyond any applicable grace period, the Landlord will pay to the Tenant or the Tenant will be credited with the Tenant's proportionate share of the reduction. Any real estate tax increase or decrease during the term of this Lease shall be apportioned so that the Tenant shall pay or receive its proportionate share of only that portion of the real estate tax increase or decrease as falls within the term.

Notwithstanding anything herein contained to the contrary, Landlord shall bear the cost of and pay when due all special assessments and real estate taxes resulting from assessments attributable to redesign and expansion or renovation of the Building or Property, except for any improvements or facilities or changes to the Building or Property as are made or requested by Tenant.

(iv) BUILDING EXPENSES: The sum of Operating Costs plus Taxes. Provided, however, for purposes hereof, in no event shall Building Expenses in any Year exceed the Building Expense Cap (as hereinafter defined) for such Year.

(v) BUILDING EXPENSE CAP: For 1993, the Building Expense Cap shall be \$198,720.00. Thereafter, the Building Expense Cap shall be increased each Year so as to be equal to one hundred fifteen percent (115%) of the Building Expense Cap for the prior Year (e.g., the Building Expense Cap for 1994 shall be \$228,528.00.)

(vi) BUILDING EXPENSE BASE: The amount set forth on Exhibit 1. Landlord hereby represents that the Building Expense Base set forth on Exhibit 2 hereto is Landlord's good faith estimate of all Operating Costs Landlord anticipates incurring for the Building for the Year 1993 on an annualized basis if the Building were fully occupied.

(vii) TENANT'S PROPORTIONATE SHARE: The fraction or percentage set forth on Exhibit 1, being the Premises Rentable Area divided by the Building Rentable Area.

13

(b) TENANT'S PAYMENTS.

(i) If in any Year of the term of this Lease, as it may be extended, Building Expenses (subject to the Building Expense Cap as hereinabove provided) shall exceed the Building Expense Base (the amount of such excess being hereinafter defined as the "Excess Building Expense"), Tenant shall pay to Landlord, as additional rent, a Building Expense Escalation Charge in an amount equal to the product of (i) such Excess Building Expense multiplied by (ii) Tenant's Proportionate Share, such amount to be paid by Tenant to be apportioned for any Year in which the Rent Commencement Date occurs or the Term of this Lease ends.

(ii) Tenant's Building Expense Escalation charge, if any, for 1993, shall be paid by Tenant to Landlord within thirty (30) days after Tenant is billed therefor; Landlord may render such bill not earlier than January 1, 1994. Commencing January 1, 1994, estimated payments by Tenant on account of amounts due hereunder shall be made monthly in advance on the first day of each month. The monthly amount so to be paid to Landlord shall be sufficient to provide Landlord by the end of each Year a sum equal to Tenant's required payments, as reasonably estimated by Landlord from time to time during each year, on account of Building Expense Escalation Charges for such Year. Such estimate shall be based on the actual Building Expenses for the prior year. Landlord shall have the right from time to time during the course of the Year to adjust the amount of Tenant's estimated payments based upon the most recent data with respect to Building Expenses then available (e.g., Landlord's receipt of a new Tax bill).

(iii) Not later than four (4) months following the end of

each Year during the term of this Lease and any extensions thereof, Landlord shall cause its actual Building Expenses to be audited by an independent certified public accountant; such statement may be prepared by Landlord and certified by one of the trustees of Landlord, and in any event, shall be sent by Landlord to Tenant within thirty (30) days after the end of such four (4) month period. In such statement, Landlord shall duly note any cost or expense representing an amount paid to a related corporation or other entity. Landlord shall, at Tenant's request, to be made not later than the date which is sixty (60) days after Tenant's receipt of Landlord's statement, make available to Tenant for inspection and examination at the office of Landlord all the books and records that relate to such statement. Tenant shall complete such audit within ninety (90) days after Tenant advises Landlord of its intention to do so as aforesaid, and any Year so audited or reviewed by Tenant shall thereafter be closed to further audit.

(iv) If estimated payments previously made for any particular Year by Tenant exceed Tenant's required payment on account thereof for such Year, according to such statement, Landlord shall promptly refund such overpayment, but, if the required payments on account thereof for such Year are greater than the estimated payments (if any) previously made on account thereof for such Year, Tenant shall make payment to Landlord within 30 days after being so advised by Landlord. Landlord's and Tenant's obligations with respect to adjusting Building Expense Escalation Charges for the Year in which the Term of this Lease ends shall survive the expiration or sooner termination of this Lease. In no event shall Tenant be entitled to receive a refund or credit (other than in respect of payments, if any, made by Tenant on account

14

of estimated Building Expense Escalation Charges for such Year) if in any Year Building Expenses are less than the Building Expense Base.

(c) TAX CONTEST. If Landlord will not be adversely affected thereby, either through the imposition of a lien upon the Property or otherwise, and provided that Tenant shall have paid to Landlord all amounts due in respect of Tenant's Building Expense Escalation Charge and is not otherwise in monetary or material non-monetary default under this Lease, Tenant shall have the right, by appropriate proceedings, if Landlord shall fail or refuse to do so, to protest or contest any assessment or reassessment for real estate taxes, or any special assessment, or the validity of either, or of any change in assessments. At Tenant's request, from time to time, Landlord shall provide to Tenant copies of all bills for taxes and assessments, as the case may be, received by Landlord. In the contest or proceedings, Tenant may act in its own name and/or the name of Landlord and the Landlord will, at Tenant's request and provided Landlord is not put to any expense thereby, cooperate with Tenant in any way Tenant may reasonably require in connection with such contest. Any contest conducted by Tenant hereunder shall be at Tenant's expense and, in the event any penalties, interest or late charges become payable with respect to the real estate taxes as the result of such contest or protest, Tenant shall reimburse Landlord for the same. However, Landlord shall be solely responsible for any penalties, interest or late charges imposed on the Landlord through no fault of Tenant.

#### 15. INSURANCE.

(a) LANDLORD'S INSURANCE. Landlord shall, from and after the date hereof and throughout the term of this Lease, as it may be extended, maintain a policy of comprehensive public liability insurance of at least \$2,000,000 and property damage insurance covering the Building and Property (excluding Tenant's Work, any alterations or improvements made to the Premises by Tenant pursuant to Section 8 and, if applicable, Tenant's RFO Work referred to in Section 38 below [all of the foregoing being hereinafter called "Tenant's Improvements"]) against loss, damage or destruction caused by fire with extended coverage. (A certificate of Landlord's present insurance coverage is attached hereto as Exhibit 8.) Fire and extended coverage shall equal at least ninety (90%) percent of the replacement cost of the Building (exclusive of Tenant's Improvements, as aforesaid) above foundations. Each such policy of insurance



shall be non-cancelable and non-amendable without thirty (30) days prior notice to Tenant. Landlord shall provide to Tenant duplicate originals or certificates of all insurance coverages required to be maintained by Landlord hereunder.

(b) TENANT'S INSURANCE. Tenant shall, from and after the date hereof and throughout the term of this Lease, as it may be extended, maintain a policy of comprehensive public liability insurance of at least \$2,000,000 and property insurance for Tenant's Improvements and for Tenant's personal property, equipment, furnishings and fixtures in an amount equal to at least ninety (90%) percent of the replacement cost thereof. For purposes hereof and other applicable provisions of this Lease (including, without limitation, Sections 16(b) and 17), Tenant's property (and phrases of similar import) shall include property leased, as well as owned, by Tenant. Landlord (and such other persons as Landlord may designate by notice to Tenant from time to time) shall be named as insureds on Tenant's liability insurance. Each such policy of liability insurance shall be non-cancellable and non-amendable with respect to Landlord and Landlord's said designees without thirty (30) days prior notice to Landlord and

15

its designees. Tenant shall provide to Landlord and Landlord's designees duplicate originals or certificates of all insurance coverages required to be maintained by Tenant hereunder.

(c) SUBROGATION. Landlord and Tenant shall each cause all policies of fire, extended coverage, and other physical damage insurance covering the Premises, the Building, Tenant's Improvements, and any property in the Building to contain a clause or endorsement denying the insurer any rights of subrogation against the other party. Notwithstanding any provisions of this Lease to the contrary, Landlord and Tenant respectively waive all claims and rights to recover against the other for injury or loss due to hazards covered by insurance, except as to Tenant's obligations with respect to Landlord's deductible as set forth in the second sentence of Section 11.

#### 16. INDEMNITIES OF TENANT AND LANDLORD.

(a) TENANT INDEMNITY. Subject to Section 15(c), and except to the extent arising from a negligent or willful act or omission on the part of Landlord, its agents, employees, invitees or contractors, Tenant agrees to defend, indemnify and save harmless Landlord, Landlord's Agent (identified on Exhibit 1) and any mortgagee or ground lessor of which Tenant is given notice from and against all loss, liability, damage, costs, expenses and claims of whatever nature arising (i) from any accident, injury or damage to any person or to the property of any person in the Premises; or (ii) from any accident, injury or damage to persons or property occurring outside of the Premises but in or about the Building or on the Property, where such accident, damage or injury outside of the Premises results or is claimed to have resulted from a negligent or willful act or omission on the part of Tenant or Tenant's agents or employees. Landlord shall notify Tenant of such loss, etc. when Landlord learns of any such matter it understands involves Tenant and (subject to the approval of Landlord's insurer) Tenant shall have the right to assume the defense thereof with reputable and qualified legal counsel reasonably acceptable to Landlord.

(b) LANDLORD INDEMNITY. Subject to Sections 15(c) and 17, and except to the extent arising from a negligent or willful act or omission on the part of Tenant, its agents, employees, invitees or contractors, Landlord agrees to defend, indemnify and save harmless Tenant from and against all loss, liability, damage, costs, expenses and claims of whatever nature arising (i) from any accident, injury or damage to any persons or to the property of any person (other than Tenant) in the Premises, or (ii) from any accident, injury or damage to persons or to the property of any person (other than Tenant) occurring outside of the Premises but in or about the Building or occurring elsewhere on the Property, where such accident, damage or injury in the Premises or outside the Premises results or is claimed to have resulted from a negligent or willful act or omission on the part of the Landlord or its agents or employees. Tenant shall notify Landlord of such loss, etc., when Tenant learns of any such matter

it understands involves Landlord and (subject to the approval of Tenant's insurer) Landlord shall have the right to assume the defense thereof with reputable and qualified legal counsel reasonably acceptable to Tenant.

17. TENANT'S RISK. Tenant agrees to use and occupy the Premises at Tenant's own risk. Tenant shall maintain insurance in respect of its personal property, business fixtures and leasehold improvements and Landlord shall have no responsibility or liability for any loss of or

16

damage to any of the same, or for any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is permitted by this Lease, or required by law, to make in or to any portion of the Premises or other sections of the Building or Property, except to the extent arising from a negligent or wilfull act or omission on the part of Landlord, its agents, employees or contractors, provided that Landlord shall bear such responsibility only for ordinary office and research and development property, as hereinafter defined, and provided further that Landlord's responsibility hereunder shall also be subject to Section 15(c). For purposes hereof, "ordinary office and research and development property" shall mean such property as is customarily found in office/r&d facilities comparable to Tenant's Premises in the greater Boston area and shall exclude property of a rare or exotic nature, works of art and the like. Tenant agrees that Landlord shall not be responsible or liable to tenant, or to those claiming by, through or under Tenant, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any other part of the Building or the Property.

18. LANDLORD'S ACCESS RIGHTS.

(a) Upon reasonable prior written notice to Tenant, except that no such notice shall be required in the case of an emergency, and subject to all of the relevant provisions of Section 13, Landlord shall have the right to enter the Premises at reasonable hours for the purpose of inspecting or making repairs to the same, and to show the Premises to prospective or existing mortgagees, purchasers or, during the last nine (9) months of the term of this Lease, to prospective tenants. Except were not possible by reason of an emergency, Tenant shall have the right to accompany any such parties during such period(s).

(b) Tenant acknowledges that the only access to the balance of the second floor of the Building will be through Tenant's reception area until such time (if ever) as Landlord constructs the corridor(s) contemplated by Section 6(g) above. Accordingly, until such corridor(s) are constructed, Landlord reserves, and Tenant agrees that Landlord shall have, an unlimited right of access during business hours (and without notice to Tenant, except that Landlord shall use reasonable efforts to give Tenant prior oral notice of Landlord's intention to enter the Premises pursuant to this paragraph (b)) through Tenant's reception area to the balance of the second floor of the Building for the purpose of showing such space to existing or prospective tenants, mortgagees, purchasers and others, for making inspections, repairs and replacements, and for constructing such space for occupancy by others. Landlord shall exercise such access rights in a manner so as to minimize interference with the conduct of Tenant's business in the Premises.

19. CONDEMNATION.

(a) If at any time during the Term or any extension thereof the whole of the Building and Property shall be taken for any public or quasi-public use, under any statute, or by right of eminent domain, then except as provided in paragraph (c), this Lease shall terminate as of the date Tenant is scheduled to be deprived of possession by reason of such taking. If less than all of the Building and Property shall be so taken and in the Tenant's reasonable, bona fide business judgment, exercised in good faith, the remaining part is insufficient for the conduct of the Tenant's business, the Tenant may, by notice to the Landlord given within ninety (90) days

after notice of such taking, terminate this Lease. If the Tenant exercises its option, this Lease and the term hereof shall end on the date Tenant is scheduled to be deprived of possession by reason of such taking, and the rent and additional rent shall be apportioned and paid to such date and Tenant shall have no further liability or obligation to Landlord.

(b) If less than all of the Building and Property shall be taken and Tenant does not elect to terminate this Lease pursuant to paragraph (a) above, this Lease shall remain unaffected, except that the Tenant shall be entitled to a pro-rata abatement of rent and additional rent based on the proportion which the area of the Premises so taken bears to the area of the Premises demised hereunder immediately prior to such taking.

(c) If the use and occupancy of the whole or any part of the Building or Property is temporarily taken for a public or quasi-public use for a period of more than three (3) months but less than the balance of the term, at the Tenant's option to be exercised in writing and delivered to the Landlord not later than ninety (90) days after the date the Tenant is notified of such taking, this Lease and the term hereby granted shall terminate on the date specified in the Tenant's notice or shall continue in full force and effect. If the Lease remains in effect, the Tenant shall be entitled to a proportional abatement of rent and additional rent in the manner and to the extent provided in paragraph (b).

(d) In the event of a taking hereunder, the Tenant shall be entitled, if allowed by law, to appear, claim, prove and receive in the condemnation proceeding (1) the unamortized value (calculated on a straight-line basis over the remainder of the then current term of the Lease, including any extension terms the option for which Tenant has exercised as of the date of such taking) of the improvements and alterations to the Premises as made by Tenant at the Tenant's expense but regardless of whether the improvements and alterations might be considered a part of the premises or shall be or become the property of the Landlord under the terms of this Lease; (2) the value of the Tenant's fixtures; (3) the cost of relocation; and (4) special awards or allowances provided by law to tenants (other than for the value of Tenant's leasehold) in the event their rental space is taken by eminent domain; provided, however, that the amount of the award due Landlord as a result of such taking shall not be reduced by Tenant's claims and that Tenant's claims shall in all events be subject and subordinate to the rights of Landlord's mortgagee(s). Except for any award specifically referred to in the preceding sentence which Tenant is entitled to claim, there are expressly reserved to Landlord all rights to compensation and damages created, accrued or accruing by reason of any such taking, in implementation and confirmation of which Tenant does hereby acknowledge that Landlord shall be entitled to receive all such compensation and damages, grant to Landlord all and whatever rights (if any) Tenant may have to such compensation and damages, and agree to execute and deliver all and whatever further instruments of assignment as Landlord may from time to time request.

(e) If there is a taking hereunder and this Lease is continued, the Landlord shall, at its expense, but limited to the amount of condemnation proceeds made available to it by the taking authority and the holder of any mortgage or lessor under any ground lease on the Property, proceed with reasonable diligence to repair, alter and restore the Building (and Property, if relevant) as a complete architectural unit of substantially the same proportionate usefulness, design and construction existing immediately prior to the date of taking.

(f) Taking by condemnation or eminent domain hereunder shall include the exercise of any similar governmental power and any sale, transfer or other disposition to the condemning authority of the Building or Property in lieu or under threat of condemnations.

20. CASUALTY.

(a) If any portion of the Premises, the common areas of the Building or Building equipment or systems serving the Premises or common areas (hereinafter collectively referred to as the "damaged property") shall incur minor damage by reason of fire or other casualty, Landlord will restore such damaged property (excluding Tenant's Improvements, which shall be restored by Tenant) to substantially their condition immediately prior to such damage for Tenant's use and occupancy as speedily as possible. If, for any reason, such restoration shall not be completed by Landlord within one hundred twenty (120) days after such damage shall have occurred, Tenant shall have the right to terminate this Lease by giving a thirty (30) day termination to Landlord. Upon giving of such notice, this Lease shall cease and come to an end as of said thirtieth (30th) day after the giving of notice without further obligation of liability on the part of either party, unless by the said thirtieth (30th) day Landlord shall have completed such restoration, in which event Tenant's termination notice shall be void and of no further force or effect. Notwithstanding anything to the contrary contained in this Section 20, Landlord's obligation to restore any damage shall be limited to the amount of any insurance proceeds made available to Landlord by any holder of a mortgage or lessor under any ground lease on the Property.

(b) If damaged property shall be substantially damaged by fire or other casualty ("substantial damage" meaning damage which Landlord reasonably anticipates cannot be restored substantially to the condition they were in immediately prior to such fire or casualty within one hundred twenty [120] days after the occurrence thereof) Landlord shall have the right to terminate this Lease. Landlord shall notify Tenant in writing of its determination to terminate this Lease or restore the damaged property within thirty (30) days of such fire or casualty. The term of this Lease may be so terminated not earlier than twenty (20) days after delivery of Landlord's termination notice nor later than thirty (30) days thereafter. If Landlord shall not elect to terminate this Lease but if, in the opinion of Tenant, the operation of Tenant's business in the Premises in the normal course is materially adversely affected, then, within fourteen (14) days of its receipt of Landlord's notice of its election to restore the damaged property, Tenant shall request a written engineering estimate of Landlord as to the length of time needed to restore the damaged property. Within fifteen (15) days of such request, Landlord shall submit to Tenant a reasonable engineering estimate as to the estimated length of time to complete such repairs. If such estimate shall exceed one hundred twenty (120) days from the date of such casualty, Tenant may elect, by a notice sent within fifteen (15) days after Tenant's receipt of such estimate, to terminate this Lease. If such estimate shall fall within the one hundred twenty (120) day limit, Tenant shall have no such right to terminate and Landlord shall, subject to the provisions of this Section 20, proceed with due diligence and promptness to

19

substantially complete the repairs or restoration (excluding property to be restored by Tenant, as provided in paragraph (a) above) within such one hundred twenty (120) day period. If Landlord's estimate exceeds 120 days as aforesaid but Tenant, although having the right to do so, does not elect to terminate this Lease within 15 days after receipt of such estimate as aforesaid, then and in such event, Landlord shall, subject to the provisions of this Section 20, proceed with due diligence and promptness to substantially complete the repairs or restoration (excluding property to be restored by Tenant, as provided in paragraph (a) above) within the period set forth in Landlord's estimate. If, for any reason, such restoration shall not be completed by Landlord within the period set forth in Landlord's estimate (or, if longer, within one hundred twenty (120) days after such damage shall have occurred), Tenant shall have the right to terminate this Lease by giving a thirty (30) day termination to Landlord. Upon giving of such notice, this Lease shall cease and come to an end as of said thirtieth (30th) day after the giving of notice without further obligation or liability on the part of either party, unless by the said thirtieth (30th) day Landlord shall have completed such restoration, in which event Tenant's termination notice shall be void and of no further force or

effect.

(c) Pending Landlord's restoration of the damaged property (excluding property to be restored by Tenant, as provided in paragraph (a) above) or termination of this Lease as aforesaid, Tenant shall be entitled to a proportionate abatement of rent and additional rent payable during the period commencing on the date of the damage and ending on the date the damaged property is restored as aforesaid or this Lease is terminated, as the case may be. The extent of rental abatement shall be based upon the portion of the Premises rendered untenable, unfit or inaccessible for use by Tenant during such period. If this Lease is terminated pursuant to paragraphs (a) or (b) above, then rent and additional rent (as the same may have been abated pursuant to the preceding sentence) shall be apportioned as of the date of termination and all prepaid rent and additional rent, if any, in respect of periods from and after the effective termination date shall be repaid.

21. TENANT'S DEFAULT. Tenant shall be in default under this Lease in the event that Tenant (a) shall fail to make any payment of money (including, without limitation, Basic Rent and Building Expense Escalation Charges) when it is due hereunder and such failure shall continue for ten (10) days after written notice from Landlord to Tenant, or (b) shall fail or neglect to perform or observe any other covenant or obligation under this Lease and Tenant shall fail to remedy the same within thirty (30) days after written notice from Landlord to Tenant specifying such failure or neglect, or if such failure is of such nature that Tenant cannot reasonably remedy the same within such 30-day period, Tenant shall fail to commence promptly to remedy the same and to prosecute such remedy to completion with diligence and continuity, or (c) shall commence reorganization, bankruptcy or insolvency proceedings or, in case any such proceedings are brought against Tenant, if the same are not dismissed within sixty (60) days or if any assignment shall be made of all or substantially all of Tenant's property for the benefit of creditors.

If Tenant shall be in default under this Lease, Landlord shall have all rights and remedies as are available at law or in equity. Such remedies shall include, without limitation, the right to evict Tenant, take exclusive possession of the Premises, continue to collect Basic Rent, Building expense Escalation Charges and other charges, terminate the Lease, obtain a judgment for all damages that might flow from a breach or termination of this Lease, re-let the Premises or any part thereof and make any repairs or alterations to the Premises, but not including alterations or repairs not reasonably necessary for Landlord to seek mitigation of damages arising in connection with Tenant's default. In the event of termination by reason of default by Tenant, Landlord shall be obligated to use all reasonable efforts to mitigate any and all damages therefrom. For purposes hereof, "reasonable efforts" shall mean listing the Premises with a

20

commercial property broker who in the ordinary course deals with similar properties; but Landlord shall in no event be required to re-let the Premises in lieu of leasing other space in the Building. Tenant shall pay Landlord's reasonable actual out-of-pocket costs of enforcing this Lease, including, without limitation, reasonable attorneys' fees and costs, as additional rent.

At any time within one (1) year after termination of this Lease for Tenant's default, as liquidated damages and in lieu of all other damages beyond the date of demand hereunder, at Landlord's election, Tenant shall pay to Landlord an amount equal to Basic Rent, Building Expense Charges and other sums payable under this Lease which would have been payable hereunder for the period of one (1) year from the date of Landlord's election had this Lease remained in effect (assuming, for the purpose of this sentence, that Building Expense Charges payable by Tenant for said one year period would be in an amount equal to the Building Expense charges required for the year immediately preceding the Year in which such election is made).

22. LANDLORD'S DEFAULT. Landlord shall be in default under this Lease in the event that Landlord shall have failed to perform any of its

obligations hereunder within thirty (30) days of notice thereof by Tenant to Landlord and to any mortgagee or ground lessor whose names and addresses have been previously given by written notice to Tenant, or if such failure is of such nature that Landlord cannot reasonably remedy the same within thirty (30) days, Landlord shall have failed promptly to commence to remedy the same and to prosecute such remedy with diligence and continuity.

23. LIMITATIONS ON LIABILITY.

(a) LANDLORD'S LIABILITY. With respect to the Landlord's obligations as Landlord hereunder, Tenant agrees, in the event of breach of any of the terms and conditions of this Lease, to look solely to the Landlord's interest in the Property for recovery of any judgment from Landlord; it being specifically agreed that in no event shall Landlord (original or successor), or any of the officers, trustees, directors, partners, beneficiaries, stockholders or other principals or representatives, and the like, disclosed or undisclosed, thereof, ever be personally liable for any such judgment, or other liability or for the payment of any monetary obligation to Tenant arising out of a breach of any of the terms and conditions of this Lease with respect to the Landlord's obligations as Landlord hereunder. In no event shall Landlord (original or successor) or any such officers, etc., as aforesaid, ever be liable for indirect or consequential damages arising from whatever cause.

(b) TENANT'S LIABILITY. Landlord agrees, in the event of breach of any of the terms and conditions of this Lease, to look solely to the Tenant for recovery of any judgment from Tenant; it being specifically agreed that in no event shall any recourse under any provisions of this Lease otherwise permitted by any statute or rule of law or decision be had against any of Tenant's past, present, or future incorporators, subscribers, stockholders, officers, or directors, partners, beneficiaries, trustees, representatives, or principal(s), whether disclosed or undisclosed, and the like, either directly or through such entity

24. RULES AND REGULATIONS. Tenant shall abide by rules and regulations from time to time reasonably established by Landlord, it being agreed that such rules and regulations will be established and applied by Landlord in a non-discriminatory fashion. Landlord agrees to use

21

reasonable efforts to insure that any such rules and regulations are uniformly enforced, but Landlord shall not be liable to Tenant for violation of the same by any other tenant or occupant of the Building, or persons having business with them. The current rules and regulations are attached to this Lease as Exhibit 6. In the event that there shall be a conflict between such rules and regulations and the provisions of this Lease, the provisions of this Lease shall control. The Rules and Regulations shall not be applicable to Tenant to the extent that any such rule or regulation unreasonably interferes with the Tenant's contemplated use of the Premises (including Tenant's Work) or with Tenant's particular security requirements. Without limiting the generality of the foregoing, notwithstanding such Rules and Regulations: (i) Tenant may keep on the Premises animals or birds, etc. necessary for the conduct of its business therein, provided that Tenant complies with all laws and other legal requirements applicable thereto and that Tenant shall keep such animals or birds, etc. appropriately caged (or otherwise restricted) so as to avoid escape or other annoyance or disturbance to other occupants of the Building; and (ii) chemicals, combustible or otherwise, shall be permitted on the Premises as necessary for the conduct of Tenant's business therein, subject to the provisions of Section 40(b), which shall be applicable thereto.

25. NOTICE. Whenever, by the terms of this Lease, notices, requests, consents and approvals shall or may be given either to Landlord or to Tenant, they shall be in writing and shall be delivered in hand or sent by express, registered or certified mail, return receipt requested, postage prepaid:

If intended for Landlord, addressed to Landlord at Landlord's  
Original Address as stated in Exhibit 1 (or to such other address or

addresses as may from time to time hereafter be designated by Landlord by like notice).

If intended for Tenant, addressed to Tenant at Tenant's original Address as stated in Exhibit 1 until the Rent Commencement Date and thereafter to the Premises (or to such other address or addresses as may from time to time hereafter be designated by Tenant by like notice).

All such notices shall be effective (i) when hand-delivered or (ii) if mailed, when deposited in the United States Mail within the Continental United States, provided that the same are received in ordinary course at the address to which the same were sent.

26. LANDLORD'S TITLE AND CONFORMITY WITH LEGAL REQUIREMENTS. Landlord covenants as a condition of this Lease that it has good marketable fee title to the Building and Property subject to the encumbrances listed as of the date hereof on Certificate of Title No. 161435 filed with the Middlesex South Registry District of the Land Court in Book 937, Page 85, and that Landlord has the right to make this Lease for the term aforesaid; that the provisions of this Lease do not conflict with or violate the provisions of existing agreements between Landlord and third parties; that, to the best knowledge of Landlord, the Premises and Property are in conformity with all applicable legal requirements, including, without limitation, zoning and planning ordinances, and do not violate applicable restrictions, if any; that as of the date of this Lease, there are no claims, lawsuits, judgments or similar matters affecting the Premises, Building or the Property in connection with the title, zoning and planning ordinances or environmental matters, and that Landlord will notify Tenant within five (5) business days of discovery of any

22

such claims, causes of action, lawsuits, controversies or judgments which would affect this Lease or Tenant's use and occupancy of the Premises; and that Landlord will deliver actual possession of the Premises to Tenant free of all tenants and occupants and in accordance with all terms and conditions of this Lease.

27. SUBORDINATION AND NON-DISTURBANCE. Tenant acknowledges and agrees that this Lease shall be subordinate to any mortgage or ground lease from time to time encumbering the Premises, whether executed and delivered prior to or subsequent to the date of this Lease, if the holder of such mortgage or ground lease shall so elect. If this Lease is subordinate to any mortgage or ground lease and the holder thereof (or successor) shall succeed to the interest of Landlord, at the election of such holder (or successor) Tenant shall attorn to such holder and this Lease shall continue in full force and effect between such holder (or successor) and Tenant. Tenant agrees to execute such instruments of subordination or attornment in confirmation of the foregoing agreement as such holder (or successor) may reasonably request.

(b) Notwithstanding anything to the contrary in the foregoing contained, the above provided subordination shall be effective only if the encumbering mortgage or ground lease documentation (as the case may be) provides, or if the mortgagee or ground lessor (as the case may be) agrees by a written instrument in recordable form and otherwise in the customary form of such mortgagee or ground lessor and in form reasonably acceptable to Tenant, that, INTER ALIA, as long as Tenant shall not be in default, beyond the expiration of applicable grace periods, of the obligations on its part to be kept and performed under the terms of this Lease, this Lease will not be affected and Tenant's possession hereunder will not be disturbed by any default in, termination and/or foreclosure of, such mortgage and/or ground lease (as the case may be). For purposes of the preceding sentence, Tenant agrees (without limitation) that the form of non-disturbance agreement which Tenant enters into with the present mortgagee, Lexington Savings Bank, will be acceptable to Tenant with respect to future mortgagees.

28. ESTOPPEL CERTIFICATE. Either party shall at any time and from time

to time within ten (10) days of the other party's request, execute and deliver an estoppel certificate affirming this Lease, indicating whether there are any defaults hereunder and addressing such other matters as the requesting party, its lender(s) or prospective purchaser(s) or investors may reasonably require.

29. REMEDYING TENANT DEFAULTS. Landlord shall have the right, but not the obligation, to pay such sums or take such action as may be necessary or appropriate by reasons of the failure or neglect of Tenant to perform any of the provisions of this Lease, and in such event, Tenant agrees to reimburse Landlord within fifteen (15) days after demand for all reasonable costs and expenses so inquired by Landlord, together with interest thereon at a rate equal to 12% per annum. Any payment of Basic Rent, Building Expense Charges or other sums payable hereunder not paid within ten (10) days the same shall have become due shall bear interest at the rate as aforesaid from the date thereof and shall be payable within fifteen (15) days after demand. by Landlord, as additional rent.

30. REASONABLE CONSENT. Whenever any provision of this Lease states that the consent, approval or acceptance of either Landlord or Tenant is required, such consent, approval or acceptance shall not be unreasonably withheld.

23

31. HOLDING OVER. Any holding over by Tenant after the expiration or sooner termination of the Term of this Lease shall be treated as a daily tenancy at sufferance at a rate equal to two (2) times the sum of (i) Basic Rent then in effect plus (ii) Building Expense Charges and all other charges herein provided for (prorated on a daily basis). Tenant shall also pay to Landlord all damages, direct and/or indirect (including, without limitation, the loss of a tenant and of rental income) sustained by reason of any such holding over. Otherwise, such holding over shall be on the terms and conditions set forth in this Lease as far as applicable.

32. SURRENDER OF PREMISES. Upon the expiration or earlier termination of the Term of this Lease, Tenant shall peaceably quit and surrender to Landlord the Premises in neat and clean condition and otherwise in the same condition as Tenant is required to surrender and return the Premises to Landlord pursuant to Section 8 and to maintain the Premises pursuant to Section 11 above, excepting only as to Tenant's maintenance obligations, reasonable wear and tear and damage by fire or other casualty.

33. ARBITRATION. In the event that any dispute should arise between the parties hereto as to the validity of this Lease or as to the construction, enforcement or performance of this Lease, such dispute, subject to the provisions of this Section 33, shall be settled by arbitration before a single arbitrator conducted at Boston, Massachusetts, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. As to any dispute involving the payment of money, however, no arbitration shall be permitted until the party with the payment obligation in question shall have paid such money in dispute, under protest (and reserving its rights), in full to the other party. No refusal to pay any amount coupled with a call for arbitration shall be deemed to negate any of the provisions of default set forth in the Lease. The decision of the arbitrator shall be final and binding on all parties thereto, and judgment upon any award entered in such proceeding may be entered in any court having jurisdiction thereof. The unsuccessful party to such arbitration shall pay to the successful party all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred therein by such successful party and such costs, expenses and attorneys' fees shall be included in and as part of such judgment or award. The determination of the arbitrator shall be conclusive on the matter of which party is successful for purposes hereof.

In no event, however, shall this Section 33 be deemed to preclude a party hereto from instituting legal action seeking relief in the nature of a restraining order, an injunction or the like in order to protect his or its rights pending the outcome of an arbitration hereunder. With respect to matters submitted to arbitration the parties shall continue to perform their obligations hereunder relative to said matters pending resolution of the dispute by



arbitration. Nothing in this Section 33 shall prevent Tenant's continued occupancy of the Premises during the term of this Lease and the pendency of any arbitration proceedings, provided Tenant is not otherwise in default (beyond the expiration of any applicable notice and grace periods) under this Lease.

34. BROKERAGE. Landlord and Tenant each represent to the other that they have not entered into any agreement or incurred any obligation in connection with this transaction which might result in the obligation to pay a brokerage commission to any broker other than the Landlord's agreement with the broker listed in Exhibit 1. Landlord shall pay all fees and commissions due to such broker in connection with this transaction. Each party shall indemnify and hold the other party harmless from and against any claim or demand by any broker or other

24

person for bringing about this Lease who claims to have dealt with such indemnifying party, including all expenses incurred in defending any such claim or demand (including reasonable attorneys' fees).

35. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

36. TENANT'S OPTION TO EXTEND THE TERM OF LEASE.

(a) On the condition, which condition Landlord may waive, at its election, by written notice to Tenant at any time, that Tenant is not in default after the expiration of applicable notice and grace periods of its covenants and obligations under this Lease both as of the time of option exercise and as of the commencement of the hereinafter described additional term, Tenant shall have the option to extend the term of this Lease for two (2) additional successive five (5) year terms, each such additional term commencing as of the day after the expiration of the initial term or immediately preceding the first additional term, as the case may be. Tenant may exercise such option to extend by giving Landlord written notice on or after the date twenty-four (24) months prior to the expiration date of the original term of this Lease or of the first additional term (as the case may be) and on or before the date which is six (6) months prior to the expiration date of this original term of this Lease or of the first additional term (as the case may be). Upon the timely giving of such notice, the term of this Lease shall be deemed extended upon all of the terms and conditions of this Lease, except that the Basic Rent and Building Expense Base during such additional term shall be as hereinafter set forth, (ii) Section 6 shall not be applicable thereto, and (iii) the Rent Commencement Date in respect of each such additional term shall be the first day thereof. If Tenant fails to give timely notice, as aforesaid, Tenant shall have no further right to extend the term of this Lease, time being of the essence of this Section 36(a). It and when Tenant exercises its first and/or second extension option hereunder, Landlord shall, at no cost to Tenant, and prior to the commencement of the first and, applicable, second extension term, repaint the Premises, with two coats of paint of quality and type to match existing paint. The options to extend described herein shall be applicable to any "RFO Premises" leased by Tenant pursuant to Section 38 below.

(b) BASIC RENT. The Basic Rent during the additional term shall be the Fair Market Rental Value, as defined in paragraph (a) of Section 37, as of the commencement of the then applicable additional term, of the Premises then demised to Tenant; provided, however, that in no event shall the sum of the applicable Basic Rent and Building Expense Escalation Charges for the Premises then demised to Tenant, to be payable during such additional term, be less than sum of the Basic Rent and Building Expense Escalation Charges for such Premises which were payable immediately preceding the commencement of each such additional term.

(c) Tenant shall have no further option to extend the term of this Lease other than the two (2) successive five (5) year additional terms herein provided.

(d) Notwithstanding the fact that upon Tenant's exercise of the herein options to extend the term of the Lease such extensions shall be self-executing, as aforesaid, the parties shall promptly execute a lease amendment reflecting each such additional term after Tenant exercises the applicable option, except that the Basic Rent payable in respect of each such

25

additional term and the figure for the Building Expense Base need not be set forth in the applicable amendment. Subsequently, after such Basic Rent and the figure for the Building Expense Base are determined, the parties shall execute a written agreement confirming the same. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of its rights under paragraph (a) of this Section 36, unless otherwise specifically provided in such lease amendment.

37. DEFINITION OF FAIR MARKET RENTAL VALUE. For the purpose of this Lease:

(a) "Fair Market Rental Value" shall be computed as of the date in question at the then current annual rental charge (i.e., the sum of Basic Rent plus escalation and other charges), including provisions for subsequent increases and other adjustments for leases and agreements to lease then currently being negotiated or executed in comparable general office space (but not comparable lab space as built by Tenant hereunder at its own cost and expense) located in 125 Hartwell Avenue, Lexington, Massachusetts, or if no new leases or agreements to lease are then currently being negotiated or executed in the Building, the Fair Market Rental Value shall be determined by reference to bona fide offers being made by Landlord to prospective tenants for the lease of comparable general office space (but not comparable lab space as built by Tenant hereunder at its own cost and expense) in the Building; or if there are no prospective tenants to whom Landlord may make such offers, then Fair Market Rental Value shall be determined by reference to new leases or agreements to lease then currently being negotiated or executed for comparable general office space (but not comparable lab space as built by Tenant hereunder at its own cost and expense) located elsewhere in office/research and development buildings aged and otherwise equipped comparably with the Building located within a two (2) mile radius of the Building. In determining Fair Market Rental Value, the following factors, among others, shall be taken into account and given effect: size, location of premises, lease term, condition of building and services provided by the Landlord.

(b) DISPUTE AS TO FAIR MARKET RENTAL VALUE. Landlord shall initially designate Fair Market Rental Value and Landlord shall furnish data in support of such designation. If Tenant disagrees with Landlord's designation of a Fair Market Rental Value, Tenant shall have the right, by written notice given within thirty (30) days after Tenant has been notified of Landlord's designation, to submit such Fair Market Rental Value to arbitration. Fair Market Rental value shall be submitted to arbitration as follows: Fair Market Rental Value shall be determined by impartial arbitrators, one to be chosen by the Landlord, one to be chosen by Tenant and a third to be selected, if necessary, as below provided. The unanimous written decision of the two first chosen, without selection and participation of a third arbitrator, or otherwise, the written decision of a majority of three arbitrators chosen and selected as aforesaid, shall be conclusive and binding upon Landlord and Tenant. Landlord and Tenant shall each notify the other of its chosen arbitrator within ten (10) days following the call for arbitration and, unless such two arbitrators shall have reached a unanimous decision within thirty (30) days after their designation, they shall so notify the American Arbitration Association (or such organization as may succeed to said Association) and request said Association to select an impartial third arbitrator to determine Fair Market Rental Value as herein defined. Such third arbitrator and the first two chosen shall, subject to commercial arbitration rules of the American Arbitration Association, hear the parties and their evidence and render their decision within thirty (30) days following the conclusion of such hearing and notify Landlord and Tenant thereof. Landlord and

Tenant shall bear the expense of the third arbitrator (if any) equally. The decision of the arbitrators shall be final and binding of the parties and judgment thereon may be entered in the Superior Court having jurisdiction over the Premises; and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the court or a judge thereof may be served outside the Commonwealth of Massachusetts by registered mail or by personal service, provided a reasonable time for appearance is allowed. If the dispute between the parties as to a Fair Market Rental Value has not been resolved before the commencement of Tenant's obligation to pay rent based upon such Fair Market Rental Value, then Tenant shall pay Basic Rent and other charges under the Lease in respect of the premises in question based upon the Fair Market Rental Value designated by Landlord until either the agreement of the parties as to the Fair Market Rental Value, or the decision of the arbitrators, as the case may be, at which time Tenant shall pay any underpayment of rent and other charges to Landlord, or Landlord shall refund any overpayment of rent and other charges to Tenant.

38. TENANT'S RIGHT OF FIRST OFFER. On the conditions (which conditions Landlord may waive, at its election, by written notice to Tenant at any time) (i) that Tenant is not in default after the expiration of applicable notice and grace periods of its covenants and obligations under the Lease, (ii) that Fuji ImmunoPharmaceuticals Corp. and/or a Fuji Successor itself is occupying at least fifty percent (50%) of the premises then demised to Tenant (in the case of (i) and (ii), both at the time that Landlord is required to give Landlord's Notice, as hereinafter defined, and as of the Commencement Date in respect of the RFO Premises in question), (iii) that Fuji ImmunoPharmaceuticals Corp. and/or a Fuji Successor will itself occupy the RFO Premises in question, and (iv) that if there are two (2) years or less remaining in the then applicable term of the Lease, Tenant shall have previously or simultaneously with the valid exercise of its rights hereunder exercised its next applicable extension option, Tenant shall have the following rights to lease RFO Premises, as hereinafter defined, when such RFO Premises become available for lease to Tenant, as hereinafter defined. In no event shall Tenant have any rights under this Section 38 on or after the date on which there shall be less than two (2) full years remaining in the Term of this Lease, unless Tenant shall have validly exercised any remaining applicable extension option, as aforesaid. If Tenant exercises its second extension option under Section 36, Tenant's rights under this Section 38 shall lapse as of the third (3rd) anniversary of the commencement date of such second additional term.

(a) DEFINITION OF RFO PREMISES. "RFO Premises" shall be defined as any separately demised area which is situated within the second floor of 125 Hartwell Avenue, Lexington, Massachusetts, and which becomes available for lease to Tenant, as hereinafter defined, during the term of this Lease, as the same may be extended. For the purposes of this paragraph (a), an area shall be deemed to be "available for lease to Tenant" if, during the term of this Lease, Landlord, in its sole judgment, determines that such area will become available for leasing to Tenant (i.e., when Landlord determines that the then current tenant of such RFO Premises will vacate such RFO Premises, or any portion thereof, and when Landlord intends to offer such premises for lease). In no event shall Tenant have any such rights under this Section 38 in respect of Landlord's initial leasing (after the date hereof) of any space on the second floor of 125 Hartwell Avenue.

(b) EXERCISE OF RIGHT TO LEASE RFO PREMISES. Landlord shall give Tenant written notice ("Landlord's Notice") at the time that Landlord determines, as aforesaid, that RFO

Premises will become available for lease to Tenant. Landlord's Notice shall set forth Landlord's designation of the Fair Market Rental Value (as hereinabove defined) applicable to such RFO Premises, the estimated date on which Landlord expects to deliver such RFO Premises to Tenant, and the exact location of such

RFO Premises. Tenant shall have the right, exercisable upon written notice ("Tenant's Exercise Notice") given to Landlord within thirty (30) days after the receipt of Landlord's Notice, to lease such RFO Premises. If Tenant fails timely to give Tenant's Exercise Notice, Tenant shall have no further right of lease such RFO Premises pursuant to this paragraph (b). Upon the timely giving of Tenant's Exercise Notice, Landlord shall lease and demise to Tenant and Tenant shall hire and take from Landlord, such RFO premises, upon all of the same terms and conditions of the Lease (including the options to extend described in Section 36 hereof) except as hereinafter set forth.

(c) LEASE PROVISIONS APPLYING TO RFO PREMISES. The leasing to Tenant of any RFO Premises shall be upon all of the same terms and conditions of the Lease, including, without limitation, Building Expense Base, except as follows:

(1) COMMENCEMENT DATE. The Commencement Date in respect of any RFO Premises shall be the earlier of (A) ninety (90) days after the later of (x) the estimated delivery date in respect of such RFO Premises as set forth in Landlord's Notice, or (y) the date that Landlord actually delivers such RFO Premises to Tenant, or (B) the date on which Tenant shall occupy all or any portion of such RFO Premises for the conduct of its business therein.

(2) RENT COMMENCEMENT DATE. The Rent Commencement Date in respect of any RFO Premises shall be the Commencement Date in respect of such RFO Premises.

(3) TERMINATION DATE. The Termination Date in respect of any RFO Premises shall be the Termination Date set forth on Exhibit 1 of the Lease, as the same may be or may have been extended by Tenant pursuant to Section 36.

(4) BASIC RENT. The Basic Rent rental rate in respect of any RFO Premises shall be based upon ninety percent (90%) of the Fair Market Rental Value, as defined in Section 37 of this Lease, of such RFO Premises as of the Commencement Date in respect of such RFO Premises; provided, however, that in no event shall the sum of the applicable Basic Rent rental rate and Building Escalation charges per square foot of rentable area of the RFO Premises be less than the average, if any (weighted on a square foot basis) of the sum of the applicable Basic Rent rental rate and Building Escalation Charges, per square foot in effect, as of such Commencement Date, in respect of the remainder of the Premises then demised to Tenant.

(5) CONDITION OF RFO PREMISES; TENANT'S RFO WORK. Tenant shall take any RFO Premises "as-is" in its then (i.e., as of the date of premises delivery) state of construction, finish, and decoration, without any obligation on the part of Landlord to construct or prepare any RFO Premises for Tenant's occupancy. Accordingly, Section 6 shall not apply to the RFO Premises. However, upon Tenant's exercise of its option to lease RFO Premises and delivery of such RFO Premises by Landlord to Tenant, Tenant shall have the right, subject to Landlord's approval of the plans therefor and to the other provisions of Section 8 above, to make such alterations and improvements to the RFO Premises as Tenant deems reasonably necessary for its use and occupancy thereof ("Tenant's RFO Work").

(d) EXECUTION OF LEASE AMENDMENTS. Notwithstanding the fact that Tenant's exercise of the above-described option to lease RFO Premises shall be self-executing, as aforesaid, the parties hereby agree promptly to execute a lease amendment reflecting the addition of any RFO Premises, except that the Basic Rent payable in respect of any such RFO Premises may not be as set forth in such amendment. At the time that such Basic Rent is determined, the parties shall execute a written agreement confirming the same. The execution of such lease amendments shall not be deemed to waive any of the conditions to Tenant's exercise of the herein option to lease RFO Premises, unless otherwise specifically provided in such lease amendments.

39. FORCE MAJEURE. As used in this Lease, "Force Majeure" shall mean, collectively and individually, strike, lock-out or other labor trouble, fire or other casualty, governmental preemption of priorities or other controls in connection with a national or other public emergency or shortages of fuel, supplies or labor; breakdown; accident; or because of war or other emergency, or for any cause beyond the reasonable control of the party obligated to, but prevented from performing. In no event, however, shall Force Majeure apply to nonpayment of monetary obligations.

40. ENVIRONMENTAL CONCERNS.

(a) Landlord represents, warrants and covenants to the best of its knowledge and belief that (i) Landlord has not caused or permitted any activity to take place on, in, or under the Premises which has generated, manufactured, refined, transported, treated, stored, handled, disposed, transferred, produced, cleaned up or processed any oil, hazardous or toxic substances or materials, except in compliance with all applicable federal, state and local laws, regulations, ordinances and orders, and has not caused or permitted and has no knowledge of any discharge, release, storage, or disposal of any oil, hazardous or toxic substances or materials, on, in or under the Premises in violation of any such laws, etc; (ii) Landlord is in compliance with all federal, state and local requirements relating to protection of health or the environment in connection with its ownership or use of the Premises; (iii) there is no action, suit, lien or other proceeding brought by or threatened by any governmental agency against Landlord or the Premises to enforce any law, regulation, ordinance or order relating to protection of health or the environment or any lien, litigation or other proceeding brought or threatened against the Landlord or the Premises, or any settlements reached by any person(s) or group(s) alleging the presence, disposal, release, or threatened release of any oil, hazardous or toxic substance or material, or on arising from any activity conducted on the Premises; (iv) there are no underground tanks located on or under the Premises; and (v) there are no PCBs or PCB contaminated material or asbestos contained in or otherwise present on, in or under the Premises.

(b) Tenant shall not (either with or without negligence) cause or permit the illegal escape, disposal or release of any biologically or chemically active or other hazardous substances or materials. Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by law or by the highest reasonable standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought onto the Property and into the Building and such materials or substances except to use in the ordinary course of Tenant's business, and then only after written notice is given to Landlord of the identity of such substances or materials, except that no such notice need be given with respect to

ordinary cleaning fluids and other materials ordinarily used incident to routine business office purposes. If and to the extent that, in such notice, Tenant advises Landlord that the information contained therein constitutes Tenant's trade secrets, Landlord shall keep such information confidential; provided, however, the foregoing confidentiality provisions shall not prevent or restrict Landlord from disclosing such information to Landlord's environmental consultants, Landlord's existing or prospective mortgagee(s), or to any governmental authority having jurisdiction with respect to environmental matters, or as may be otherwise required by any applicable law, rule or regulation. Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C., Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C., Section 6901 et seq., any applicable state or local laws and the regulations adopted under these acts. If any governmental agency shall ever require testing to ascertain whether or not there has been any release or that there exists the threat of any release of hazardous materials as a result of the act or omission of Tenant (or anyone claiming by, through or under Tenant), its (or their) agents, employees or

contractors, then the reasonable costs thereof shall be paid by Tenant. In addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's reasonable request concerning Tenant's best knowledge and belief regarding the presence of hazardous substances or materials on the Premises. In all events, Tenant shall indemnify Landlord in the manner elsewhere provided in this Lease from any release of hazardous materials on the Premises occurring while Tenant is in possession, or elsewhere if caused by Tenant or persons acting under Tenant. The within covenants shall survive the expiration or earlier termination of the lease term.

41. SIGNS.

(a) Subject to Landlord's prior approval, not to be unreasonably withheld or delayed, Tenant may place (i) Tenant-identification signs on the entrance doors to the Premises, and (ii) a Tenant-identification sign on the existing small brick wall located by the driveway entry to the Property. The Tenant's name, and the name of each division, subsidiary or affiliate thereof occupying space in the Building, shall be affixed to a directory board in the Building to be provided by the Landlord at the Landlord's expense.

(b) If Tenant shall occupy the entire second (2nd) floor of the Building, or otherwise occupy fifty percent (50%) of the Building Rentable Area, Tenant shall be permitted either to place a Tenant-identification sign on the exterior of the Building or to construct a free-standing Tenant-identification sign on the Property, provided that Tenant shall obtain and maintain in full force and effect all governmental approvals, licenses, permits and the like required with respect to the installation and/or maintenance of such sign. Provided further, however, Landlord shall have the right to pre-approve the location, size and other design features of any such sign to be installed by Tenant pursuant to this paragraph (b).

(c) At the expiration or earlier termination of the Term of this Lease, Tenant shall, at its sole cost and expense, remove any signs installed by Tenant in or upon the Premises, the Building and/or the Property, and repair any damage thereto caused by the installation, presence and/or removal of such sign(s).

30

42. NOTICE OF LEASE. The parties hereto shall in the form attached hereto as Exhibit 9 execute a notice of this Lease (including any options or extensions thereof) for recording purposes. The Tenant shall pay all costs of recording.

43. CHANGE OF NAME. If at any time after the execution of this Lease the Landlord desire to change the existing name of the Building or the exterior signs now affixed to the Building or the Property, the Landlord shall notify the Tenant at least sixty (60) days prior to the date of such a change. If the proposed new name or sign identifies, or in the Tenant's reasonable judgment may be associated with, a competitor of the Tenant, the Tenant may require Landlord to refrain from changing the existing name of the Building or the affixation to the Building or the Property of a new sign.

44. MISCELLANEOUS PROVISIONS. The Section and paragraph headings throughout this instrument, and the Table of Contents, are for convenience and reference only, and shall not be used to construe this Lease; the provisions of this Lease shall be construed against both parties in accordance with the language hereof and no prior statements, representations or agreements not expressly incorporated herein shall be given effect for this purpose; no remedy or election given by any provision in this Lease shall be deemed exclusive unless so indicated, but each shall, wherever possible, be cumulative in addition to all other remedies in law or equity which either party may have arising out of the default of the other party and failure to cure such default within the applicable grace period; each provision hereof shall be deemed both a covenant and a condition running with the land; failure of either party to cure a default of the other under this Lease shall not render such non-defaulting

party in any way liable therefor, or relieve the defaulting party from any of its obligations hereunder; the acceptance of possession of the Premises by the Tenant shall not be deemed a waiver of any of the obligations under this Lease to be performed by the Landlord; the Landlord hereby covenants that the Tenant may deal with any person, firm or corporation for services, supplies, materials, labor, equipment, transportation, tools, machinery and any other similar or dissimilar services or items in connection with the use and occupation of the Premises and any work performed therein, subject to express right of Landlord, under other provisions of this Lease, to review and approve the selection of any of the foregoing.

45. BINDING AGREEMENT. This Lease shall bind and inure to the benefit of the parties hereto and their respective executors, distributees, heirs, representatives, successors and assigns.

46. ENTIRE AGREEMENT. This Lease contains the entire agreement of the parties and may not be modified except by an instrument in writing which is signed by both parties. No prior statements, representations or agreements not expressly incorporated therein or herein shall be given effect for this purpose.

31

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed, under seal, by persons hereunto duly authorized, in multiple copies, each to be considered an original hereof, as of the Execution Date state in Exhibit 1.

LANDLORD:

125 HARTWELL TRUST

TENANT:

FUJI IMMUNOPHARMACEUTICALS  
CORP.

By: /S/ MICHAEL L. COLANGELO

-----  
Michael L. Colangelo,  
As Trustee and Not Individually

By: /S/ STEPHEN D. GILLIES

-----  
Stephen D. Gillies,  
President  
Hereunto Duly Authorized

32

EXHIBIT 1, SHEET 1

125 Hartwell Avenue  
Lexington, Massachusetts  
(the "Building")

BASIC PROVISIONS  
AND  
LEASE REFERENCE DATA

Execution Date: October 26, 1992

TENANT  
and Original  
Address: Fuji ImmunoPharmaceuticals Corp.  
a Delaware corporation  
(description of business organization  
400 Brookline Avenue, Suite 8F  
Boston, Massachusetts 02115  
(principal place of business-original address)

LANDLORD  
and Original  
Address: 125 Hartwell Trust, under a declaration of trust dated  
February 20, 1980 and filed with the Middlesex South  
Registry District of the Land Court as Document No. 600788,

as amended. Mailing Address-- c/o Lexington Management Incorporated, 62 Massachusetts Avenue, Lexington, MA 02173, Attention: President

BUILDING: The building in the town of Lexington, Middlesex County, Massachusetts, known as and numbered 125 Hartwell Avenue, and shown as Lot 2 on Land Court Plan No. 23467C, a copy of which is filed in the Registry of Deeds for the South Registry District of Middlesex County in Registration Book 852, Page 189, with Certificate of Title No. 144539.

PROPERTY: The Building and the Land Parcel on which it is located (including adjacent sidewalks and parking areas).

EXHIBIT 1, SHEET 2

125 Hartwell Avenue  
Lexington, Massachusetts  
(the "Building")

BASIC PROVISIONS  
AND  
LEASE REFERENCE DATA

ESTIMATED RENT  
COMMENCEMENT  
DATE: February 1, 1993

TERM: The period commencing (the "Commencement Date") on the Rent Commencement Date and expiring on the date immediately preceding the fifth (5th) anniversary of the Rent Commencement Date, provided that if the Rent Commencement Date occurs on any day other than the first day of a calendar month, the expiration date ("Termination Date") shall be the last day of the calendar month in which the fifth (5th) anniversary of the Rent Commencement Date shall fall, subject to the terms and conditions hereof, including options to extend.

PREMISES  
DESCRIPTION AND  
AREA: 10,980 (+/-50) square feet of Premises Rentable Area in the Building, substantially as shown on Exhibit 3. The Premises are subject to expansion as provided in Article 38 below.

BUILDING  
RENTABLE AREA: 38,400 square feet.

BASIC RENT: \$104,310.00 per year (\$8,692.50 per month).

SECURITY DEPOSIT: N/A

PERMITTED USES: To be used and occupied by the Tenant for office, research and development; engineering, education and training of the Tenant's customers and employees; light assembly and manufacturing; processing, packaging, marketing, sales and all other uses or activities incidental or related thereto.

EXHIBIT 1, SHEET 3

125 Hartwell Avenue  
Lexington, Massachusetts  
(the "Building")

BASIC PROVISIONS



AND  
LEASE REFERENCE DATA

TENANT'S  
PROPORTIONATE  
SHARE: 10,980 S/F divided by 38,400 S/F or 28.59%

BUILDING EXPENSE  
BASE: \$172,800.00

BROKER: Ian Grant, Spaulding & Slye Colliers  
High Street Tower  
125 High Street  
16th Floor  
Boston, MA 02110

LANDLORD'S  
AGENT: Lexington Management Incorporated  
62 Massachusetts Avenue, Lexington, MA 02173

TENANT'S  
CONSTRUCTION  
REPRESENTATIVE: H. Randolph Lewis  
Olson Lewis  
17 Elm Street  
Manchester, MA 01944

TENANT'S  
CONTRACTOR: Kaplan Corporation, Contractors and Builders  
116 Harvard Street  
Brookline, MA 02146

LANDLORD:

TENANT:

125 HARTWELL TRUST

FUJI IMMUNOPHARMACEUTICALS  
CORP.

By: /S/ MICHAEL L. COLANGELO

By: /S/ STEPHEN D. GILLIES

-----  
Michael L. Colangelo, As Trustee  
and Not Individually

-----  
Dr. Stephen D. Gillies,  
President

35

EXHIBIT 2

125 HARTWELL AVENUE

LEXINGTON, MASSACHUSETTS

BUILDING EXPENSE BASE

BUILDING SIZE - 38,400 RSF

	ESTIMATED COST	PSF
	-----	-----
1. Property Taxes	\$ 75,000	\$ 1.96
2. Boston Gas (Heat & Hot Water)	\$ 7,890	.21
3. Electricity (House Panel)	\$ 3,800	.10
4. Ground Maintenance	\$ 8,210	.21
5. HVAC Maintenance	\$ 6,750	.18
6. Janitorial & Trash Removal	\$ 38,500	\$ 1.00
7. Insurance	\$ 6,080	.16
8. Maintenance & Repairs	\$ 4,068	.10

9.	Sewer & Water	\$ 3,072	.08
10.	Property Management	\$ 19,200	.50
		-----	-----
TOTAL BUILDING (TAX & OPERATING) EXPENSES		\$ 172,800	\$ 4.50

### EXHIBIT 3

### FLOOR PLANS

### EXHIBIT 4

#### ITEMS OF TENANT'S WORK TO BE PAID FROM THE PROCEEDS OF LANDLORD'S CONTRIBUTION

The following items shall be performed, purchased and/or installed, as the case may be, in the Premises by Tenant and paid for utilizing Landlord's Contribution, all as set forth in Section 6(e) of the Lease:

1. new carpet or vinyl composition tile, as Tenant may elect, throughout the Premises;
2. repaint all existing walls;
3. replace broken or damaged acoustical ceiling tiles; and
4. repair or adjust, as appropriate, the existing Building mechanical systems, consistent with Tenant's requirements contained in Tenant's Plans.

### EXHIBIT 5

#### 125 HARTWELL AVENUE LEXINGTON, MASSACHUSETTS FACT SHEET

#### A. GENERAL

- |    |                 |   |
|----|-----------------|---|
| 1. | Site            | 4.1 Acres, . 5 Acres<br>Conservation Land                                     |
| 2. | Building Area   | 38,400 rentable square feet/2<br>floors                                       |
| 3. | Parking         | 140 spaces or 3.8:1 ratio<br>including 11 visitor spaces and<br>4 handicapped |
| 4. | Developer Owner | 125 Hartwell Trust  |
| 5. | Management      | Lexington Management<br>Incorporated  |

#### B. CONSTRUCTION MATERIALS INFORMATION

- |    |                        |  |
|----|------------------------|--|
| 1. | Floor Loading Capacity | Floor 1 - Slab on grade-150 psf<br>Floor 2 - 50 psf - Partitions |
| 2. | Glass                  | PPG 1" Solar Cool reflective                                     |

insulated glass set in individual black anodized frames.

3. Brick

Glen Gery "Dark Ironspot" 4" X 8" utility.

4. Roof

Carlisle .060 EPDM elastomeric sheet roofing fully adhered non-ballasted to 2" ISG insulation.

5. HVAC System

Heat is provided through perimeter baseboard radiation supplied by a gas fired forced hot water boiler. Ventilation and cooling is supplied by two 45 ton roof top variable air volume units with economizer cycles. The air distribution system is medium pressure through overhead insulated duct work with variable air.

-Exhibit 5-1-

6. Sprinklers

A light service (office/R&D) wet sprinkler system is provided throughout.

7. Electrical Service

1200 AMP 480/277 Volt - 3 phase 4 wire.

8. Lobby

Features atrium with natural plant boxes and bench seating, brick paver flooring, and brick walls.

9. Service Core

Stairs, rest rooms, showers, freight elevator, boiler and maintenance rooms are located in the central service core.

10. Loading

One truck height loading dock at rear of building.

11. Drinking Fountain

One handicapped accessible drinking fountain per floor.

C. STANDARDS FOR MATERIALS FOR  
NEW TENANT FIT-UP (to be provided by Tenant)

1. Lighting

Columbia "Parabolume" low brightness 2X4 fixtures with energy saving ballasts.

2. Doors

Interior doors will be solid core birch paint grade wood paneled in welded metal door frames. Size - 3' X 7'0".

3. Hardware

Entrance Door: Sargent lever handled mortise handset.

Interior Doors: Sargent 7 line lever handled, latchsets or equivalent. Hinges: Stanley 4 Knuckle Butts, 1 1/2 pair per frame. Finish: Brushed Chrome.

4. Ceiling

Exposed 'T' 24" X 48" X 5/8" thick lay in acoustical panel system. Armstrong "Shasta". Ceiling heights to be finished at 8'6". Volume units to control space temperature.

5. Flooring

Philadelphia "Evolution" 32 oz. Commercial continuous filament nylon carpet, or Armstrong

-Exhibit 5-2-

"Excellon" vinyl composition tile.

6. Paint

Benjamin Moore latex "eggshell" wall paint. Benjamin Moore "semi gloss" oil paint on all doors and frames.

7. Sun Control

1" Levelor Horizontal Blinds at all Exterior Glass.

-Exhibit 5-3-

EXHIBIT 6

RULES AND REGULATIONS

Tenant shall comply with the following Rules and Regulations and with such other reasonable Rules and Regulations as Landlord may promulgate for the Building and the Park:

(1) The sidewalks, entrances, driveways, stairways and halls shall not be obstructed or encumbered by any tenant or used for any purpose other than for ingress to and egress from the leased Premises and for delivery of merchandise and equipment in a prompt and efficient manner using loading docks and passageways designated for such delivery by Landlord. There shall not be used in any space, either by any tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and sideguards.

(2) The water and wash closets and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed and no sweepings, rubbish, rags, or acids or other substances shall be deposited therein, and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose agents, employees or visitors, shall have caused it.

(3) No carpet, rug or other article shall be hung or shaken out of any window of the Building; and no tenant shall sweep or throw or permit to be swept or thrown from the leased Premises any dirt or other substances out of the doors or windows or stairways of the Building and no tenant shall use,

keep or permit to be used or kept any foul or noxious gas or substance in its leased Premises or permit or suffer its leased Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be kept in or about the Building, except that Tenant may keep animals or birds, etc. on the Premises necessary for the conduct of its business therein, subject to the conditions set forth in clause (i) of the last sentence of Section 24 of the Lease to which these Rules and Regulations are attached.

(4) No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of the Landlord.

(5) No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any tenant on any part of the outside of the lease Premises or the Building or the inside of the leased Premises if the same is visible from the outside of the leased Premises without prior written consent of the Landlord. In the event of the violation of the foregoing by

-Exhibit 6-1-

any tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to the tenant(s) violating this rule.

(6) No tenant shall mark, paint, drill into, or in any way deface any part of the leased Premises or the Building of which they form a part. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. No tenant shall lay linoleum, or other similar floor covering, so that the same shall come in direct contact with the floor of the leased Premises, and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

(7) No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall any changes be made in existing locks or mechanism thereof. Each tenant must, upon the termination of its tenancy, restore to Landlord all keys of stores, offices and electrical rooms, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys so furnished, such tenant shall pay to Landlord the cost thereof.

(8) Freight, furniture, business equipment, merchandise and bulky matter of any description shall be delivered to and removed from the leased Premises only on loading dock(s) in the rear of the leased Premises.

(9) Canvassing, soliciting and peddling in the Building and the Park is prohibited and each tenant shall cooperate to prevent the same.

(10) Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a Building for offices, research and development and light assembly, and upon written notice from Landlord, such tenant shall refrain from or discontinue such advertising.

(11) No tenant shall bring or permit to be brought or kept in or on the leased Premises, any inflammable, combustible or explosive fluid, material, chemical or substance, without the prior written consent of Landlord, which consent will not be unreasonably withheld or delayed (except that chemicals, combustible or otherwise, shall be permitted on the Premises, without Landlord's consent, as necessary for the conduct of Tenant's business therein, subject to the provisions of Section 40(b) of the Lease to which these Rules and Regulations are attached), or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the leased Premises.

EXHIBIT 7

CLEANING SPECIFICATIONS

1. CLEANING: Cleaning and janitor services as provided below:

A: OFFICE AREAS.

Daily (Monday through Friday, inclusive, holiday excepted):

1. Empty and clean all waste receptacles and ash trays and remove waste material from the Premises; wash receptacles as necessary.
2. Sweep and dust mop all uncarpeted areas using a dust treated mop.
3. Vacuum all rugs and carpeted areas.
4. Hand dust and wipe clean with treated cloths all horizontal surfaces, including furniture, office equipment, window sills, chair rails, convactor tops, door ledges, base boards, and grill work, within normal reach.
5. Wash clean all water fountains and adjacent floor areas.
6. Upon completion of cleaning, all lights will be turned off and all doors locked, leaving the Premises in an orderly condition.

Weekly:

1. Brush and hand dust all carpet edges or other areas non-accessible to vacuum attachments.
2. Remove all finger marks from private entrance doors, light switches and doorways.
3. Dust all ventilating, air conditioning, louvers and grills.

Every Month or When Needed:

1. All resilient tile floors to be washed or cleaned with dry system cleaner.

Quarterly:

1. Dusting of accessible surfaces not reached by daily cleaning.
2. Move and vacuum clean underneath all furniture that can reasonably be moved.

3. Clean inside of all windows as needed. Clean outside of all windows weather permitting.

B. LAVATORIES.

Daily (Monday through Friday, inclusive, holiday excepted):

1. Sweep and wash floors.
2. Wash and polish all mirrors, powder shelves, bright work, flushometers, piping and toilet seat hinges.
3. Wash both sides of all toilet seats.
4. Wash all basins, bowls and urinals.

5. Dust all partitions, tile walls, dispensers and receptacles.
6. Dust and clean all powder room fixtures.
7. Empty and clean paper towel and sanitary disposal receptacles.
8. Remove waste paper and refuse from the Premises.
9. Refill tissue holders, soap dispensers, towel dispenser, sanitary dispensers, materials to be furnished by Lessor.

Monthly:

1. Machine scrub lavatory floors.
2. Wash all partitions and tile walls in lavatories.

C. MAIN LOBBIES, ELEVATORS, STAIR WELLS AND COMMON CORRIDORS

Daily (Monday through Friday, inclusive, holidays excepted):

1. Sweep and wash all floors, empty and clean waste receptacles, dispose of waste.
2. Wash all rubber mats.
3. Clean elevators, wash or vacuum floors, wipe down walls and doors.
4. Clean any metal work inside lobbies.
5. Clean any metal work surrounding Building entrance doors.
6. Clean glass in the common areas, including interior of elevator cabs and entrance vestibules, but excluding glass in atriums.

-Exhibit 7-2-

Monthly:

1. All resilient tile floors in public areas to be washed and waxed or cleaned with dry system cleaner.

-Exhibit 7-3-

EXHIBIT 8

[ILLEGIBLE] ORD. CERTIFICATE OF INSURANCE	ISSUE DATE (MM/DD/YY) 10/14/92
-----	
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
-----	
[ILLEGIBLE] E A STEVENS CO INC [ILLEGIBLE] 389 MAIN ST BOX 188 [ILLEGIBLE] MALDEN MA 02148-5076	COMPANIES AFFORDING COVERAGE
-----	-----
COMPANY A LETTER	CONTINENTAL INS COS
-----	-----
COMPANY B LETTER	
-----	-----
[ILLEGIBLE] LEXINGTON MANAGEMENT [ILLEGIBLE] 62 MASSACHUSETTS AV [ILLEGIBLE] LEXINGTON MA 02173	COMPANY C CONTINENTAL INS COS
-----	-----
	COMPANY D LETTER
-----	-----
	COMPANY E CONTINENTAL INS COS
-----	-----
[ILLEGIBLE]	

[ILLEGIBLE] IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD [ILLEGIBLE] DATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, [ILLEGIBLE] AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
[ILLEGIBLE] LIABILITY	0610096893	7/15/92	7/15/93	GENERAL AGGREGATE \$ 2,000,000
[ILLEGIBLE] COMMERCIAL GENERAL LIABILITY				PRODUCTS COMP/OF AGG. \$ 2,000,000
[ILLEGIBLE] / / CLAIMS MADE /X/ OCCUR.				PERSONAL & ADV. INJURY \$ 1,000,000
[ILLEGIBLE] OWNER'S & CONTRACTOR'S [ILLEGIBLE]				EACH OCCURENCE \$ 1,000,000
				FIRE DAMAGE (Any one [ILLEGIBLE]) \$ 50,000
				MED. EXPENSE (Any [ILLEGIBLE]) \$ 5,000
[ILLEGIBLE] LIABILITY				COMBINED SINGLE \$
[ILLEGIBLE] AUTO				LIMIT
[ILLEGIBLE] ALL OWNED AUTOS				BODILY INJURY \$
[ILLEGIBLE] SCHEDULED AUTOS				((ILLEGIBLE))
[ILLEGIBLE] HIRED AUTOS				BODILY INJURY \$
[ILLEGIBLE] NON-OWNED AUTOS				PER ACCIDENT
[ILLEGIBLE] GARAGE LIABILITY				PROPERTY DAMAGE \$
[ILLEGIBLE] LIABILITY	0610096893	7/15/92	7/15/93	EACH OCCURRENCE \$ 2,000,000
UMBRELLA FORM				AGGREGATE \$ 2,000,000
[ILLEGIBLE] OTHER THAN UMBRELLA FORM				[ILLEGIBLE]
[ILLEGIBLE] WORKER'S COMPENSATION				STATUTORY LIMITS
AND				EACH ACCIDENT \$
[ILLEGIBLE] EMPLOYERS' LIABILITY				DISEASE--POLICY LIMIT \$
				DISEASE--EACH EMPLOYEE \$
	0610096893	7/15/92	7/15/93	
[ILLEGIBLE] PROPERTY				
[ILLEGIBLE] OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS				
[ILLEGIBLE] 125 HARTWELL AVE LEXINGTON MA BLANKET BLDG LIMIT @ \$13391000 DED \$1000 [ILLEGIBLE] REPLACEMENT COST COVERAGE AGREED AMOUNT CLAUSE LOSS OF RENT COVERAGE @ [ILLEGIBLE] 000 BLDG LIMIT FOR LOCATION @ \$2671000				
[ILLEGIBLE] HOLDER	CANCELLATION			
[ILLEGIBLE] FUJI - IMMUNO - PHARMACEUTICAL [ILLEGIBLE] 125 HARTWELL AVE [ILLEGIBLE] LEXINGTON MA01940	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.			
	AUTHORIZED [ILLEGIBLE] /s/ [ILLEGIBLE]			

#### EXHIBIT 9

#### NOTICE OF LEASE

In accordance with Massachusetts General Laws  
Chapter 185, Section 71

Date of Execution: October 23, 1992

Description of  
Premises Leased: 10, 980 (+/- 50) square feet of Premises in the  
building in the Town of Lexington, Middlesex County,  
Massachusetts, known as and numbered 125 Hartwell  
Avenue. Said building is located on land shown as Lot  
2 on Land Court Plan No. 23467C, a copy of which is  
filed in the Registry of Deeds for the South Registry  
District of Middlesex County in Registration Book



Term:

The period commencing on the Rent Commencement Date (as defined in the Lease) and expiring on the date immediately preceding the fifth (5th) anniversary of the Rent Commencement Date, provided that if the Rent Commencement Date occurs on any day other than the first day of a calendar month, the expiration date ("Termination Date") shall be the last day of the calendar month in which the fifth (5th) anniversary of the Rent Commencement Date shall fall, subject to rights of extension as described herein.

Estimated Rent Commencement Date is February 1, 1993.

Rights of Extension and  
Expansion:

Two consecutive five (5) year options to extend the Lease term. Rights of first refusal to lease additional promises on the 2nd floor of the Building after the initial leasing thereof.

This Notice of Lease has been executed for recording purposes only, and shall not be deemed to amend or supplement the Lease. In the event of any conflict between the provisions of this Notice of Lease and the provisions of the Lease, the provisions of the Lease shall control.

-Exhibit 9-1-

Signed, sealed and delivered this 23rd day of October, 1992.

LESSOR

125 HARTWELL TRUST\*

By:

-----  
Michael L. Colangelo, as Trustee  
of 125 Hartwell Trust and not  
individually

LESSEE

FUJI IMMUNOPHARMACEUTICALS CORP.

By:

-----  
Stephen D. Gillies, President

\*125 Hartwell Trust, under a declaration of trust dated February 20, 1980 and filed with the Middlesex South Registry District of the Land Court as Document No. 600788, as amended; Mailing Address - c/o, Lexington Management Incorporated, 62 Massachusetts Avenue, Lexington, MA 02173, Attention: President.

COMMONWEALTH OF MASSACHUSETTS

\_\_\_\_\_, SS.

October \_\_\_\_, 1992

Then personally appeared before me the above-named Michael L. Colangelo, Trustee of the 125 Hartwell Trust and acknowledged the foregoing to be his free act and deed as Trustee, as of the date first above written.

-----

(Seal) Notary Public  
My Commission Expires:

-Exhibit 9-2-

COMMONWEALTH OF MASSACHUSETTS

\_\_\_\_\_, SS.

October \_\_\_, 1992

Then personally appeared before me the above-named Stephen D. Gillies, President of Fuji ImmunoPharmaceuticals Corp., and acknowledged the foregoing to be his free act and deed and the duly authorized free act and deed of Fuji ImmunoPharmaceuticals Corp., as of the date first above written.

(Seal) -----  
Notary Public  
My Commission Expires:

-Exhibit 9-3-

EXHIBIT 10

FLOOR PLAN

125 Hartwell Avenue

Lexington, Massachusetts  
(the "Building")

FIRST AMENDMENT  
As of January 31, 1993

LANDLORD: 125 Hartwell Trust

TENANT: Fuji ImmunoPharmaceuticals Corp.

EXISTING PREMISES: An area containing 1.0,980 (+/-50) square feet of Premises Rentable Area located on the second (2nd) floor of the Building, substantially as shown on Exhibit 3 to the Lease.

ORIGINAL LEASE EXECUTION DATE: October 26, 1992

LEASE

DATA: PREVIOUS LEASE None  
AMENDMENTS:

ADDITIONALPREMISES: An area containing 8,830 square feet of Premises Rentable Area located on the second (2nd) floor of the Building, substantially as shown as the "RFO Premises" on Exhibit 3 to the Lease.

WHEREAS, Tenant desires to lease additional premises in the Building, to wit, the Additional Premises; and

WHEREAS, Landlord is willing to lease the Additional Premises to Tenant on the terms and conditions hereinafter set forth.

NOW THEREFORE, the above-described lease (the "Lease") is hereby amended as follows:

1. MATTERS PERTAINING TO THE EXISTING PREMISES.

Landlord and Tenant wish to confirm certain understandings with respect to the Existing Premises.

Accordingly, Landlord and Tenant hereby acknowledge and agree that:

A. The Commencement Pate in respect of the Existing Premises shall be February 1, 1993.

B. The Rent Commencement Date in respect of the Existing Premises shall be February 1, 1993.

C. The Termination Date in respect of the Existing Premises shall be January 31, 1998, subject to the options to extend set forth in Section 36 of the Lease.

D. The Basic Rent in respect of the Existing Premises shall be increased to \$115,290.00 per year (i.e., \$9,607.50 per month).

E. Section 6(g) of the Lease is hereby deleted in its entirety.

F. The following clause (10) is hereby added to Section 12(a) of the Lease before the last sentence thereof:

(10) Air conditioning in accordance with seasonal requirements on Mondays' through Fridays (except legal holidays) from 8:00 am. to 6:00 p.m. and at such additional times as may be requested by Tenant from time to time upon reasonable advance notice to Landlord. Landlord's cost of supplying such additional service shall be paid by Tenant or alternatively shall be shared proportionately between Tenant and other tenants, if any who request such service. Any such costs for additional air conditioning services whether requested by Tenant or other tenants in the Building shall not be included in Operating Costs but calculated as a separate charge to Tenant, and/or other tenants, by Landlord.

G. The first sentence of section 12(b) of the Lease is hereby deleted and replaced by the following:

Tenant shall contract directly with the electric utility supplier to furnish electric current to the Premises through the existing utility facilities serving the Building for lighting, outlets and equipment installed by Tenant.

H. Section 12(c) of the Lease is hereby deleted in its entirety.

I. The parenthetical at the end of clause (a) of Section 14(a) (ii) of the Lease is hereby deleted in its entirety.

J. The Building Expense Base in respect of the Existing premises shall be increased to \$211,200.00. In furtherance thereof:

(i) Exhibit 2 to the Lease is hereby deleted and replaced by Exhibit 2 attached hereto and made a part hereof; and

(ii) The figures "\$198,720.00" and "\$228,528.00" as they appear in Section 14(a) (v) of the Lease are hereby deleted and the figures

"\$242,880.00" and "\$279,312.00", respectively, are inserted, in place thereof.

2

K. Tenant has installed supplemental roof-top HVAC units to provide additional heat and air conditioning to the Existing Premises. Such units have been separately metered by Tenant for gas and electricity. Tenant shall pay all charges as reflected on such meters directly to the applicable utility suppliers. Tenant shall maintain and keep such meters in good condition and repair throughout the Term of the Lease. Landlord and Tenant further acknowledge and agree that any supplemental roof-top HVAC units which Tenant intends to install to provide additional heat and air conditioning to the Additional Premises (which installation shall be subject to the terms and conditions of the Lease, as hereby amended) shall be connected by Tenant to the meters measuring the consumption of gas and electricity with respect to the roof-top HVAC units serving the Existing Premises, and Tenant shall pay all charges as reflected on such meters directly to the applicable utility suppliers, as aforesaid.

L. Section 18(b) of the Lease is hereby deleted in its entirety.

## 2. DEMISE OF ADDITIONAL PREMISES

Landlord hereby demises and leases to Tenant, and Tenant hereby hires and takes from Landlord, the Additional Premises. Said demise of the Additional Premises shall be upon all of the same terms and conditions of the Lease (as hereby amended) applicable to the Existing Premises (including, without limitation, the Commencement Date of February 1, 1993, the Rent Commencement Date of February 1, 1993, the Termination Date of January 11, 1998 (which shall be subject to the options to extend set forth in Section 36 of the Lease), and the Building Expense Base of \$211,200.00), except as follows:

A. The Basic Rent payable in respect of the Additional Premises shall be as follows:

(i) For the period commencing on the Rent Commencement Date (i.e., February 1, 1993) and ending on January 31, 1994, an amount (the "Base Additional Premises Rental Amount") equal to \$39,735.00 per year (i.e., \$3,311.25 per month). Notwithstanding anything to the contrary herein contained, if Tenant shall occupy any portion of the Additional Premises for the conduct of its business prior to February 1, 1994, then the Base Additional Premises Rental Amount for the period from the date that Tenant first occupies such portion of the Additional Premises for the conduct of its business through January 31, 1994 shall be increased by the product of (I) Seven Dollars (\$7.00) per square foot of Premises Rentable Area per year, multiplied by (II) the number of square feet of Premises Rentable Area of such portion of the Additional Premises occupied by Tenant for the conduct of its business (e.g., if Tenant occupies 4,415 square feet of Premises Rentable Area of the Additional Premises on August 1, 1993, then the Base Additional Premises Rental Amount as of August 1, 1993 shall be increased from \$39,735.00 per year to \$70,640.00 per year); and

(ii) For the period commencing on February 1, 1994 and ending on the Termination Date (i.e., January 31, 1998), \$101,545.00 per year (i.e., \$8,462.08 per month).

Accordingly, the Basic Rent payable in respect of all premises demised by Tenant under the Lease (i.e., the Existing Premises and the Additional Premises) shall be as follows:

3

(x) For the period commencing on the Rent Commencement Date and ending on January 31, 1994, an annual amount equal to the sum of (A) \$115,290.00, plus (B) the Base Additional Premises Rental Amount (as and to the extent the same may be increased in accordance with clause (i)

above); and

(y) For the period commencing on February 1, 1994 and ending on the Termination Date, \$216,835.00 per year (i.e., \$18,069.58 per month).

B Tenant's Proportionate Share in respect of the Additional Premises shall be 8,830 S/F divided-by 36,400 S/F, or 23.00%. Accordingly, Tenant's Proportionate Share in respect of all premises demised by Tenant under the Lease (i.e., the Existing Premises and the Additional Premises) shall be 51.59%.

C. In accordance with section 2 of the Lease, Tenant shall, by reason of the demise of the Additional Premises, be entitled to an additional thirty-four (34) parking spaces in the paved parking area located adjacent to the Building as shown on Exhibit 3 to the Lease, the use of which spaces shall be subject to the same terms and conditions of the Lease applicable to the original forty-one (41) spaces provided to Tenant incident to its lease of the Existing Premises. Accordingly, the total number of parking spaces which Landlord shall provide and maintain for the use of Tenant's employees and invitees pursuant to Section 2 of the Lease shall be seventy-five (75).

D. Section 6 of the Lease shall not apply to the Additional Premises, except to the extent otherwise provided in Paragraph 3 of this First Amendment.

E. Any other provisions of the Lease inconsistent with this First Amendment or the state of facts contemplated hereby.

### 3. CONDITION OF ADDITIONAL PREMISES

A. Tenant hereby accepts the Additional Premises in their "as-is" condition (i.e., in the condition which they are in as of the Commencement Date in respect of the Additional Premises) without any obligation on the part of Landlord to prepare or construct the Additional Premises for Tenant's occupancy. Tenant shall, at Tenant's sole cost and expense, subject to the provisions of subparagraph C below, prepare the Additional Premises for Tenant's occupancy (except as described in subparagraph D below). Tenant shall use all reasonable diligence to perform its work ("Tenant's Additional Premises Work") in the Additional Premises in a timely manner.

B. Tenant's Additional Premises Work shall be performed by Tenant subject to, in accordance with and upon the same terms and conditions of sections 6(b), (c), (d) and (h) of the Lease applicable to the performance of Tenant's Work in the Existing Premises, except as follows:

(i) The last sentence of Section 6(b) of the Lease shall have no force or effect upon, nor applicability to, the Additional Premises or Tenant's Additional Premises Work. Tenant shall have the right, subject to the terms and conditions of Sections 6(b), (c), (d)

and (h) and the other relevant provisions of the Lease (as hereby amended), to install supplemental roof-top HVAC units to provide additional heat and air conditioning to the Additional Premises.

(ii) Tenant's termination right set forth in Section 6(c) of the Lease, as it relates to Tenant's Additional Premises Work, shall apply only to the Additional Premises and not the Existing Premises (i.e., in the event that such right of termination arises in connection with the performance of Tenant's Additional Premises Work, Tenant shall have the right to terminate the Term of the Lease only in respect of the Additional Premises)

(iii) Tenant's general contractor and all so-called "major trade" subcontractors (which shall include, but not be limited to, electrical, HVAC, plumbing, drywall and acoustical ceiling subcontractors) and such other

contractors as Tenant intends to engage in connection with the performance of Tenant's Additional Premises Work shall be subject to Landlord's prior consent, which consent shall not be unreasonably withheld or delayed For purposes hereof, the term "Tenant's Contractor" as used in sections 6(d) and (h) of the Lease shall mean the general contractor (to be approved by Landlord, as aforesaid) which Tenant shall engage in connection with the performance of Tenant's Additional Premises Work.

(iv) Tenant hereby acknowledges that, unlike the situation with respect to the performance of Tenant's Work for the Existing Premises, the portion of the first (1st) floor of the Building over which the Additional Premises are located is, and during the construction of Tenant's Additional Premises Work will be, occupied by another tenant (the "First Floor Tenant"). Accordingly, and without limiting anything contained in Section 6(d) of the Lease, Tenant agrees to perform Tenant's Additional Premises Work, and to cause its contractors to perform Tenant's Additional Premises Work, in a manner which will not materially interfere with the use and occupancy of such portion of the first (1st) floor of the Building by the First Floor Tenant. If any portion of Tenant's Additional Premises Work will, in Landlord's reasonable judgment, materially interfere with the business operations of the First Floor Tenant (such as, but not limited to, penetrations into the floor of the Additional Premises), Landlord shall have the right to require such portion of Tenant's Additional Premises Work to be performed during non-business hours. To assist Landlord in determining whether any portion of Tenant's Additional Premises Work will materially interfere with the business operations of the First Floor Tenant, Tenant shall provide Landlord with a reasonably detailed construction schedule setting forth the date(s) and times on and during which it is anticipated that each portion of Tenant's Additional Premises Work will be performed. Such construction schedule shall be given to Landlord prior to the commencement of Tenant's Additional Premises Work, and Tenant shall promptly advise Landlord of any change in or deviation from such schedule and submit to Landlord a revised construction schedule reflecting any such change or deviation. Tenant agrees that the second and third sentences of Section 11 of the Lease shall, without limitation, apply to any damage to the premises or the property of the First Floor Tenant caused by or attributable to the performance of Tenant's Additional Premises Work, and that the provisions of clause (ii) of the first sentence of Section 16(a) of the Lease, as well as the provisions of the last sentence of Section 16(a) of the Lease, shall, without limitation, apply to any liability to the First Floor Tenant with respect thereto.

5

C. Landlord shall contribute an amount up to \$44,150.00 ("Landlord's Additional Praises Contribution") expressly for the purchase and installation of the items of work set forth in Exhibit 4 to the Lease, which Tenant shall purchase and install as part of Tenant's Additional Premises Work. An such items set forth in said Exhibit 4 shall be at least equal to the quality of items set forth in Part C of Exhibit 5 to the Lease. Landlord's Additional Premises contribution shall be used for no purpose other than for the purchase and installation of the items listed in said Exhibit 4. Landlord shall pay amounts on account of Landlord's Additional Premises Contribution directly to contractors or suppliers upon receiving from Tenant actual vendor invoices for labor and/or materials billed to Tenant. There shall be no credit due Tenant for any unused portion of Landlord's Additional Premises Contribution. Section 6(e) of the Lease shall not apply to the Additional Premises; but nothing herein shall relieve Landlord of its obligation to contribute Landlord's Contribution as provided in said Section 6(e) with respect to the performance of Tenant's Work in the Existing Premises.

D. Notwithstanding the foregoing, Landlord shall, at its own cost and expense, install a sprinkler system as described in Exhibit 5 to the Lease for the Additional Premises and a fire protection system as required by all applicable federal, state or local requirements for the Additional Premises, to the extent applicable to general office space. The last two sentences of Section 6(f) of the Lease shall apply to the Additional Premises and Tenant's Additional Premises Work, MUTATIS MUTANDIS.

4. TENANT'S RIGHT OF FIRST OFFER

As Tenant's lease Of the Additional Premises constitutes the remaining space on the second (2nd) floor of the Building, Section 38 at the Lease is hereby deleted from the Lease in its entirety.

5. PREMISES

Unless the context otherwise requires (e.g., in Section 6 of the Lease), the term "Premises" as used in the Lease (as hereby amended) shall refer to both the Existing Premises and the Additional Premises.

6. HEADINGS

Titles and paragraph headings are for reference purposes and for convenience of the parties only and shall have no bearing upon, nor force or effect in respect of, the interpretation and application of the substantive provisions in this First Amendment contained.

6

As hereby amended, the Lease is ratified, approved and confirmed in all respects.

EXECUTED under seal as of the date first written above.

LANDLORD:

TENTANT:

125 HARTWELL TRUST

FUJI IMMUNOPHARMACEUTICALS  
CORP.

By: /S/ MICHAEL L. COLANGELO

By: /S/ DR. STEPHEN D. GILLIES

-----  
Michael L. Colangelo, As Trustee  
and Not Individually

-----  
Dr. Stephen D. Gillies,  
President

7

EXHIBIT 2

125 HARTWELL AVENUE

LEXINGTON, MASSACHUSETTS

BUILDING EXPENSE BASE

BUILDING SIZE - 38,400 RSF

	ESTIMATED COST -----	PSF -----
1. Property Taxes	\$ 75,200	\$ 1.96
2. Boston Gas (Heat & Hot Water)	7,890	.21
3. Boston Edison (Cooling)	38,400	1.00
4. Electricity (House Panel)	3,800	.10
5. Grounds Maintenance	8,240	.21
6. HVAC Maintenance	6,750	.18
7. Janitorial & Trash Removal	38,500	1.00
8. Insurance	6,080	.16
9. Maintenance & Repairs	4,068	.10
10. Sewer & Water	3,072	.08

11.	Property Management	19,200	.50
		-----	-----
TOTAL BUILDING (TAX & OPERATING) EXPENSES		\$ 211,200	\$ 5.50

125 Hartwell Avenue  
Lexington, Massachusetts  
(the "Building")

SECOND AMENDMENT  
October 1, 1997

LANDLORD:	125 Hartwell Trust, under a declaration of trust dated February 20, 1980 and filed with the Middlesex South Registry District of the Land Court as Document No. 600788, as amended
TENANT:	Fuji ImmunoPharmaceuticals Corp., a Delaware corporation
PREMISES:	Approximately 19,810 square feet of Premises Rentable Area on the second (2nd) floor of the Building, consisting of approximately 10,980 square feet of Premises Rentable Area under the original Lease shown as the leased premises on Exhibit 3 thereto, plus approximately 8,830 square feet of Premises Rentable Area added by the First Amendment referred to below shown as the "RFO Premises" on said Exhibit 3.
EXISTING LEASE DATA:	
LEASE EXECUTION DATE:	October 26, 1992
TERMINATION DATE:	January 31, 1998
PREVIOUS LEASE AMENDMENTS:	First Amendment dated as of January 31, 1993
EXTENDED TERMINATION DATE:	January 31, 2003 (subject to Tenant's option to further extend the Term pursuant to Section 36 of the lease)

WHEREAS, Tenant has, by notice dated July 28, 1997, a copy of which is attached hereto as Exhibit A, exercised its option to extend the Term of the lease for the first five-(5)-year additional term provided for in Section 36 of the lease;

WHEREAS, the parties have agreed upon the Basic Rent and the Building Expense Base for such additional term pursuant to Sections 36 and 37 of the Lease; and

WHEREAS, the parties wish to confirm such lease extension, Basic Rent and Building Expense Base and the other terms and conditions to apply during such additional term.

NOW THEREFORE, the parties hereby agree that the above referenced lease, as amended by the aforesaid First Amendment (collectively, the "Lease"), is hereby further amended as follows (capitalized terms used herein without



definition shall have the meanings ascribed to them in the Lease):

1. EXTENSION OF TERM OF LEASE

The Term of the Lease is hereby extended for an additional term commencing as of February 1, 1998 and expiring as of January 31, 2003. The demise of the Premises for such additional term shall be upon all of the same terms and conditions of the Lease in effect immediately preceding the commencement of such additional term, except as follows:

A. The Basic Rent payable in respect of the Premises during the additional term shall be \$495,250.00 per annum (i.e., \$41,270.83 per month). Tenant's obligation to pay Basic Rent at such new rate and to pay all other charges under the Lease with respect to the additional term shall commence on February 1, 1998. The current Basic Rent and charges under the Lease shall remain in effect prior to said date.

B. The Building Expense Base during the additional term shall be the actual amount of Building Expenses for calendar year 1997. Further in such regard, the Building Expense Cap for calendar year 1998 shall be one hundred fifteen percent (115%) of the Building Expenses for calendar year 1997. Thereafter, the Building Expense Cap shall be increased each Year so as to equal one hundred fifteen percent (115%) of the Building Expense Cap for the prior Year. Building Expense Escalation Charges payable by Tenant in respect of the additional term shall be calculated using such revised Building Expense Base, and Building Expenses during such additional term shall be subject to the applicable Building Expense Cap as set forth above.

C. Landlord shall have no obligation to renovate or construct any new improvements in the Premises (or to provide any construction allowance or contribution or the like) for or with respect to Tenant's occupancy during the additional term.

D. In the event any of the provisions of the Lease are Inconsistent with this Second Amendment or the state of facts contemplated hereby, the provisions of this Second Amendment shall control.

Without limiting the foregoing, Tenant shall have its remaining option to further extend the Term of the Lease for one (1) additional five (5) year period (i.e., February 1, 2003 through January 31, 2008) subject to and in accordance with Section 36 of the Lease.

2. BROKER

If any commission, fee or other compensation shall be due, with respect to this Second Amendment and the extension of the Term effected hereby, to the original brokers who were paid a commission by Landlord at the time of the execution and delivery of the original Lease

(the "Original Brokers"), Landlord shall pay the Original Broker such commission, fee or compensation. Tenant shall indemnify and hold Landlord (and its trustees, beneficiaries, agents and employees) harmless of and from all claims that may be made by any person (other than the Original Brokers) against Landlord (or its trustees, beneficiaries, agents or employees) for brokerage or other compensation in the nature of brokerage with respect to this Second Amendment on account or arising out of Tenant's dealings with such person.

As amended by this Second Amendment, the Lease is hereby ratified, approved and confirmed in all respects.

WHEREFORE, the parties have hereunto set their hands and seals as of the date first above written.

LANDLORD:

TENTANT:

FUJI IMMUNOPHARMACEUTICALS

CORP.

/S/ MICHAEL L. COLANGELO

/S/ DR. STEPHEN D. GILLIES

-----  
Michael L. Colangelo, signing as Trustee  
of 125 Hartwell Trust and not individually  
and without recourse against the Trustee  
personally or his assets

-----  
Name: Stephen D. Gillies  
Title: President  
Hereunto Duly Authorized

EXHIBIT A

FIP

FUJI IMMUNOPHARMACEUTICALS CORP.

July 28, 1997

Mr. Steven Colangelo  
Lexington Management Incorporated  
125 Hartwell Ave.  
Lexington, MA 02173

Dear Steve:

As you know, the first term of Fuji ImmunoPharmaceuticals Corp.'s (FIP's)  
lease with you at 125 Hartwell Ave. will expire on January 31, 1998.

I am writing to inform you of FIP's formal intention to extend it's lease  
with the 125 Hartwell Trust for another five year term, pursuant to Section  
36 of the Lease. It is my understanding that the terms contained in the  
original lease document will all stay the same with the expectation of the  
lease rate and base building expenses. I would like to arrange a meeting  
with you in the near future to discuss FIP'S extension and to get some idea  
of the current market rents in the Lexington area.

I would like to thank you for all your support during FIP's first five  
years. We look forward to our continued relationship with you.

Sincerely,

/s/ Bryan G. Keane  
Bryan G. Keane  
Director of Finance and Administration

125 Hartwell Avenue - Lexington, MA 02173  
Tel: 617-861-5300 - Fax: 617-861-5301

125 Hartwell Avenue  
Lexington, Massachusetts  
(the "Building")

THIRD AMENDMENT  
November 1, 2002

LANDLORD:

125 Hartwell Trust, under a declaration of  
trust dated February 20, 1980 and filed  
with the Middlesex South Registry District  
of the Land Court as Document No. 600788,

as amended

ASSIGNOR:	EMD Lexigen Research Center Corp. (formerly known as Lexigen Pharmaceuticals Corp. and before that Fuji ImmunoPharmaceuticals Corp.), a Delaware corporation
TENANT OR ASSIGNEE:	EMD Pharmaceuticals, Inc., a Delaware corporation
PREMISES:	Approximately 19,810 square feet of Premises Rentable Area on the second (2nd) floor of the Building, consisting of approximately 10,980 square feet of Premises Rentable Area under the original Lease shown as the leased premises on Exhibit 3 thereto, plus approximately 8,830 square feet of Premises Rentable Area added by the First Amendment referred to below shown as the "RFO Premises" on said Exhibit 3
EXISTING LEASE DATA:	
LEASE EXECUTION DATE:	October 26, 1992
TERMINATION DATE:	January 31, 2003
PREVIOUS LEASE AMENDMENTS:	First Amendment dated as of January 31, 1993 Second Amendment dated October 1, 1997
EXTENDED TERMINATION DATE:	January 31, 2008

WHEREAS, Assignor has, by notice dated July 29, 2002, a copy of which is attached hereto as EXHIBIT A, exercised its option to extend the Term of the above-referenced lease, as amended by the aforesaid First Amendment and Second Amendment (collectively, the "Lease"), for the second five-(5)-year additional term provided for in Section 36 of the Lease;

WHEREAS, Assignor desires to assign its interest in the Lease to Assignee and Assignee desires to accept such assignment;

WHEREAS, the parties have agreed upon the Basic Rent and the Building Expense Base for such additional term pursuant to Sections 36 and 37 of the Lease and Landlord is willing to consent to Assignor's assignment of its interest in the Lease to Assignee; and

WHEREAS, the parties wish to confirm such assignment of the Lease and to confirm such lease extension, Basic Rent and Building Expense Base and the other terms and conditions to apply during such additional term

NOW THEREFORE, the parties hereby agree that the Lease is hereby amended as follows (capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease):

1. ASSIGNMENT AND ASSUMPTION OF LEASE

A. Effective as of November 1, 2002, Assignor hereby assigns all of its right, title and interest in and to the Lease (as hereby amended) to Assignee.

B. For the express benefit of Landlord, Assignee hereby assumes all of the obligations of Assignor under the Lease (as hereby amended) and agrees to perform and keep all covenants, conditions and agreements of Assignor under the Lease (as hereby amended). Without limiting the foregoing, Assignee agrees that the provisions of Section 9 of the Lease shall apply to all future proposed

assignments of Assignee's interest in the Lease and to all future proposed subleases of the Premises.

C. In consideration of the foregoing agreements by Assignee, and without in any way diminishing the primary liability of Assignor as party-tenant under the Lease (as hereby amended), Landlord hereby consents and agrees to the foregoing assignment by Assignor to Assignee. Said consent by Landlord shall not constitute a waiver of the obligation of the tenant under the Lease to obtain Landlord's consent to any subsequent assignment or sublease of or under the Lease, if and to the extent that such consent is required by the Lease.

## 2. EXTENSION OF TERM OF LEASE

The Term of the Lease is hereby extended for an additional term commencing as of February 1, 2003 and expiring as of January 31, 2008. The demise of the Premises for such additional term shall be upon all of the same terms and conditions of the Lease in effect immediately preceding the commencement of such additional term (including, without limitation, the Basic Rent payable in the amount of \$495,250.00 per annum (i.e., \$41,270.83 per month) and the Building Expense Base equal to the actual amount of Building Expenses for

calendar year 1997, subject to the provisions of Paragraph 1B of the Second Amendment to the Lease), except as follows:

A. Tenant shall have no right to extend the Term of the Lease beyond January 31, 2008.

B. Except for Landlord's obligation to repaint the Premises as required by Section 36(a) of the Lease, which obligation Tenant acknowledges has been satisfied by Landlord, Landlord shall have no obligation to renovate or construct any new improvements in the Premises (or to provide any construction allowance or contribution or the like) for or with respect to Tenant's occupancy during the additional term.

C. In the event any of the provisions of the Lease are inconsistent with this Third Amendment or the state of facts contemplated hereby, the provisions of this Third Amendment shall control.

Tenant acknowledges that (i) its current monthly payment of Basic Rent and Building Expense Escalation Charges under the Lease is based upon an annual rate of \$26.70 per square foot of Premises Rentable Area, (ii) such annual rate is comprised of \$25.00 per square foot of Premises Rentable Area on account of Basic Rent and \$1.70 per square foot of Premises Rentable Area on account of Building Expense Escalation Charges, and (iii) Tenant's payments on account of Building Expense Escalation Charges are subject to adjustment and year-end reconciliation pursuant to Section 14(b) of the Lease.

## 3. BROKER

Tenant represents and warrants to Landlord that it has not dealt with any broker or agent in connection with this Third Amendment or the extension of the Term effected hereby. Tenant shall indemnify and hold Landlord (and its trustees, beneficiaries, agents and employees) harmless of and from all claims that may be made by any person against Landlord (or its trustees, beneficiaries, agents or employees) for brokerage or other compensation in the nature of brokerage with respect to this Third Amendment on account or arising out of Tenant's dealings with such person.

As amended by this Third Amendment, the Lease is hereby ratified, approved and confirmed in all respects.

WHEREFORE, the parties have hereunto set their hands and seals as of the date first above written.

LANDLORD:

ASSIGNOR:

EMD LEXIGEN RESEARCH CENTER  
CORP.

/S/ STEVEN COLANGELO

By: /S/ STEPHEN D. GILLIES

-----  
Steven Colangelo, signing as Trustee of  
125 Hartwell Trust and not individually  
and without recourse against the Trustee  
personally or his assets

-----  
Name: Stephen D. Gillies  
Title: President  
Hereunto Duly Authorized

ASSIGNEE:

By: /S/ ILLEGIBLE

-----  
Name:  
Title:  
Hereunto Duly Authorized

EXHIBIT A

[LEXIGEN PHARMACEUTICALS CORP. LOGO]

July 29, 2002

Mr. Steven Colangelo  
125 Hartwell Trust  
125 Hartwell Ave  
Lexington, MA 02421

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

RE: Extension of Lease at 125 Hartwell Avenue

Dear Steve:

As you know, EMD-Lexigen Research Center Corp.'s, formerly Lexigen Pharmaceuticals Corp.'s ("Lexigen's") Lease with 125 Hartwell Trust for space at 125 Hartwell Avenue-Second Floor, will expire on January 31, 2003. As previously communicated verbally, it is Lexigen's intention to extend for an additional term, as provided in Section 36 of the Lease. This letter is intended as formal notification of Lexigen's intention to extend.

I would also like to inform you that Lexigen, pursuant to Section 9(a) of the Lease, intends to assign its right in the Lease to EMD Pharmaceuticals, Inc., a directly affiliated company with Lexigen. I wanted to inform you of this now, as it may be easier to take care of the Assignment in conjunction with the Lease Extension.

I will be in touch within the next couple of weeks to begin discussions to determine the appropriate terms of the Lease Extension. I look forward to working with you on this matter and look forward to a continued mutually beneficial relationship between our companies.

Sincerely yours,

/s/ Jason M. Walsh  
Jason M. Walsh  
Director of Operations and Administration

CC: Dr. Richard Schoenfeld, VP Supply Chain, EMD Pharmaceuticals, Inc.  
Ms. Gilda Thomas, Esq., General Counsel, EMD Pharmaceuticals, Inc.

ASSIGNMENT AND ASSUMPTION OF LEASE  
AND CONSENT OF AND RELEASE BY LANDLORD  
AND FOURTH AMENDMENT TO LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AND CONSENT OF AND RELEASE BY LANDLORD AND FOURTH AMENDMENT TO LEASE (this "Agreement") is made and entered as of July 9, 2004. the ("Effective Date") by and among EMD Pharmaceuticals, Inc., a Delaware corporation ("Assignor"), Synta Pharmaceuticals Corp., a Delaware corporation ("Assignee"), and 125 Hartwell Trust, under Declaration of Trust dated February 20, 1980 and filed with the Middlesex South Registry District of the Land Court as Document No. 600788, as amended ("Landlord"). Assignor, Assignee and Landlord are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. Assignor, as successor by assignment to EMD Lexigen Research Center Corp. (formerly known as Lexigen Pharmaceuticals Corp. and before that Fuji ImmunoPharmaceuticals Corp.), as tenant, and Landlord, as landlord, are parties to that certain Lease dated as of October 26, 1992, as amended by First Amendment dated as of January 31, 1993, Second Amendment dated October 1, 1997, and Third Amendment dated November 1, 2002 (as so amended and collectively, the "Lease").

B. Assignor desires to assign to Assignee all of Assignor's right, title, and interest in and to the Lease on and after the Effective Date (as hereinafter defined) and to delegate to Assignee all of Assignor's obligations under the Lease from and after the Effective Date pursuant to the terms of this Agreement, and Assignee has agreed to accept the foregoing assignment and to assume all of Assignor's obligations under the Lease pursuant to the terms of this Agreement on and after the Effective Date.

C. Landlord has agreed to consent to the assignment and assumption set forth herein pursuant to the terms of this Agreement and to release Assignor from any continuing liability under the Lease except as hereinafter provided.

D. Landlord has agreed to lease to Assignee during the Assignment Period (as hereinafter defined) certain equipment and other personal property presently located in the Premises and sold to Landlord by Assignor as of the Effective Date, and, in consideration thereof, Assignee has agreed to pay to Landlord monthly rent for the lease of such equipment and other personal property.

E. Landlord has agreed to lease to Assignee during the Assignment Period as part of the Premises certain tenant improvements made to the Premises by Assignor and sold to Landlord by Assignor as of the Effective Date, and, in consideration thereof, Assignee has agreed to pay to Landlord monthly rent for the lease of such tenant improvements.

NOW, THEREFORE, in consideration of the recitals (which, by this reference, are incorporated into the operative provisions of this Agreement), the mutual agreements set forth

herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. ASSIGNMENT OF LEASE. Subject to the provisions of this Agreement, Assignor, as of the Effective Date, hereby sells, assigns, grants, and conveys to Assignee all of Assignor's right, title, and interest in and to the Lease (including, without limitation, all of Assignor's rights regarding parking and signage) and the estate created thereby, and delegates to Assignee all of the

obligations of Assignor as tenant under the Lease arising on and after the Effective Date.

2. ASSUMPTION OF OBLIGATIONS. Subject to the provisions of this Agreement, Assignee, as of the Effective Date, hereby accepts the assignment of Assignor's right, title, and interest in and to the Lease and the estate created thereby and assumes and agrees to be bound by the Lease and all of the obligations of the tenant thereunder arising on and after the Effective Date.

3. EFFECTIVE DATE. The assignment, delegation, acceptance, and assumption set forth in Paragraphs 1 and 2 hereof shall be effective on the Effective Date; provided, however, Assignee's obligation to pay Basic Rent (as defined in the Lease) required to be paid under the Lease and additional rent required to be paid under Section 14 of the Lease shall not begin until the Rent Commencement Date (as hereinafter defined), Assignor remaining liable for payment of Basic Rent required to be paid under the Lease and additional rent required to be paid under Section 14. of the Lease through the day prior to the Rent Commencement Date. Assignee is expressly liable as of the Effective Date for payment and performance of all obligations of the tenant under the Lease arising on and after the Effective Date other than payment of Basic Rent required to be paid under the Lease and additional rent required to be paid under Section 14 of the Lease as provided in the preceding proviso. In furtherance of the foregoing, Assignee acknowledges that Assignor shall terminate the insurance it is required to carry under, the Lease as of 11:59 p.m. of the day before the Effective Date, and Assignee shall have in effect not later than midnight of the Effective Date the insurance coverages required to be carried by the tenant under the Lease. Assignor has delivered the Premises to the Assignee as of the Effective Date broom clean, free of all tenants or other occupants, free of all equipment and other personal property (except for the Included Property (as hereinafter defined)) and with the Included Property and all laboratory space within the Premises decommissioned in accordance with all applicable laws, rules, and regulations and with the standards set forth on EXHIBIT A attached hereto and incorporated herein by reference (the "Decommissioning Standards"). Assignee has examined the Premises and, subject to Paragraph 4.5 below, accepts the Premises in its condition as of the Effective Date. As used herein, the phrase "Rent Commencement Date" shall mean August 8, 2004. Basic Rent required to be paid under the Lease and additional rent required to be paid under Section 14 of the Lease shall be prorated between Assignor and Assignee as of the Rent Commencement Date.

4. REPRESENTATIONS OF ASSIGNOR AND INDEMNIFICATION BY ASSIGNOR. To induce Assignee to assume the obligations of Assignor under the Lease on and after the Effective Date as provided herein, Assignor represents and warrants to Assignee the following matters, all of which are true and correct as of the date hereof and all of which will be true and correct on the Effective Date and further indemnifies Assignee as set forth below:

4.1. AUTHORITY. Assignor has the authority to enter into this Agreement and to assign the rights and to delegate the obligations of Assignor under the Lease to Assignee. The officers of Assignor who have executed this Agreement are duly authorized to do so and to bind Assignor to the covenants, representations, warranties, and agreements of Assignor set forth in this Agreement. There are no provisions contained in any law, rule, or regulation of any federal, state, or local governmental authority having jurisdiction over Assignor, or in any instrument or agreement to which Assignor is a party or by which it is bound, which would prohibit, limit, or adversely affect the actions or obligations of Assignor set forth in this Agreement. No consent of any party other than the Parties to this Agreement is required for the assignment and delegation set forth in Paragraph 1 hereof.

4.2. COMPLIANCE WITH LEASE. Through the day before the Effective Date; (i) Assignor has observed and faithfully performed all of its obligations as tenant under, or set forth in, the Lease; (ii) Assignor is not in default under the Lease; (iii) Landlord is not

in default under the Lease; and (iv) Assignor has not exercised any right to terminate the Lease reserved unto Assignor under the Lease as the result of an uncured default by Landlord.

4.3. NO OTHER ASSIGNMENTS. Except as set forth herein, Assignor has not assigned, sold, pledged, hypothecated, mortgaged, or otherwise transferred its interest in and to the Premises or in or to its rights under the Lease to any person.

4.4. LEASE. Attached hereto as EXHIBIT B, and by this reference made a part hereof, is a true, correct, and complete copy of the Lease and all amendments thereto, which Lease is in full force and effect on the date hereof. There are no material oral agreements or understandings between Assignor and Landlord which relate to the Lease or the obligations of the parties thereunder that would be binding upon Assignee. The current term of the Lease is scheduled to expire on January 31, 2008. The Basic Rent and additional rent (to the extent additional rent is determinable and currently due) required to be paid by the tenant under the Lease has been paid through July 31, 2004.

4.5. INDEMNIFICATION OF ASSIGNEE. Assignor shall and does indemnify and hold Assignee harmless from and against any and all loss, liability, charge, cost, damages, fees, and expenses in connection with: (i) any and all liability of Assignor which arises under or pursuant to the obligations of Assignor set forth in the Lease and which relates specifically to those obligations which have accrued and have become due and payable in or for the period prior to the Effective Date; (ii) any injury to any person or damage to any property which occurs in the Premises prior to the Effective Date and which results from the negligence or willful misconduct of Assignor or its agents, guests, invitees, or employees; and (iii) any failure of Assignor to have decommissioned the Included Property and the Premises in accordance with all applicable laws, rules, and regulations.

4.6 PREMISES. Assignor represents and warrants to Assignee that the Premises are presently in good and clean order and condition. Except for the foregoing representation and warranty and except as otherwise provided in this Paragraph 4 or in Paragraph 3 above, Assignor makes no warranty or representation as to the condition of the Premises nor its compliance with applicable laws, rules, and regulations, and the Premises shall be delivered to Assignee "as is, where is, with all defects." Assignee agrees that in entering into this Agreement, it has relied upon its own investigation of the condition of the Premises and the suitability of the Premises for Assignee's intended uses and not upon any warranty or representation of Assignor except for the warranties or representations set forth in this Agreement.

5. REPRESENTATIONS OF ASSIGNEE AND INDEMNIFICATION BY ASSIGNEE. To induce Assignor to assign to Assignee Assignor's rights under the Lease on and after the Effective Date as provided herein, Assignee represents and warrants to Assignor the following matters, all of which are true and correct as of the date hereof and all of which will be true and correct on the Effective Date and further indemnifies Assignor as set forth below:

5.1. AUTHORITY. Assignee has the authority to enter into this Agreement and to accept the assignment of Assignor's interest in the Lease arising on and after the Effective Date and to assume the obligations of Assignor set forth therein arising on and after the Effective Date. The officers of Assignee who have executed this Agreement are duly authorized to do so and to bind Assignee to the covenants, representations, warranties, and agreements of Assignee set forth in this Agreement. There are no provisions contained in any law, rule, or regulation of any federal, state,



or local governmental authority having jurisdiction over Assignee, or in any instrument or agreement to which Assignee is a party or by which it is bound, which would prohibit, limit, or adversely affect the actions or obligations of Assignee set forth in this Agreement. No consent of any party other than the Parties to this Agreement is required for the acceptance and assumption set forth in Paragraph 2 hereof.

5.2. COMPLIANCE WITH LEASE. From and after the Effective Date, Assignee shall observe and faithfully perform all of the obligations of tenant under, or set forth in, the Lease arising on or after the Effective Date.

5.3 INDEMNIFICATION OF ASSIGNOR. Assignee shall and does indemnify and hold Assignor harmless from and against all loss, liability, charge, cost, damages, fees, and expense in connection with: (i) any and all liability of Assignee which arises under or pursuant to the obligations of Assignee set forth in the Lease and which is applicable to the period from and after the Effective Date; and (ii) any injury to any person or damage to any property which occurs in or about the Premises from and after the Effective Date.

6. ADJUSTMENT OF CHARGES. Upon receipt from Landlord of supporting documentation therefor, Assignor and Assignee agree, promptly and upon demand made by either Assignor or Assignee, to prorate as appropriate any payments or expenses made or to be

made, or received or to be received, in connection with the Lease so that Assignor shall incur all expenses and receive the benefit of all payments and reimbursements to Landlord to be made under the Lease attributable to the period prior to the Rent Commencement Date and so that Assignee shall be responsible for all such expenses and entitled to the benefit of all such payments and reimbursements to the extent attributable to the period on and after the Rent Commencement date.

7. REPRESENTATIONS OF ASSIGNOR AND ASSIGNEE WITH RESPECT TO THE INCLUDED PROPERTY AND ASSIGNOR'S IMPROVEMENTS. Assignor and Assignee represent and warrant to Landlord that neither of them has encumbered or granted a lien or security interest in any of the Included Property or the Assignor's Improvements (as hereinafter defined) nor shall either of them grant a lien or security interest in the Included Property or the Assignor's Improvements.

8. CONSENT OF AND RELEASE BY LANDLORD; LANDLORD'S REPRESENTATIONS. By its execution of this Agreement, Landlord consents to the assignment and assumption contained in Paragraphs 1 and 2 of this Agreement and as of the Effective Date releases Assignor of any liability under the Lease accruing or arising on and after the Effective Date, it being understood and agreed that Assignor shall remain liable for any obligations under the Lease accruing or arising prior to the Effective Date, including (without limitation) any liability for underpayments on account of Building Expense Escalation Charges (as defined in the Lease) for the period prior to the Effective Date, as well as the obligation to pay Basic Rent and Building Expense Escalation Charges (and any underpayments on account thereof) through the day prior to the Rent Commencement Date. Landlord does not release Assignor, and Assignor acknowledges its continuing liability, for any liability for breach of this Agreement by Assignor or any other agreement to which Landlord and Assignor are parties. Assignor shall and does indemnify and hold Landlord harmless from and against any and all loss, liability, charge, cost, damages, fees, and expenses in connection with any failure by Assignor to have decommissioned the Included Property and the Premises in accordance with the Decommissioning Standards and all applicable laws, rules, and regulations. Landlord agrees that, from and after the Effective Date, the address for any notice to the tenant required under the Lease shall be Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, Massachusetts 02421, Attention: Chief Financial Officer.

Landlord represents and warrants to Assignee and Assignor that:

- (a) attached hereto as EXHIBIT B is a true, correct and complete copy of the Lease and all amendments thereto, which Lease is in full force and effect on the date hereof;
- (b) there are no oral agreements or understandings between Assignor and Landlord which relate to the Lease or the obligations of the parties thereunder;
- (c) to the knowledge of Landlord without investigation or inquiry, there are no defaults of Assignor under the Lease;
- (d) the current term of the Lease is scheduled to expire on January 31, 2008;
- (e) the Basic Rent and the Building Expense Escalation Charge required to be paid by the tenant under the Lease have been paid through July 31, 2004, subject to reconciliation of the Building Expense Escalation Charge for calendar year 2004;
- (f) no broker or agent or other person has represented Landlord in connection with this Agreement and the transactions contemplated hereby; and
- (g) there are no mortgages encumbering the Property (as defined in the Lease) or any portion thereof other than that granted to Mortgagee.

9. MISCELLANEOUS PROVISIONS.

9.1. GOVERNING LAW. This Agreement shall be governed by, and enforced, construed, and interpreted under, the laws and judicial decisions of the Commonwealth of Massachusetts.

9.2. BINDING EFFECT. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties, and their respective heirs, executors, successors, and permitted assigns.

9.3. BROKERS. Assignee and Assignor each represents and warrants to the other that no broker or agent or other person other than Spaulding and Slye/Colliers International as to Assignor and Richards Barry Joyce & Partners LLC as to Assignee (the "Brokers") has represented Assignor or Assignee in connection with this Agreement and the transactions contemplated hereby, and that no commissions, fees, or compensation of any kind are due or payable in connection herewith to any such person or entity except for the Brokers. Each party agrees to indemnify and hold the other harmless from and against any claim for any such commission, fee or other form of compensation by any such party or entity except for the Brokers claiming through the indemnifying party. Assignor shall pay the commissions payable to the Brokers in connection with this Agreement.

9.4. ENTIRE AGREEMENT; AMENDMENT. Except with respect to the agreements set forth in the Lease, this Agreement contains the entire agreement among the Parties, and there are no oral agreements or understandings among the Parties, with respect to the subject matter hereof. This Agreement may not be amended except by a writing signed by the Party against whom such amendment is to be enforced.

9.5. FURTHER ASSURANCES. Assignor and Assignee agree to cooperate with each other with respect to the subject matter hereof, and each agrees to execute such other instruments and agreements as may reasonably be required by the other to evidence

further the intent of Assignor and Assignee with respect to the subject matter hereof.

10. NON-DISTURBANCE AGREEMENT. Assignor shall exercise reasonable efforts to deliver to Assignee before the Rent Commencement Date a letter or other memorandum from

The Manufacturers Life Insurance Company (USA), Landlord's mortgagee ("Mortgagee"), stating that Assignee is entitled to the benefits of the Subordination, Non-Disturbance and Attornment Agreement dated as of May 5, 1998 among Landlord, Assignor's predecessor in interest, and Mortgagee. Such letter or other memorandum shall be in form and content reasonably acceptable to Assignee. If Assignor is unable to obtain such letter or memorandum in form and content reasonably acceptable to Assignee, then Assignor shall defend, indemnify, and hold harmless Assignee from and against any and all liability, charge, or expense, including reasonable attorneys' fees, actually incurred by Assignee as a result of the exercise by Mortgagee (or any successor-in-interest to Mortgagee) of any rights or remedies it may have as a result of default or non-performance by Landlord (or any successor-in-interest to Landlord) under any agreement it has with Mortgagee.

11. INCLUDED PROPERTY. During the period from the Effective Date through and including the expiration or earlier termination of the term of the Lease (the "Assignment Period"), Landlord hereby leases to Assignee (and its permitted successors and assigns), and Assignee leases from Landlord, the equipment and other personal property owned by Landlord and described on EXHIBIT C attached hereto and incorporated herein by this reference (collectively, the "Included Property"). During the Assignment Period, Assignee shall maintain the Included Property in a reasonably clean and working condition. If any of the Included Property shall be damaged or destroyed as a result of the act or omission of Assignee or its agents, employees, contractors, or permitted subtenants or other occupants, then Assignee shall reimburse Landlord for the cost incurred by Landlord to repair or replace such Included Property except to the extent that such cost would be recoverable under a commercially reasonable insurance policy covering the full replacement cost of the Included Property, although Assignee shall be liable for the amount of any commercially reasonable deductible. Assignee shall pay Landlord the cost of insurance coverage obtained by Landlord with respect to the Included Property within thirty, (30) days of receipt from time to time of Landlord's invoice therefor. Assignee is not required to replace any of the Included Property that becomes worn out or obsolete. Landlord and Assignee agree that Assignee shall deliver to Landlord the Included Property at the end of the Assignment Period in the same condition it was in on the Effective Date, ordinary wear and tear and damage due to fire or other casualty excepted, and upon expiration or earlier termination of the term of the Lease, the Included Property shall no longer be leased to Assignee pursuant to the terms of this Agreement. Notwithstanding the foregoing, to the extent that any of the Included Property or the Premises has been used after the Effective Date for chemical, biological, or radioactive substances, such Included Property and/or the Premises, as applicable, shall be decommissioned by Assignee in accordance with all applicable laws, rules, and regulations and with the Decommissioning Standards upon its delivery to Landlord, and Section 40 of the Lease is accordingly amended to require such decommissioning upon expiration or earlier termination of the term of the Lease.

12. ASSIGNOR'S IMPROVEMENTS. During the Assignment Period, Landlord shall lease to Assignee (and its permitted successors and assigns), and Assignee shall lease from Landlord, the Assignor's Improvements. As of the Rent Commencement Date (but not prior thereto), Assignee shall pay to Landlord as additional rent for the right to use the Assignor's Improvements and the Included Property during the Assignment Period the sum of \$11,555.83 per month (the "Monthly Improvements Rent"). Assignee shall pay the Monthly Improvements Rent by separate check

payable to Landlord, Monthly Improvements Rent being additional rent and not a

component of Basic Rent. The Monthly Improvements Rent shall be paid by Assignee to Landlord commencing on the Rent Commencement Date (rent for any partial month to be prorated) and continuing thereafter through January 31, 2008 at the same time and in the same manner as payments of Basic Rent and shall be subject to the overdue payment charge in Section 3 of the Lease and the interest charge in Section 29 of the Lease. Failure by Assignee to pay any installment of Monthly Improvements Rent when due and payable shall be a default under this Agreement and the Lease, and if Assignee defaults in the payment of Monthly Improvements Rent after passage of the notice and cure period provided in Section 21 of the Lease, then Landlord shall be entitled to exercise any and all rights or remedies Landlord may have under the Lease or applicable law as a result of such default, including, without limitation, the right to collect from Assignee the Monthly Improvements Rent payable through January 31, 2008. Notwithstanding anything in this Agreement, for purposes of Sections 13(b), 19, and 20 of the Lease, Monthly Improvements Rent shall be considered part of Basic Rent. As used herein, the phrase "Assignor's Improvements" shall mean any and all alterations, additions, and improvements to the Premises performed by or on behalf of the tenant under the Lease before the Effective Date.

IN WITNESS WHEREOF, the Parties, upon authority duly given, have executed this Agreement as a sealed instrument as of the date first written above.

ASSIGNOR:

EMD Pharmaceuticals, Inc.,  
a Delaware corporation

By: /S/ GILDA M. THOMAS

-----  
Name: Gilda M. Thomas  
Title: Vice President and General Counsel

ASSIGNEE:

SYNTA Pharmaceuticals Corp.,  
a Delaware corporation

By: /S/ KEITH EHRLICH

-----  
Name: Keith Ehrlich  
Title: Vice President, Finance and Administration

LANDLORD:

125 Hartwell Trust

By: /S/ STEVEN COLANGELO

-----  
Name: Steven Colangelo  
Title: As Trustee and not individually

#### EXHIBIT A

#### DECOMMISSIONING STANDARDS

#### STANDARDS FOR DECOMMISSIONING OF SPACE AT 125 HARTWELL AVENUE

##### Section 1 - Purpose

The purpose of decommissioning of space is to make safe the decommissioned space and to provide assurances of proper cleaning and decontamination of said space for the next occupant. The purpose of setting forth actions taken with respect to decontamination of space is to document the actions taken and to allow the owner or the next occupant to make their own judgment with respect to the

sufficiency of such actions.

## Section 2 - Activities & Schedule

The following are the specific actions to be taken with respect to the decommissioning of said space.

### Chemicals - (Removal & Disposal)

- All hazardous or toxic chemicals are to be removed from the space before the expiration or earlier termination of the Lease or other mutually agreed deadline except for any cleaning materials under the control of the landlord's or tenant's cleaning contractor.
- The decommissioner shall hire a licensed contractor to pack, remove, and transport to a new location all usable chemicals. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.
- The decommissioner shall hire a licensed contractor to pack, remove, and transport for proper disposal all unusable chemicals. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.
- The decommissioner shall hire a licensed contractor to remove and dispose properly all limestone chips in the Wastewater Neutralization Tank. The contractor will clean the tank and replace with fresh limestone. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.

### Biological Materials - (Removal & Disposal)

- All biological materials will be removed from the space before the expiration or earlier termination of the Lease or other mutually agreed deadline.
- The decommissioner shall hire a licensed contractor to pack, remove, and transport to a new location all usable biological materials. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.
- The decommissioner shall hire a licensed contractor to pack, remove, and transport for proper disposal all unusable biological materials. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.
- Decontamination of Storage Equipment and Work Surfaces detailed below.

10

### Radioactive Materials - Disposition

- The decommissioner shall hire a licensed contractor to perform wipe tests and provide count results to the extent required by applicable law.
- Wipe tests will be performed prior to the expiration or earlier termination of the Lease or other mutually agreed deadline. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.

### Equipment -

- All Equipment listed on Exhibit C will be decontaminated prior to the expiration or earlier termination of the Lease or other mutually agreed deadline.
- Chemical Fume Hoods will be steam cleaned using an organic peroxide vapor on the outside and inside of the cabinet by a licensed contractor. NOTE: STEAM CLEANING WILL BE PERFORMED TO ALL EXPOSED SURFACES. NO DUCTWORK OR ELEMENTS ABOVE THE SUSPENDED CEILING WILL BE TREATED. Each Fume Hood will have attached a decontamination sheet signed by the contractor. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.
- Biological Safety Cabinets will be decontaminated by a licensed contractor using paraformaldehyde gas and post-treatment cleaning. NO DUCTWORK OR ELEMENTS ABOVE THE SUSPENDED CEILING WILL BE TREATED. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.
- Warm and Cold Room Interiors and Door Fronts will be steam cleaned using an organic peroxide vapor. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.

### General Laboratory Space

- The decommissioner shall hire a licensed contractor to wipe down all Laboratory Floors and Countertops with a 10% bleach solution or equivalent. PROCESS AND/OR RESULTS ARE TO BE DOCUMENTED.
- All Laboratory space to be wiped down prior to the expiration or earlier termination of the Lease or other mutually agreed deadline.

11

EXHIBIT B

TRUE CORRECT AND COMPLETE COPY OF THE LEASE

12

[MANULIFE FINANCIAL LOGO]

July 9, 2004

VIA TELECOPIER AND FIRST CLASS MAIL

Steven Colangelo, Trustee of 125 Hartwell Trust  
125 Hartwell Avenue  
Lexington, MA 02173

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, Massachusetts 02421  
Attention: Chief Financial Officer

Re: Assignment and Assumption of Lease  
125 Hartwell Avenue  
Lexington, Massachusetts  
MORTGAGE ACCOUNT NO. 826501

Dear Sirs:

The Manufacturers Life Insurance Company (U.S.A.) ("Manulife") is the mortgagee under the Mortgage, Security Agreement and Fixture Filing from Steven Colangelo, trustee of 125 Hartwell Trust (the "Mortgagor"), encumbering property generally known as 125 Hartwell Avenue, Lexington, Massachusetts and filed with the Middlesex South Registry District of the Land Court as Document No. 1064641 (the "Mortgage"). Lexigen Pharmaceuticals Corp. (f/k/a Fuji ImmunoPharmaceuticals Corp.), Mortgagor, and Manulife are parties to that certain Subordination, Non-Disturbance and Attornment Agreement dated as of May 5, 1998 (the "SNDA"). We understand that EMD Pharmaceuticals Inc. ("EMD"), as the successor tenant under that certain Lease dated as of October 26, 1992, as amended by First Amendment dated as of January 31, 1993, Second Amendment dated October 1, 1997, and Third Amendment dated November 1, 2002 (as so amended and collectively, the "Lease" and being the lease referenced in the SNDA), will assign its interest as tenant under the Lease to Synta Pharmaceuticals Corp. ("Synta") pursuant to the attached Assignment and Assumption of Lease and Consent of and Release by Mortgagor and Fourth Amendment to Lease (the "Assignment").

Manulife hereby approves the form and substance of the Assignment, expressly including the Mortgagor's consent to the assignment of the Lease to Synta, the release of EMD from liability under the Lease as and to the extent provided in the Assignment, and the assumption by Synta of the tenant's obligations under the Lease arising on and after the Effective Date (as defined in the Assignment) as and to the extent provided in the Assignment.

Manulife also hereby agrees that Synta shall be entitled to the benefits of the SNDA as if Synta were the Tenant named therein.

Manulife's approval and agreement pursuant to this letter are expressly conditioned upon receipt, no later than July 16, 2004, of a \$1,000.00 Lease

Approval Fee, together with fully executed copies of this letter, the Assignment, and all other documentation pertaining to the assignment, assumption and release.

The Manufacturers Life Insurance Company  
Boston Mortgage Branch  
118 Huntington Avenue, Suite 6900, Boston, MA 02116  
Phone: (617) 238-0880 Fax: (617) 238-0585 www.manulife.com

Manulife Financial and the block design are registered services marks and trademarks of The Manufacturers Life Insurance Company and are used by it and its affiliates including Manulife Financial Corporation.

125 Hartwell Ave.  
Mortgage Account No. 826501  
Page 2

Time is of the essence hereof.

Very truly yours,

THE MANUFACTURERS LIFE INSURANCE COMPANY (U.S.A.)

/s/ IAN S. [ILLEGIBLE]  
Ian S. [ILLEGIBLE]  
Regional Manager

Cc: John Van [ILLEGIBLE]  
Robert Mack, Esq.  
Delia Williams

Attachment

Agreed and accepted by:

ASSIGNOR:

EMD Pharmaceuticals, Inc.,  
a Delaware corporation

By: /s/ Gilda M. Thomas  
-----  
Name: Gilda M. Thomas  
Title: Vice President and General Counsel

ASSIGNEE:

SYNTA Pharmaceuticals Corp.,  
a Delaware corporation

By: /s/ Keith Ehrlich  
-----  
Name: Keith Ehrlich  
Title: Vice President, Finance and Administration

MORTGAGOR:

125 Hartwell Trust

By: /s/ Steven Colangelo  
-----  
Name: Steven Colangelo  
Title: As Trustee and not individually

125 Hartwell Avenue  
Lexington, Massachusetts 02421  
(the "Building")

FIFTH AMENDMENT  
October 22, 2002

LANDLORD: 125 Hartwell Trust, under a declaration of trust dated February 20, 1980 and filed with the Middlesex South Registry District of the Land Court as Document No. 600788, as amended

TENANT: Synta Pharmaceuticals Corp., a Delaware corporation, successor-by-assignment to EMD Pharmaceuticals, Inc.

PREMISES: Approximately 19,810 square feet of Premises Rentable Area on the second (2nd) floor of the Building, consisting of approximately 10,980 square feet of Premises Rentable Area under the original Lease shown as the leased premises on Exhibit 3 thereto, plus approximately 8,830 square feet of Premises Rentable Area added by the First Amendment referred to below shown as the "RFO Premises" on said Exhibit 3

EXISTING LEASE DATA:

LEASE EXECUTION DATE: October 26, 1992

TERMINATION DATE: January 31, 2003

PREVIOUS LEASE AMENDMENTS: First Amendment dated as of January 31, 1993 Second Amendment dated October 1, 1997 Third Amendment dated November 1, 2002 Assignment and Assumption of Lease and Consent of Release by Landlord and Fourth Amendment to Lease dated as of July 9, 2004

ADDITIONAL PREMISES: Approximately 2,670 square feet of Premises Rentable Area on the first (1st) floor of the Building, substantially as shown cross-hatched on EXHIBIT A attached hereto and made a part hereof

WHEREAS, Tenant desires to lease additional space in the Building; and

WHEREAS, Landlord is willing to lease additional space in the Building to Tenant upon the terms and conditions hereinafter set forth.

NOW THEREFORE, the parties hereby agree that the above-described lease, as previously amended (the "Lease"), is hereby further amended as follows (capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease):

1. DEMISE OF ADDITIONAL PREMISES

Landlord hereby demises and leases to Tenant, and Tenant hereby accepts



and leases from Landlord, the Additional Premises for a Term commencing as of the Commencement Date in respect of the Additional Premises (as hereinafter defined) and expiring on January 31, 2008. The demise of the Additional Premises shall otherwise be upon and governed by the terms and conditions of the Lease (as hereby amended), except as follows or as otherwise provided in this Amendment:

A. The Commencement Date in respect of the Additional Premises shall be the earlier of (i) the first date on which Tenant occupies all or any part of the Additional Premises for the conduct of business, or (ii) the date on which Landlord's Work (as hereinafter defined) shall be (or be deemed to be) substantially (i.e., complete except for so-called "punch list" items and other work to be undertaken by Landlord which does not materially impair Tenant's use of the Additional Premises for the Permitted Uses (collectively, the "Punchlist Work")), as reasonably determined by Landlord. Landlord shall complete all Punchlist Work within thirty (30) days after the substantial completion of Landlord's Work. If Tenant (or any agent, employee or contractor of Tenant) causes any delay in the preparation of any drawings, plans or specifications or the performance or substantial completion of Landlord's Work, then Landlord's Work shall be deemed to have been substantially completed on the date that Landlord's Work would have been substantially completed but for such delay. Landlord shall notify Tenant of any such delay promptly after Landlord becomes aware of the same. Landlord shall use reasonable efforts to cause Landlord's Work to be substantially completed on or before the date (the "Estimated Substantial Completion Date") which is sixty (60) days after the execution and delivery of this Amendment, but Tenant shall not have any claim against Landlord, and Landlord shall have no liability to Tenant, if Landlord's Work shall not be substantially completed by the Estimated Substantial Completion Date. The parties shall confirm in writing the Commencement Date in respect of the Additional Premises as soon as it is known.

B. Basic Rent payable in respect of the Additional Premises shall be \$60,075.00 per year (i.e., \$5,006.25 per month).

C. The Building Expense Base applicable to the Additional Premises shall be the actual amount of Building Expenses for calendar year 2004.

D. Tenant shall have no obligation to pay for electricity for lights and plugs in the Additional Premises.

E. Tenant's Proportionate Share in respect of the Additional Premises shall be 6.95%.

F. Tenant shall, by reason of the demise of the Additional Premises, be entitled to an additional ten (10) parking spaces in the paved parking area located adjacent to the Building. The use of such spaces shall be subject to the same terms and conditions of the Lease as are applicable to Tenant's use of the other parking spaces provided to Tenant under the Lease. Accordingly, the total number of parking spaces which Landlord shall provide and maintain for the use of Tenant's employees and invitees pursuant to Section 2 of the Lease shall be eighty-five (85).

## 2. LANDLORD'S WORK IN RESPECT OF ADDITIONAL PREMISES

Landlord agrees to perform, at Landlord's expense (except as otherwise provided herein), the work within the Additional Premises described in or shown on, and substantially in accordance with, the space plan attached hereto as EXHIBIT B and made a part hereof (the "Space Plan") using Building standard materials, finishes and mechanical and electrical improvements ("Landlord's Work"). Landlord's Work shall also include the installation of one (1) teledata outlet device per office in the Additional Premises and the wiring associated therewith. Except for Landlord's Work, Tenant shall accept the Additional Premises "as is" and Tenant acknowledges that it has had an opportunity to inspect the Additional Premises and that Landlord has made no representation or warranty as to the condition of the Additional Premises.

Landlord agrees to undertake construction of the Additional Premises in accordance with the provisions hereof in a good and workmanlike fashion and in compliance with applicable laws, rules and regulations.

In the event that Tenant shall request in writing and Landlord shall approve work not presently described on or contemplated by the Space Plan, then Landlord shall render to Tenant an estimate of the additional cost of such work (and any cost associated with new or revised plans and/or specifications required to be prepared by reason of such work), and Tenant shall pay such amount to Landlord prior to Landlord having any obligation to undertake any such work; provided, however, that Tenant shall be responsible for any delays in the performance or substantial completion of Landlord's Work on account of any such work requested by Tenant in writing.

3. MODIFICATION TO LEASE

Effective as of the date hereof the following language is hereby inserted at the end of the first sentence of Section 22 of the Lease:

; and in no event shall Tenant have the right to terminate or cancel this Lease or to withhold or abate rent or to set-off any claim or damages against rent as a result of any default or breach by Landlord of its

covenants or obligations or any representations, warranties or promises hereunder, except as may otherwise be expressly set forth, herein.

4. BROKER

Each party (the "indemnifying party") represents and warrants to the other party that it has not dealt with any broker or agent in connection with this Amendment or the leasing of the Additional Premises. The indemnifying party shall indemnify and hold the other party (and such other party's trustees, beneficiaries, agents and employees) harmless of and from, all claims that may be made by any person against such other party (or its trustees, beneficiaries, agents or employees) for brokerage or other compensation in the nature of brokerage with respect to Amendment on account or arising out of the indemnifying party's dealings with such person.

As amended by this Fifth Amendment, the Lease is hereby ratified, approved and confirmed in all respects.

WHEREFORE, the parties have hereunto set their hands and seals as of the date first above written.

LANDLORD:

TENANT:

SYNTA PHARMACEUTICALS CORP.

/S/ STEVEN COLANGELO

By: /S/ KEITH EHRLICH

-----  
Steven Colangelo, signing as  
Trustee of 125 Hartwell Trust and not  
individually and without recourse  
against and Trustee personally or his assets

-----  
Name: Keith Ehrlich  
Title: V.P. Finance  
Hereunto Duly Authorized

EXHIBIT A

FLOOR PLAN

EXHIBIT B

FLOOR PLAN

125 Hartwell Avenue  
Lexington, Massachusetts 02421  
(the "Building")

SIXTH AMENDMENT

-----  
August 1, 2005

LANDLORD: 125 Hartwell Trust, under a declaration of trust dated February 20, 1980 and filed with the Middlesex South Registry District of the Land Court as Document No. 600788, as amended

TENANT: Synta Pharmaceuticals Corp., a Delaware corporation, successor-by-assignment to EMD Pharmaceuticals, Inc.

PREMISES: Collectively, (i) approximately, 19,810 square feet of Premises Rentable Area on the second (2nd) floor of the Building, consisting of approximately 10,980 square feet of Premises Rentable Area under the original Lease shown as the "Premises" on Exhibit 3 thereto, plus approximately 8,830 square feet of Premises Rentable Area added by the First Amendment referred to below shown as the "RFO Premises" on said Exhibit 3, and (ii) approximately 2,670 square feet of Premises Rentable Area on the first (1st) floor of the Building, substantially as shown cross-hatched on Exhibit A attached to the Fifth Amendment referred to below

LEASE  
EXECUTION  
DATE: October 26, 1992

TERMINATION  
DATE: January 31, 2008

PREVIOUS  
LEASE  
AMENDMENTS: First Amendment dated as of January 31, 1993 Second Amendment dated October 1, 1997 Third Amendment dated November 1, 2002 Assignment and Assumption of Lease and Consent of and Release by Landlord and Fourth Amendment to Lease dated as of July 9, 2004 (the "Assignment/Fourth Amendment") Fifth Amendment dated October 22, 2004

WHEREAS, Tenant desires to obtain from Landlord (i) three (3) consecutive options to extend the Term of the above-described lease, as previously amended (the "Lease"), and (ii) Landlord's consent to the Tenant Improvements (as hereinafter defined); and

WHEREAS, Landlord is willing to grant such options to Tenant and to grant its consent to the Tenant Improvements, all upon the terms and conditions hereinafter set forth.

NOW THEREFORE, the parties hereby agree that the Lease is hereby amended by this Sixth Amendment (this "Amendment") as follows (capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease):

1. OPTION TO EXTEND

-----

A. On the condition, which condition Landlord may waive, at its election, by written notice to Tenant at any time, that Tenant is not in default after the expiration of applicable notice and grace periods of its covenants and obligations under the Lease (as hereby amended) both as of the time of option exercise and as of the commencement of the applicable additional (extension) term described below, Tenant shall have the option to extend the Term of the Lease as to all of the premises demised thereunder for three (3) successive additional terms, the first such additional term commencing as of February 1, 2008 and expiring as of November 30, 2011, the second such additional term commencing as of December 1, 2011 and expiring as of November 30, 2014, and the third such additional term commencing as of December 1, 2014 and expiring as of November 30, 2017. Tenant may exercise each such option to extend by giving Landlord written notice on or before the date that is nine (9) months prior to the expiration date of the then current term of the Lease. Upon the timely giving of such notice, the Term of the Lease shall be deemed to be automatically extended upon all of the terms and conditions of the Lease (as hereby amended) applicable to Premises and in effect immediately prior to the commencement of the then applicable additional term, except that:

- (i) the Basic Rent payable by Tenant during the first such additional term shall be the sum of (x) the Basic Rent payable by Tenant in respect of the Premises as of January 31, 2008, PLUS (y) the aggregate amounts payable by Tenant under the Lease on account of Building Expenses (i.e., the Building Expense Escalation Charge) in respect of calendar years 2005, 2006 and 2007, less the portion(s), if any, of any such amounts that have been previously included in the Basic Rent set forth in the foregoing clause (x) [by way of clarification, and notwithstanding anything to the contrary contained in the Lease, the aggregate Building Expense Escalation Charges payable in respect of each calendar year (once finally determined) are included in the Basic Rent payable for the subsequent calendar year and the Building Expense Base, for purposes of determining the Building Expense Escalation Charges payable in respect of such subsequent calendar year, is changed to the prior calendar year's Building Expenses]; and the Basic Rent payable by Tenant during each of the second and third such additional terms shall be the Fair Market Rental Value, as defined in Paragraph 2A below, as of the commencement of the then applicable (i.e., second or third) additional term, of the Premises, provided, however, that in no event shall the sum of the Basic Rent and Building Expense Escalation Charges to be payable during each of the second and

2

third such additional terms be less than the sum of the Basic Rent and Building Expense Escalation Charges which were payable immediately preceding the commencement of the then applicable additional term;

- (ii) the Building Expense Base in respect of the first such additional term shall be the amount of Building Expenses for calendar year 2007 (accordingly, Tenant's obligation to pay Building Expense Escalation Charges in respect of the first such additional term shall commence to accrue as of February 1, 2008), and the Building Expense Base in respect of each of the second and third such additional terms shall be established as part of the determination of Basic Rent for the then applicable additional term in accordance with clause (i) above and Paragraph 2 below;
- (iii) there shall be no Building Expense Cap during or in respect of any additional term;
- (iv) Tenant shall have the right to continue to use the Included Property and the Assignor's Improvements during each additional term in

accordance with and subject to the terms and provisions of Paragraphs 11 and 12 of the Assignment/Fourth Amendment, except that (even if Tenant shall use such Included Property and Assignor's Improvements) Tenant shall have no obligation to pay the Monthly Improvements Rent in respect of any additional term; and

- (v) Landlord shall have no obligation to reconstruct or renovate the Premises for Tenant's occupancy during any additional term or to provide any allowance or contribution with respect thereto.

If Tenant fails to give timely notice, as aforesaid, Tenant shall have no further right to extend the Term of the Lease, time being of the essence of this Paragraph 1.

B. Tenant shall have no further option to extend the Term of the Lease other than the additional terms herein provided.

C. Notwithstanding the fact that, upon Tenant's exercise of any of the options to extend the Term of the Lease for the additional term(s) as set forth herein, such extension(s) shall be self-executing, as aforesaid, the parties shall promptly execute a mutually acceptable lease amendment reflecting the applicable additional term after Tenant exercises the option for such additional term, except that, in the case of the exercise of the option for the second and third additional terms, the Basic Rent payable in respect of such additional term and the Building Expense Base for such additional term need not be set forth in the applicable amendment. Subsequently, after such Basic Rent and Building Expense Base for such additional term are determined, the parties shall execute a written agreement confirming the same. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of its rights under Paragraph 1 A above, unless otherwise specifically provided in such lease amendment.

## 2. DEFINITION OF FAIR MARKET RENTAL VALUE

A. For purposes of Paragraph 1 above, "Fair Market Rental Value" shall mean the then current annual rental charge (i.e., the sum of Basic Rent plus escalation and other charges), including provisions for subsequent increases and other adjustments, computed as of the commencement of the then applicable (i.e., second or third) additional term, for leases and agreements to lease then currently being executed for comparable office space located within a two (2) mile radius of the Building. In determining Fair Market Rental Value, the following factors, among others, shall be taken into account and given effect: size, location and condition of premises, lease term, condition of building and services provided by the landlord. Landlord and Tenant understand and agree that, although a portion of the Premises is used as laboratory space by Tenant, the Fair Market Rental Value shall be determined as if the entire Premises were being used as office space and no part of the Premises were being used as laboratory space; provided, however, that in evaluating whether the condition of office space located within a two (2) mile radius of the Building is comparable to the condition of the Premises, any damage to the Premises caused by Tenant or its agents, employees or contractors and not attributable to normal wear and tear for an office use shall be ignored in determining Fair Market Rental Value (i.e., the condition of the Premises shall be evaluated as office space as if such damage did not exist).

B. No later than seven (7) months prior to the expiration of the then current term of the Lease (provided that Tenant shall have timely exercised the applicable (i.e., second or third) option), Landlord shall (acting in good faith) designate Fair Market Rental Value (including the Building Expense Base) with respect to the additional term in question and notify Tenant thereof in writing. Tenant shall have ten (10) days from and after receipt of Landlord's

notice of the Fair Market Rental Value for the applicable additional term to either (a) notify Landlord in writing of Tenant's election to accept such designation, or (b) submit a written good faith counterproposal to Landlord of Fair Market Rental Value for the applicable additional term, which counterproposal shall include fair market escalations for each year during the applicable additional term. If Tenant fails to respond within such ten (10) day period, Tenant shall be deemed to have made the election set forth in clause (a) of the preceding sentence. If Tenant submits a counterproposal of Fair Market Rental Value for the applicable additional term, and Landlord and Tenant fail to reach agreement upon the Fair Market Rental Value for the applicable additional term within sixty (60) days after Tenant submits its written counterproposal to Landlord, the Basic Rent for the applicable additional term shall be determined by arbitration by the American Arbitration Association in Boston, Massachusetts, and the decision of the arbitrator shall be binding upon Landlord and Tenant. In any such arbitration, the arbitrator shall be a commercial real estate broker or appraiser unaffiliated with either party and having at least ten (10) years' experience in the leasing of comparable office space within a two (2) mile radius of the Building, who, after hearing the presentations of the parties, shall select, in its entirety and without modification, the Fair Market Rental Value proposal submitted (including fair market escalations for each year during the additional term) to such arbitrator by either Landlord or Tenant as the Basic Rent for the Premises for the applicable additional term, whichever such arbitrator believes most accurately reflects the then current Fair Market Rental Value for the Premises (it being understood that Landlord's and Tenant's respective proposal to the arbitrator may differ from Landlord's and Tenant's initial designations of Fair Market Rental Value given to the other party in accordance with the first two sentences of this Paragraph 2B and, in such event, the arbitrator shall not take into account any designations of such Fair Market Rental

Value previously given by Landlord or Tenant, as the case may be, to the other party). The party whose Fair Market Rental Value proposal is not selected by the arbitrator shall pay for the fees, costs and expenses of the arbitrator and the arbitration proceeding. Promptly after the determination of the Fair Market Rental Value for the applicable additional term as provided herein, Landlord and Tenant shall execute a suitable instrument confirming the same and the new lease expiration date, but failure to do so shall have no effect on the validity of the extension. The decision of the arbitrator shall be final and binding on the parties and judgment thereon may be entered in the Superior Court having jurisdiction over the Premises; and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the court or a judge thereof may be served outside the Commonwealth of Massachusetts by registered mail or by personal service, provided a reasonable time for appearance is allowed. If the dispute between the parties as to Fair Market Rental Value has not been resolved before the commencement of Tenant's obligation to pay rent based upon Fair Market Rental Value, then Tenant shall pay Basic Rent and other charges under the Lease in respect of the Premises based upon the Fair Market Rental Value designated by Landlord until either the agreement of the parties as to the Fair Market Rental Value or the decision of the arbitrator, as the case may be, at which time Tenant shall pay any underpayment of rent and other charges to Landlord, or Landlord shall refund any overpayment of rent and other charges to Tenant.

### 3. HOLDOVER

The word and number "two (2)" appearing in Section 31 of the Lease is hereby deleted and replaced by the word and number "one and one-half (1 1/2)".

### 4. BROKER.

Each party (the "indemnifying party") represents and warrants to the other party that it has not dealt with any broker or agent in connection with this Amendment other than Richards Barry Joyce & Partners (the "Broker"). The indemnifying party shall indemnify and hold the other party (and such other

party's trustees, beneficiaries, agents and employees) harmless of and from all claims that may be made by any person against such other party (or its trustees, beneficiaries, agents or employees) for brokerage or other compensation in the nature of brokerage with respect to this Amendment on account or arising out of the indemnifying party's dealings with such person. Landlord shall pay the commission owed to the Broker in connection with this Amendment (if any) and in connection with Tenant's exercise of the above-described extension option (if Tenant shall timely and properly exercise such option), in each case pursuant to a separate agreement between Landlord and the Broker.

#### 5. SURRENDER

A. Notwithstanding anything to the contrary contained in this Amendment or the Lease, upon the expiration or sooner termination of the Term of the Lease, Tenant shall deliver the Premises to Landlord with all of the Tenant Improvements (as well as the Included Property and the Assignor's Improvements, as defined in Paragraphs 11 and 12, respectively, of the Assignment/Fourth Amendment) remaining therein, it being understood and agreed that Tenant's personal property and equipment, if not permanently affixed to the Premises or the Building,

5

shall be removed by Tenant from the Premises upon the expiration or sooner termination of the Term of the Lease and any damage caused by such removal shall be repaired by Tenant at its expense.

B. Landlord and Tenant acknowledge and agree that, as part of the Tenant Improvements, Tenant removed lab benches from so-called Labs 252, 254 and 256 in the Premises, which lab benches were part of the Included Property. Landlord hereby consents to such removal on and subject to the condition (which condition Tenant hereby confirms and agrees to) that there shall be no reduction (or increase) in the Monthly Improvements Rent by reason of such removal.

#### 6. NOTICE OF LEASE

At Tenant's option, Landlord shall, within thirty (30) days of receipt thereof, execute a notice of lease in a form provided by Tenant and reasonably acceptable to Landlord (which form may, at Tenant's option, include a reference to the extension options set forth herein) (the "Notice of Lease"); provided, however, that such Notice of Lease shall state that it amends and restates any previously recorded notice of lease with respect to the Lease. Tenant shall have the right to record the Notice of Lease in the applicable registry of deeds at its expense.

#### 7. TENANT IMPROVEMENTS

Notwithstanding anything to the contrary contained in the Lease or this Amendment, Tenant shall have the right to redecorate the Premises and to make any or all such other installations, modifications and alterations (including, but not limited to, installing a vivarium and any new or updated HVAC, plumbing, and electrical systems or components) in, on or to the Premises, in each case to the extent such work is described or depicted in the construction plans for the Premises submitted to and approved by the Town of Lexington, Massachusetts, on or around April 19, 2005, as such plans may be reasonably altered or amended from time to time in an immaterial way (collectively, the "Tenant Improvements"). Landlord hereby approves the Tenant Improvements and no further approval from Landlord for the Tenant Improvements shall be required under the Lease or this Amendment. Tenant agrees to pay promptly when due the entire cost of the Tenant Improvements (Tenant reserving the right, however, in good faith to contest its liability for those costs that are in dispute); to secure the discharge of record (by bonding or otherwise) of any lien imposed with respect to such work; to procure and pay for all necessary insurance (including builder's risk, so-called) and permits before undertaking such work (Landlord hereby agreeing to execute promptly any instrument of approval which may be required in connection with any such permit, so long as the same is without cost

or liability to Landlord, unless Tenant reimburses Landlord for such cost and/or Landlord is indemnified by Tenant for such liability pursuant to an indemnification agreement reasonably acceptable to Landlord, as applicable); and to do all of such work in a good and workmanlike manner, employing materials of good quality and complying with all applicable governmental requirements. The Tenant Improvements shall otherwise be performed in accordance with and subject to the terms and provisions of the Lease. Landlord also hereby approves Linbeck Group LP to be the construction manager responsible for the installation and performance of the Tenant Improvements.

6

8. MISCELLANEOUS

As amended by this Amendment, the Lease is hereby ratified, approved and confirmed in all respects and Landlord and Tenant each hereby acknowledge and confirm that, to the best of its respective knowledge, neither the Landlord nor the Tenant is in default of any term or condition of the Lease. In the event of a conflict between the Lease and this Amendment, the terms of this Amendment shall govern.

WHEREFORE, the parties have hereunto set their hands and seals as of the date first above written.

LANDLORD:

TENANT:

SYNTA PHARMACEUTICALS CORP.

/S/ STEVEN COLANGELO

By: /s/ KEITH EHRLICH

-----  
Steven Colangelo, signing  
Trustee of 125 Hartwell Trust and not  
individually and without recourse  
against the Trustee personally or his  
assets

-----  
Name: Keith Ehrlich  
Title: Vice President, Finance & Administration  
Hereunto Duly Authorized



91 HARTWELL AVENUE  
LEXINGTON, MASSACHUSETTS

Lease Dated January 13, 2005

THIS INSTRUMENT IS AN INDENTURE OF LEASE in which the Landlord and the Tenant are the parties hereinafter named, and which relates to space in a certain building (the "Building") known as, and with an address at, 91 Hartwell Avenue, Lexington, Massachusetts.

The parties to this Indenture of Lease hereby agree with each other as follows:

ARTICLE I  
-----

REFERENCE DATA  
-----

1.1 SUBJECTS REFERRED TO.  
-----

Each reference in this Lease to any of the following subjects shall be construed to incorporate the data stated for that subject in this Article:

Landlord:	Mortimer B. Zuckerman and Edward H. Linde, Trustees of 91 Hartwell Avenue Trust under Declaration of Trust dated September 28, 1981 filed with the Middlesex South Registry as Document No. 616455 as amended by instruments dated December 10, 1984 and April 17, 1991 respectively filed with said Registry District as Document Nos. 675674 and 844541 but not individually.
Landlord's Original Address:	c/o Boston Properties Limited Partnership 111 Huntington Avenue, Suite 300 Boston, Massachusetts 02199-7610
Landlord's Construction Representative:	Michael Schumacher
Tenant:	Synta

Pharmaceuticals, Inc., a Delaware corporation.

Tenant's Original Address:	45 Hartwell Avenue Lexington, Massachusetts 02421
----------------------------	--

Tenant's Construction Representative:	-----
Commencement Date:	January 15, 2005
Second Floor Premises Rent Commencement Date:	February 15, 2005
Third Floor Premises Rent Commencement Date:	July 1, 2005
Original Term:	Twenty-five (25) calendar months (plus the partial month, if any, immediately following the Commencement Date), unless extended or sooner terminated as provided in this Lease.
Extension Option:	One (1) period of one (1) year as provided in and on

the terms set forth in Section 2.4.1 hereof.

Term or Lease Term: All references in this Lease or to the Term or Lease Term shall mean the Original Term and if extended pursuant to Section 2.4.1, the Original Term as extended by the exercise of the extension option unless otherwise specifically provided in this Lease.

The Site: That certain parcel of land known as and numbered 91 Hartwell Avenue, Lexington, Middlesex Count, Massachusetts, being more particularly described in Exhibit A attached hereto. The Building (as defined below) is the only structure located on the Site.

The Building: The Building known as and numbered 91 Hartwell Avenue, Lexington, Massachusetts.

The Complex: The Building together with all surface parking areas, the Site and all improvements (including landscaping) thereon and thereto.

Tenant's Space: A portion of the second (2nd) floor of the Building (the "Second Floor Premises") and a portion of the third (3rd) floor of the Building (the "Third Floor Premises"), in

-2-

accordance with the floor plan annexed hereto as Exhibit D and incorporated herein by reference.

Number of Parking Spaces: Seventy-six (76) spaces.

Annual Fixed Rent: (a) With respect to the Second Floor Premises, for the period commencing on the Second Floor Premises Rent Commencement Date and ending on the last day of the Original Term of this Lease at the annual rate of \$268,398.00, being the product of (i) \$19.50 and (ii) the "Rentable Floor Area of the Second Floor Premises" (hereinafter defined in this Section 1.1).  
(b) With respect to the Third Floor Premises, for the period commencing on the Third Floor Premises Rent Commencement Date and ending on the last day of the Original Term of this Lease at the annual rate of \$157,326.00, being the product of (i) \$19.50 and (ii) the "Rentable Floor Area of the Third Floor Premises" (hereinafter defined in this Section 1.1).  
(c) During the extension option period (if exercised), as determined pursuant to Section 2.4.1).

Operating Expenses: As provided in Section 2.6 hereof.

Real Estate Taxes: As provided in Section 2.7 hereof.

Tenant Electricity: Initially as provided in Section 2.5 subject to adjustment as provided in Section 2.8 hereof.

Additional Rent: All charges and other sums payable by Tenant as set forth in this Lease, in addition to Annual Fixed Rent.

Rentable Floor Area of Tenant's Space (sometimes also called "Rentable Floor Area of the Premises"): 21,832 rentable square feet, consisting of 13,764 square feet of rentable floor area in the Second Floor Premises (the "Rentable Floor Area of the Second Floor Premises") and 8,068 square feet of rentable floor area in the Third Floor Premises (the "Rentable Floor Area of the Third Floor Premises").

-3-

Total Rentable Floor Area of the Building: 122,328 rentable square feet.

Permitted Use: General office purposes.

Initial Minimum Limits of Tenant's Commercial General Liability Insurance: \$5,000,000.00 combined single limit per occurrence on a per location basis.

Broker: Richards Barry Joyce & Partners  
53 State Street, 29th Floor  
Boston, Massachusetts 02110

Security Deposit: \$35,477.00

There are incorporated as part of this Lease:

Exhibit A	--	Description of Site
Exhibit B	--	Intentionally Omitted
Exhibit C	--	Landlord's Services
Exhibit D	--	Floor Plan
Exhibit E	--	Intentionally Omitted
Exhibit F	--	Form of Lien Waivers

1.3 TABLE OF ARTICLES AND SECTIONS.

ARTICLE I	1
REFERENCE DATA	1
1.1 SUBJECTS REFERRED TO	1
1.2 EXHIBITS	4
1.3 TABLE OF ARTICLES AND SECTIONS	4
ARTICLE II	6
BUILDING, PREMISES, TERM AND RENT	6
2.1 THE PREMISES	6
2.2 RIGHTS TO USE COMMON FACILITIES	6
2.3 LANDLORD'S RESERVATIONS	7
2.4 HABENDUM	8
2.5 FIXED RENT PAYMENTS	8
2.6 OPERATING EXPENSES	9
2.7 REAL ESTATE TAXES	11
2.8 TENANT ELECTRICITY	14
ARTICLE III	15
CONDITION OF PREMISES; ALTERATIONS	15
3.1 CONDITION OF PREMISES	15
3.2 QUALITY AND PERFORMANCE OF WORK	15
3.3 SPECIAL ALLOWANCE	15
ARTICLE IV	16
LANDLORD'S COVENANTS; INTERRUPTIONS AND DELAYS	16
4.1 LANDLORD COVENANTS	16
4.2 INTERRUPTIONS AND DELAYS IN SERVICES AND REPAIRS, ETC	17
ARTICLE V	18
TENANT'S COVENANTS	18
5.1 PAYMENTS	18
5.2 REPAIR AND YIELD UP	18
5.3 USE	18
5.4 OBSTRUCTIONS; ITEMS VISIBLE FROM EXTERIOR; RULES AND REGULATIONS	19
5.5 SAFETY APPLIANCES	19
5.6 ASSIGNMENT; SUBLEASE	19
5.7 INDEMNITY; INSURANCE	25
5.8 PERSONAL PROPERTY AT TENANT'S RISK	26
5.9 RIGHT OF ENTRY	26
5.10 FLOOR LOAD; PREVENTION OF VIBRATION AND NOISE	27
5.11 PERSONAL PROPERTY TAXES	27
5.12 COMPLIANCE WITH LAWS	27
5.13 PAYMENT OF LITIGATION EXPENSES	27
5.14 ALTERATIONS	28
5.15 VENDORS	29
ARTICLE VI	30
CASUALTY AND TAKING	30
6.1 DAMAGE RESULTING FROM CASUALTY	30
6.2 UNINSURED CASUALTY	31
6.3 RIGHTS OF TERMINATION FOR TAKING	31
6.4 AWARD	32
ARTICLE VII	32

DEFAULT	32		
7.1		TENANT'S DEFAULT.....	32
7.2		LANDLORD'S DEFAULT.....	36
ARTICLE VIII.....	37		
MISCELLANEOUS PROVISIONS.....	37		
8.1		EXTRA HAZARDOUS USE.....	37
8.2		WAIVER.....	37
8.3		CUMULATIVE REMEDIES.....	37
8.4		QUIET ENJOYMENT.....	38
8.5		NOTICE TO MORTGAGEE AND GROUND LESSOR.....	39
8.6		ASSIGNMENT OF RENTS.....	39
8.7		SURRENDER.....	40
8.8		BROKERAGE.....	40
8.9		INVALIDITY OF PARTICULAR PROVISIONS.....	40
8.10		PROVISIONS BINDING, ETC.....	40
8.11		RECORDING.....	41
8.12		NOTICES.....	41
8.13		WHEN LEASE BECOMES BINDING.....	42
8.14		SECTION HEADINGS.....	42
8.15		RIGHTS OF MORTGAGEE.....	42
8.16		STATUS REPORTS AND FINANCIAL STATEMENTS.....	43
8.17		SELF-HELP.....	43
8.18		HOLDING OVER.....	44
8.19		NON-SUBROGATION.....	44
8.20		SECURITY DEPOSIT.....	44
8.21		LATE PAYMENT.....	45
8.22		TENANT'S PAYMENTS.....	45
8.23		WAIVER OF TRIAL BY JURY.....	46
8.24		GOVERNING LAW.....	46

## ARTICLE II

-----

### BUILDING, PREMISES, TERM AND RENT

-----

#### 2.1 THE PREMISES.

Landlord hereby demises and leases to Tenant, and Tenant hereby hires and accepts from Landlord, Tenant's Space in the Building excluding exterior faces of exterior walls, the common stairways and stairwells, elevators and elevator wells, fan rooms, electric and telephone closets, janitor closets, and pipes, ducts, conduits, wires and appurtenant fixtures serving exclusively, or in common, other parts of the Building, and if Tenant's Space includes less than the entire rentable area of any floor, excluding the common corridors, elevator lobbies and toilets located on such floor.

-6-

Tenant's Space with such exclusions is hereinafter referred to as the "Premises." The term "Building" means the Building identified on the first page, and which is the subject of this Lease; the term "Site" means all, and also any part of the Land described in Exhibit A, plus any additions or reductions thereto resulting from the change of any abutting street line and all parking areas and structures. The term "Property" means the Building and the Site.

#### 2.2 RIGHTS TO USE COMMON FACILITIES.

-----

Subject to Landlord's right to change or alter any of the following in Landlord's discretion as herein provided, Tenant shall have, as appurtenant to the Premises, the non-exclusive right to use in common with others, subject to reasonable rules of general applicability to tenants of the Building from time to time made by Landlord of which Tenant is given notice (a) the common lobbies, corridors, stairways, elevators and loading area of the Building, and the pipes, ducts, conduits, wires and appurtenant meters and equipment serving the Premises in common with others, (b) common walkways and driveways necessary for access to the Building, and (c) if the Premises include less than the entire rentable floor area of any floor, the common

toilets, corridors and elevator lobby of such floor. Notwithstanding anything to the contrary herein, Landlord has no obligation to allow any particular telecommunication service provider to have access to the Building or to the Premises except as may be required by applicable law. If Landlord permits such access, Landlord may condition such access upon the payment to Landlord by the service provider of fees assessed by Landlord in its sole discretion.

2.2.1 TENANT'S PARKING.

-----

In addition, Tenant shall have the right to use the Number of Parking Spaces (referred to in Section 1.1) of the parking area, in common with use by other tenants from time to time of the Complex; provided, however, Landlord shall not be obligated to furnish stalls or spaces in any parking area specifically designated for Tenant's use. Tenant covenants and agrees that it and all persons claiming by, through and under it, shall at all times abide by all reasonable rules and regulations promulgated by Landlord with respect to the use of the parking areas on the Site. The parking privileges granted herein are non-transferable except to a permitted assignee or subtenant as provided in Section 5.6 through Section 5.6.6. Further, Landlord assumes no responsibility whatsoever for loss or damage due to fire, theft or otherwise to any automobile(s) parked on the Site or to any personal property therein, however caused, and Tenant covenants and agrees, upon request from Landlord from time to time, to notify its officers, employees, agents and invitees of such limitation of liability. Tenant acknowledges and agrees that a license only is hereby granted, and no bailment is intended or shall be created.

2.3 LANDLORD'S RESERVATIONS.

-----

Landlord reserves the right from time to time, without unreasonable interference with Tenant's use: (a) to install, use, maintain, repair, replace and relocate for service to the Premises and other parts of the Building, or either, pipes, ducts, conduits, wires and

-7-

appurtenant fixtures, wherever located in the Premises or Building, and (b) to alter or relocate any other common facility, provided that substitutions are substantially equivalent or better. Installations, replacements and relocations referred to in clause (a) above shall be located so far as practicable in the central core area of the Building, above ceiling surfaces, below floor surfaces or within perimeter walls of the Premises. Except in the event of an emergency, Landlord shall provide Tenant with forty-eight (48) hours advance notice of the above-referenced work if such work shall adversely affect Tenant's use of or access to the Premises, the common areas of the Site and/or the parking area.

2.4 HABENDUM.

-----

Tenant shall have and hold the Premises for a period commencing on the Commencement Date, and continuing for the Term unless sooner terminated as provided in Article VI or Article VII or unless extended as provided in Section 2.4.1.

2.4.1 EXTENSION OPTION.

-----

(A) On the conditions (which conditions Landlord may waive by written notice to Tenant) that both at the time of exercise of the option to extend and at the commencement date of the extension option period (i) there exists no Event of Default (defined in Section 7.1), (ii) this Lease is still in full force and effect, and (iii) Tenant has not assigned this (except for an assignment permitted without Landlord's consent under Section 5.6.1 hereof), Tenant shall have the right to extend the Term hereof upon all the same Annual Fixed Rent, terms, conditions, covenants and agreements herein contained (except that the only extension option shall be as set forth in this Section 2.4.1) for one (1) period of one (1) year as hereinafter set forth. Such option period is sometimes herein referred to as an "Extended Term." Notwithstanding any implication to the contrary Landlord has no obligation to make any additional payment to Tenant in respect of any construction allowance or the like or to perform any work to the Premises as a result of the exercise by Tenant of such option.

(B) If Tenant desires to exercise the option to extend the Term, then Tenant shall give notice to Landlord, not earlier than twelve (12) months nor later than six (6) months prior to the expiration of the Original Term. Upon the giving of such notice, this Lease and the Term hereof shall be extended for the option period, without the necessity for the execution of any additional documents (except that Landlord and Tenant agree to enter into an instrument in writing setting forth the fixed rent); and in such event all references herein to the Term or the term of this Lease shall be construed as referring to the Term, as so extended, unless the context clearly otherwise requires.

2.5 FIXED RENT PAYMENTS.

-----

Tenant agrees to pay to Landlord, or as directed by Landlord, at Landlord's Original Address specified in Section 1.1 hereof, or at such other place as Landlord shall from time to time designate by notice, (1) (a) on the Second Floor Premises Rent

-8-

Commencement Date with respect to the Second Floor Premises and on the Third Floor Premises Rent Commencement Date with respect to the Third Floor Premises, respectively, and thereafter monthly, in advance, on the first day of each and every calendar month during the Original Term, a sum equal to one twelfth (1/12th) of the applicable Annual Fixed Rent (sometimes hereinafter referred to as "fixed rent") and (b) on the Commencement Date and thereafter monthly, in advance, on the first day of each and every calendar month during the Original Term, a sum equal to one twelfth (1/12th) of \$1.00 per annum for each square foot of Rentable Floor Area of Tenant's Space for tenant electricity subject to escalation as provided in Section 2.8 and (2) on the first day of each and every calendar month during the extension option period (if exercised), a sum equal to (a) one twelfth (1/12th) of the Annual Fixed Rent as determined in Section 2.4.1 for the extension option period plus (b) then applicable monthly electricity charges (subject to escalation for electricity as provided in Section 2.8 hereof). Until notice of some other designation is given, fixed rent

and all other charges for which provision is herein made shall be paid by remittance to or for the order of Boston Properties Limited Partnership, Agents at P.O. Box 3557, Boston, Massachusetts 02241-3557, and all remittances received by Boston Properties Limited Partnership, as Agents as aforesaid, or by any subsequently designated recipient, shall be treated as payment to Landlord.

Annual Fixed Rent for any partial month shall be paid by Tenant to Landlord at such rate on a pro rata basis, and, if the Second Floor Premises Rent Commencement Date and/or the Third Floor Premises Rent Commencement Date are a day other than the first day of a calendar month, the first payment of Annual Fixed Rent which Tenant shall make to Landlord shall be a payment equal to a proportionate part of such monthly Annual Fixed Rent for the partial month from the Second Floor Premises Rent Commencement Date and/or the Third Floor Premises Rent Commencement Date, as applicable, to the first day of the succeeding calendar month.

Additional Rent payable by Tenant on a monthly basis, as hereinafter provided, likewise shall be prorated, and the first payment on account thereof shall be determined in similar fashion but shall commence on the Commencement Date; and other provisions of this Lease calling for monthly payments shall be read as incorporating this undertaking by Tenant.

Notwithstanding that the payment of Annual Fixed Rent payable by Tenant to Landlord with respect to the Second Floor Premises shall not commence until the Second Floor Premises Rent Commencement Date and with respect to the Third Floor Premises shall not commence until the Third Floor Premises Rent Commencement Date, respectively, Tenant shall be subject to, and shall comply with, all other provisions of this Lease as and at the times provided in this Lease.

The Annual Fixed Rent and all other charges for which provision is herein made shall be paid by Tenant to Landlord, without offset, deduction or abatement except as otherwise specifically set forth in this Lease.

-9-

## 2.6 OPERATING EXPENSES. -----

"Landlord's Operating Expenses" means the cost of operation of the Building and the Site which shall exclude costs of special services rendered to tenants (including Tenant) for which a separate charge is made, but shall include, without limitation, the following: premiums for insurance carried with respect to the Building and the Site (including, without limitation, liability insurance, insurance against loss in case of fire or casualty and insurance of monthly installments of fixed rent and any Additional Rent which may be due under this Lease and other leases of space in the Building for not more than 12 months in the case of both fixed rent and Additional Rent and if there be any first mortgage of the Property, including such insurance as may be required by the holder of such first mortgage); compensation and all fringe benefits, worker's compensation insurance premiums and payroll taxes paid to, for or with respect to all persons engaged in the operating, maintaining or cleaning of the Building or Site, water, sewer, electric, gas, oil and telephone charges (excluding utility charges separately chargeable to tenants for additional or special services); cost of building and cleaning supplies and equipment; cost of maintenance, cleaning and repairs (other than repairs directly chargeable to other tenants or not properly chargeable against income

or reimbursed from contractors under guarantees); cost of snow removal and care of landscaping; payments under service contracts with independent contractors; management fees at reasonable rates consistent with the type of occupancy and the service rendered; and all other reasonable and necessary expenses paid in connection with the operation, cleaning and maintenance of the Building and the Site and properly chargeable against income, provided, however, there shall be included (a) depreciation for capital expenditures made by Landlord (i) to reduce Landlord's Operating Expenses if Landlord shall have reasonably determined that the annual reduction in Landlord's Operating Expenses shall exceed depreciation therefor or (ii) to comply with applicable laws, rules, regulations, requirements, statutes, ordinances, by-laws and court decisions of all public authorities which are now or hereafter in force; plus (b) in the case of both (i) and (ii) an interest factor, reasonably determined by Landlord, as being the interest rate then charged for long term mortgages by institutional lenders on like properties within the locality in which the Building is located; depreciation in the case of both (i) and (ii) shall be determined by dividing the original cost of such capital expenditure by the number of years of useful life of the capital item acquired and the useful life shall be reasonably determined by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of acquisition of the capital item.

"Tenant's Share" shall mean 17.85%.

"Operating Expenses Allocable to the Premises" shall mean Tenant's Share of Landlord's Operating Expenses for and pertaining to the Building and the Site.

"Base Operating Expenses" shall mean Landlord's Operating Expenses for calendar year 2005 (that is, the period beginning January 1, 2005 and ending December 31, 2005). Base Operating Expenses shall not include market-wide cost increases due to extraordinary circumstances, included but not limited to Force Majeure (as defined in Section 6.1), conservation surcharges, boycotts, strikes, embargoes or shortages.

-10-

"Base Operating Expenses Allocable to the Premises" shall mean Tenant's Share of Base Operating Expenses.

If with respect to any calendar year falling within the Term, or fraction of a calendar year falling within the Term at the beginning or end thereof, the Operating Expenses Allocable to the Premises for a full calendar year exceed Base Operating Expenses Allocable to the Premises or for any such fraction of a calendar year exceed the corresponding fraction of Base Operating Expenses Allocable to the Premises (such amount being hereinafter sometimes referred to as the "Operating Cost Excess") then, Tenant shall pay to Landlord, as Additional Rent, the amount of such excess. Such payments shall be made at the times and in the manner hereinafter provided in this Section 2.6. (The Base Operating Expenses Allocable to the Premises do not include the \$1.00 for tenant electricity to be paid by Tenant together with Annual Fixed Rent and for which provision is made in Section 2.5 hereof, separate provision being made in Section 2.8 of this Lease for Tenant's share of increases in electricity costs.)

Not later than one hundred and twenty (120) days after the end of the first calendar year or fraction thereof ending December 31 and of each succeeding calendar year during the Term or fraction thereof at the end of the Term, Landlord shall render Tenant a statement in reasonable detail and according to generally accepted accounting practices



certified by a representative of Landlord, showing for the preceding calendar year or fraction thereof, as the case may be, Base Operating Expenses, Landlord's Operating Expenses and Operating Expenses Allocable to the Premises. Said statement to be rendered to Tenant shall also show for the preceding year or fraction thereof as the case may be the amounts of operating expenses already paid by Tenant as Additional Rent on account of the operating expenses and the amount of the Operating Cost Excess remaining due from, or overpaid by, Tenant for the year or other period covered by the statement. Within thirty (30) days after the date of delivery of such statement, Tenant shall pay to Landlord the balance of the amounts, if any, required to be paid pursuant to the above provisions of this Section 2.6 with respect to the preceding year or fraction thereof, or Landlord shall credit any amounts overpaid by Tenant against (i) monthly installments of fixed rent next thereafter coming due or (ii) any sums then due from Tenant to Landlord under this Lease (or refund such portion of the overpayment as aforesaid if the Term has ended and Tenant has no further obligation to Landlord).

In addition, Tenant shall make payments monthly on account of Tenant's share of increases in Landlord's Operating Expenses anticipated for the then current year at the time and in the fashion herein provided for the payment of fixed rent. The amount to be paid to Landlord shall be an amount reasonably estimated annually by Landlord to be sufficient to cover, in the aggregate, a sum equal to the Operating Cost Excess for each calendar year during the Term.

Notwithstanding the foregoing provisions, no decrease in Landlord's Operating Expenses shall result in a reduction of the amount otherwise payable by Tenant if and to the extent said decrease is attributable to vacancies in the Building rather than to any other causes.

-11-

2.7 REAL ESTATE TAXES.  
-----

If with respect to any full Tax Year or fraction of a Tax Year falling within the Term, Landlord's Tax Expenses Allocable to the Premises (as hereinafter defined) for a full Tax Year exceed Base Taxes Allocable to the Premises or for any such fraction of a Tax Year exceed the corresponding fraction of Base Taxes Allocable to the Premises (such amount being hereinafter sometimes referred to as the "Tax Excess") then, on or before the thirtieth (30th) day following receipt by Tenant of the certified statement referred to below in this Section 2.7, then Tenant shall pay to Landlord, as Additional Rent, the amount of the Tax Excess. Not later than ninety (90) days after Landlord's Tax Expenses Allocable to the Premises are determined for the first such Tax Year or fraction thereof and for each succeeding Tax Year or fraction thereof during the Term, Landlord shall render Tenant a statement in reasonable detail certified by a representative of Landlord showing for the preceding year or fraction thereof, as the case may be, real estate taxes on the Building and the Site and abatements and refunds of any taxes and assessments. Expenditures for legal fees and for other expenses incurred in seeking the tax refund or abatement may be charged against the tax refund or abatement before the adjustments are made for the Tax Year. Said statement to be rendered to Tenant shall also show for the preceding Tax Year or fraction thereof as the case may be the amounts of real estate taxes already paid by Tenant as Additional Rent, and the amount of real estate taxes remaining due from, or overpaid by, Tenant for the year or other period covered by the statement. Within thirty (30) days after the date of delivery of the foregoing statement, Tenant shall pay to Landlord the balance of the amounts, if any,

required to be paid pursuant to the above provisions of this Section 2.7 with respect to the preceding Tax Year or fraction thereof, or Landlord shall credit any amounts due from it to Tenant pursuant to the provisions of this Section 2.7 against (i) monthly installments of fixed rent next thereafter coming due or (ii) any sums then due from Tenant to Landlord under this Lease (or refund such portion of the over-payment as aforesaid if the Term has ended and Tenant has no further obligation to Landlord).

In addition, payments by Tenant on account of increases in real estate taxes anticipated for the then current year shall be made monthly at the time and in the fashion herein provided for the payment of fixed rent. The amount so to be paid to Landlord shall be an amount reasonably estimated by Landlord to be sufficient to provide Landlord, in the aggregate, a sum equal to Tenant's share of such increases, at least ten (10) days before the day on which such payments by Landlord would become delinquent.

To the extent that real estate taxes shall be payable to the taxing authority in installments with respect to periods less than a Tax Year, the foregoing statement shall be rendered and payments made on account of such installments. Notwithstanding the foregoing provisions, no decrease in Landlord's Tax Expenses with respect to any Tax Year shall result in a reduction of the amount otherwise payable by Tenant if and to the extent said decrease is attributable to vacancies in the Building or partial completion of the Building rather than to any other causes.

-12-

Terms used herein are defined as follows:

- (i) "Tax Year" means the twelve-month period beginning July 1 each year during the Term or if the appropriate governmental tax fiscal period shall begin on any date other than July 1, such other date.
- (ii) "Tenant's Tax Share" means 18.79%.
- (iii) "Landlord's Tax Expenses Allocable to the Premises" shall mean Tenant's Tax Share of Landlord's Tax Expenses.
- (iv) "Landlord's Tax Expenses" with respect to any Tax Year means the aggregate real estate taxes on the Building and Site with respect to that Tax Year, reduced by any abatement receipts with respect to that Tax Year.
- (v) "Base Taxes" means Landlord's Tax Expenses (hereinbefore defined) for fiscal tax year 2006 (that is, the period beginning July 1, 2005 and ending June 30, 2006).
- (vi) "Base Taxes Allocable to the Premises" means Tenant's Tax Share of Base Taxes.
- (vii) "Real estate taxes" means all taxes and special assessments of every kind and nature and user fees and other like fees assessed by any governmental authority on the Building or Site which the Landlord shall become obligated to pay because of or in connection with the ownership, leasing or operation of the Site, the Building and the Property (including, without limitation, if applicable the excise prescribed by Mass Gen Laws Chapter 121A, Section 10 and amounts in excess thereof paid to the Town of Lexington pursuant to agreement between Landlord and the Town)

and reasonable expenses of and fees for any formal or informal proceedings for negotiation or abatement of taxes (collectively, "Abatement Expenses"), which Abatement Expenses shall be excluded from Base Taxes. The amount of special taxes or special assessments to be included shall be limited to the amount of the installment (plus any interest, other than penalty interest, payable thereon) of such special tax or special assessment required to be paid during the year in respect of which such taxes are being determined. There shall be excluded from such taxes all late fees or penalties, and income, estate, succession, inheritance and transfer taxes; provided, however, that if at any time during the Term the present system of ad valorem taxation of real property shall be changed so that in lieu of, or in addition to, the whole or any part of the ad valorem tax on real property there shall be assessed on Landlord a capital levy or other tax on the gross rents received with respect to the Site or Building or Property, or a federal, state, county, municipal, or other local income, franchise, excise or similar tax, assessment, levy or charge (distinct from any now in effect in the jurisdiction in which the Property is located) measured by or based, in whole or in part, upon any such gross rents, then any and all of such taxes, assessments, levies or charges, to the extent so measured or based, shall be

-13-

deemed to be included within the term "real estate taxes" but only to the extent that the same would be payable if the Site and Building were the only property of Landlord.

- (viii) If during the Lease Term the Tax Year is changed by applicable law to less than a full 12-month period, the Base Taxes and Base Taxes Allocable to the Premises shall each be proportionately reduced.

## 2.8 TENANT ELECTRICITY.

-----

The current cost of furnishing electricity to the base building components of the Building and the Site is approximately \$1.36 per square foot of the Total Rentable Floor Area of the Building and the current cost of furnishing electricity to the tenant spaces in the Building is approximately \$1.15 per square foot of the Total Rentable Floor Area of the Building. The costs of electricity consumption chargeable to the tenants of the Building are based on the costs charged to Landlord by the local utility company providing service to the Building and the Site and are passed through to the tenants without mark-up. If with respect to any calendar year falling within the Term or fraction of a calendar year falling within the Term at the beginning or end thereof, the cost of furnishing electricity to the Building and the Site, including common areas and facilities and space occupied by tenants, (but expressly excluding utility charges separately chargeable to tenants for additional or special services) for a full calendar year exceeds \$1.00 per square foot of Rentable Floor Area of the Building, or for any such fraction of a calendar year exceeds the corresponding fraction of \$1.00 per square foot of Rentable Floor Area of the Building, then Tenant shall pay to Landlord, as Additional Rent, on or before the thirtieth (30th) day following receipt by Tenant of the statement referred to below in this Section 2.8, its proportionate share of the amount of such excess (i.e. the same proportion of such excess as the Rentable Floor Area of Tenant's Space bears to the Total Rentable Floor Area of the Building). In no event shall Tenant be responsible for any increases in the cost of electricity caused by

another tenant's excessive use. Payments by Tenant on account of such excess shall be made monthly at the time and in the fashion herein provided for the payment of Annual Fixed Rent. The amount so to be paid to Landlord shall be an amount from time to time reasonably estimated by Landlord to be sufficient to cover, in the aggregate, a sum equal to such excess for each calendar year during the Term. If the Landlord shall reasonably determine that the cost of electricity furnished to the Tenant at the Premises exceeds the amount being paid under Sections 2.5 and 2.8, then the Landlord may charge the Tenant for such excess and the Tenant shall promptly pay the same upon billing therefor.

Not later than ninety (90) days after the end of the first calendar year or fraction thereof ending December 31 and of each succeeding calendar year during the Term or fraction thereof at the end of the Term, Landlord shall render Tenant a reasonably detailed accounting certified by a representative of Landlord showing for the preceding calendar year, or fraction thereof, as the case may be, the costs of furnishing electricity to the Building. Said statement to be rendered to Tenant also shall show for the preceding year or fraction thereof, as the case may be, the amount already paid by Tenant on account of electricity, and the amount remaining due from, or overpaid by, Tenant for the year or

-14-

other period covered by the statement. Within thirty (30) days after the date of the delivery of such statement, Tenant shall pay to Landlord the balance of the amounts, if any required to be paid pursuant to the above provisions of this Section 2.8 with respect to the preceding year, or fraction thereof, or Landlord shall credit any amounts due from it to Tenant pursuant to the above provisions of this Section 2.8 against monthly installments of Annual Fixed Rent or Additional Rent next thereafter coming due unless the Lease Term has expired and Tenant has no other or further obligations to Landlord, in which case Landlord shall promptly refund such amount to Tenant.

#### ARTICLE III

-----

#### CONDITION OF PREMISES; ALTERATIONS

-----

##### 3.1 CONDITION OF PREMISES.

-----

Tenant shall accept the Premises in their As-Is condition without any obligation on the Landlord's part to perform any additions, alterations, improvements, demolition or other work therein or pertaining thereto.

##### 3.2 QUALITY AND PERFORMANCE OF WORK.

-----

All construction work required or permitted by this Lease shall be done in a good and workmanlike manner and in compliance with all applicable laws, ordinances, rules, regulations, statutes, by-laws, court decisions, and orders and requirements of all public authorities ("Legal Requirements") and all Insurance Requirements (as defined in Section 5.14 hereof). All of Tenant's work shall be coordinated with any work being performed by or for Landlord and in such manner as to maintain harmonious labor relations. Each party may inspect the work of the other at reasonable times and shall promptly give notice of observed defects. Each party authorizes the other to rely in connection

with design and construction upon approval and other actions on the party's behalf by any Construction Representative of the party named in Section 1.1 or any person hereafter designated in substitution or addition by notice to the party relying. Except to the extent to which Tenant shall have given Landlord notice of respects in which Landlord has not performed Landlord's construction obligations under this Article III (if any) (i) not later than the end of the sixth (6th) full calendar month next beginning after the Commencement Date with respect to the heating, ventilating and air conditioning systems servicing the Premises, and (ii) not later than the third (3rd) full calendar month next beginning after the Commencement Date with respect to Landlord's construction obligations under this Article III not referenced in (i) above, Tenant shall be deemed conclusively to have approved Landlord's construction and shall have no claim that Landlord has failed to perform any of Landlord's obligations under this Article III (if any). Landlord agrees to correct or repair at its expense items which are then incomplete or do not conform to the work contemplated under the Plans and as to which, in either case, Tenant shall have given notice to Landlord, as aforesaid.

-15-

3.3 SPECIAL ALLOWANCE.  
-----

Landlord shall provide to Tenant a special allowance equal to the product of (i) \$6.00 and (ii) the Rentable Floor Area of the Premises (the "Tenant Allowance"). The Tenant Allowance shall be used and applied by Tenant solely on account of the cost of work performed by or on behalf of Tenant ("Tenant's Work"), which such Tenant's Work shall be performed in accordance with the terms of this Lease. Provided that the Tenant (i) has opened for business in the Premises, (ii) has completed all of such Tenant's Work in accordance with the terms of this Lease, has paid for all of such Tenant's Work in full and has delivered to Landlord lien waivers from all persons who might have a lien as a result of such work, in the recordable forms attached hereto as Exhibit F, (iii) has delivered to Landlord its certificate specifying the cost of such Tenant's Work and all contractors, subcontractors and supplies involved with Tenant's Work, together with evidence of such cost in the form of paid invoices, receipts and the like, (iv) has satisfied the requirements of (i) through (iii) above and made request for such payment on or before May 1, 2006, (v) is not otherwise in default under this Lease, and (vi) there are no liens (unless bonded to the reasonable satisfaction of Landlord) against Tenant's interest in the Lease or against the Building or the Site arising out of Tenant's Work or any litigation in which Tenant is a party, then within thirty (30) days after the satisfaction of the foregoing conditions, the Landlord shall pay to the Tenant the lesser of the amount of such costs so certified or the amount of the Tenant Allowance. Notwithstanding the foregoing, Tenant shall have the option to request Landlord to make two separate disbursements of the Tenant Allowance (one prior to final completion of the Tenant's Work and one upon completion of the same), provided that in the case of the request made prior to final completion (1) Tenant has satisfied the requirements of items (ii) through (vi) above with respect to that portion of the Tenant's Work completed prior to the date of the request and (2) the disbursement requested by Tenant equals \$21,832.00 or more. For the purposes hereof, the cost to be so reimbursed by Landlord shall include (x) the cost of leasehold improvements, engineering fees, architectural fees and third-party supervision or management fees and (y) up to \$21,832.00 towards the cost of Tenant's voice and data cabling, personal property, trade fixtures or trade equipment, moving expenses or any so-called soft costs.

Notwithstanding the foregoing, Landlord shall be under no obligation to apply any portion of the Tenant Allowance for any purposes other than as provided in this Section 3.4, nor shall Landlord be deemed to have assumed any obligations, in whole or in part, of Tenant to any contractors, subcontractors, suppliers, workers or materialmen. Further, in no event shall Landlord be required to make application of any portion of the Tenant Allowance on account of any supervisory fees, overhead, management fees or other payments to Tenant, or any partner or affiliate of Tenant. In the event that such cost of Tenant's Work is less than the Tenant Allowance, Tenant shall not be entitled to any payment or credit nor shall there be any application of the same toward Annual Fixed Rent or Additional Rent owed by Tenant under this Lease.

-16-

#### ARTICLE IV

-----

#### LANDLORD'S COVENANTS; INTERRUPTIONS AND DELAYS

-----

#### 4.1 LANDLORD COVENANTS:

-----

##### 4.1.1 SERVICES FURNISHED BY LANDLORD.

-----

To furnish services, utilities, facilities and supplies set forth in Exhibit C equal to those customarily provided by landlords in high quality buildings in the Boston West Suburban Market subject to escalation reimbursement in accordance with Section 2.6.

##### 4.1.2 ADDITIONAL SERVICES AVAILABLE TO TENANT.

-----

To furnish, at Tenant's expense, reasonable additional Building operation services which are usual and customary in similar office buildings in the Boston West Suburban Market upon reasonable advance request of Tenant at reasonable and equitable rates from time to time established by Landlord. Tenant agrees to pay to Landlord, as Additional Rent, the reasonable cost of any such additional Building services requested by Tenant and for the reasonable cost of any additions, alterations, improvements or other work performed by Landlord in the Premises at the request of Tenant within thirty (30) days after being billed therefor.

##### 4.1.3 ROOF, EXTERIOR WALL, FLOOR SLAB AND COMMON FACILITY REPAIRS.

-----

Except for (a) normal and reasonable wear and use and (b) damage caused by fire and casualty and by eminent domain, and except as otherwise provided in Article VI and subject to the escalation provisions of Section 2.6, (i) to make such repairs to the structural portions of the Building (including but not limited to the roof, exterior walls and floor slabs) and to the common areas and facilities as may be necessary to keep them in serviceable condition and (ii) to maintain the Building (exclusive of Tenant's responsibilities under this Lease) in a first class manner comparable to the maintenance of similar properties in the Boston West Suburban Market.

4.1.4 DOOR SIGNS.

-----

To provide and install, at Landlord's expense, letters or numerals on the exterior doors to the Premises to identify Tenant's official name and Building address; all such letters and numerals shall be in the building standard graphics and no others shall be used or permitted on the Premises.

-17-

4.2 INTERRUPTIONS AND DELAYS IN SERVICES AND REPAIRS, ETC.

-----

Landlord shall not be liable to Tenant for any compensation or reduction of rent by reason of inconvenience or annoyance or for loss of business arising from the necessity of Landlord or its agents entering the Premises for any of the purposes in this Lease authorized, or for repairing the Premises or any portion of the Building however the necessity may occur. In case Landlord is prevented or delayed from making any repairs, alterations or improvements, or furnishing any services or performing any other covenant or duty to be performed on Landlord's part, by reason of any cause reasonably beyond Landlord's control, including without limitation the causes set forth in Section 3.2 hereof as being reasonably beyond Landlord's control, Landlord shall not be liable to Tenant therefor, nor, except as expressly otherwise provided in Article VI, shall Tenant be entitled to any abatement or reduction of rent by reason thereof, or right to terminate this Lease, nor shall the same give rise to a claim in Tenant's favor that such failure constitutes actual or constructive, total or partial, eviction from the Premises.

Landlord reserves the right to stop any service or utility system, when necessary by reason of accident or emergency, or until necessary repairs have been completed; provided, however, that in each instance of stoppage, Landlord shall exercise reasonable diligence to eliminate the cause thereof. Except in case of emergency repairs, Landlord will give Tenant reasonable advance notice of any contemplated stoppage and will use reasonable efforts to avoid unnecessary inconvenience to Tenant by reason thereof.

In the event that the electrical, heating, ventilating, air conditioning, or all elevator service to the Premises shall be shut down for more than five (5) full and consecutive business days, but only as a result of causes which are covered by Landlord's loss of rentals insurance, then, Tenant shall be entitled to an abatement of Annual Fixed Rent equal to the "Insurance Amount" (hereinafter defined). The "Insurance Amount" shall be an amount equal to the payment actually received by Landlord (but only allocable to and on account of the Premises) for such shut down of electricity service to the Premises from Landlord's insurance carrier providing such loss of rents insurance less the amount of any deductible contained in such loss of rents insurance coverage. Notwithstanding anything herein contained to the contrary, in no event shall any of the events referred to in this Section give rise to a claim in Tenant's favor that such failure constitutes actual or constructive, total or partial, eviction from the Premises.

-18-

ARTICLE V

TENANT'S COVENANTS

Tenant covenants during the Term and such further time as Tenant occupies any part of the Premises:

5.1 PAYMENTS.  
-----

To pay when due all fixed rent and Additional Rent and all charges for utility services rendered to the Premises (except as otherwise provided in Exhibit C) and, further, as Additional Rent, all charges for additional services rendered pursuant to Section 4.1.2.

5.2 REPAIR AND YIELD UP.  
-----

Except as otherwise provided in Article VI and Section 4.1.3, to keep the Premises in good order, repair and condition, damage by casualty and reasonable wear and tear only excepted, and all glass in windows (except glass in exterior walls unless the damage thereto is attributable to Tenant's negligence or misuse) and doors of the Premises whole and in good condition with glass of similar type and quality as that injured or broken, damage by fire or taking under the power of eminent domain only excepted, and at the expiration or termination of this Lease peaceably to yield up the Premises all construction, work, improvements, and all alterations and additions thereto in good order, repair and condition, reasonable wear and tear only excepted, first removing all goods and effects of Tenant and, to the extent specified by Landlord by notice to Tenant given at the time Landlord approves Tenant's plans for the installation of the same that removal will be required upon the expiration or earlier termination of the Lease Term, the wiring for Tenant's computer, telephone and other communication systems and equipment whether located in the Premises or in any other portion of the Building, including all risers and all alterations and additions made by Tenant and all partitions. Tenant shall repair any damage caused by such removal and shall restore the Premises and leave them clean and neat. Tenant shall not permit or commit any waste, and Tenant shall be responsible for the cost of repairs which may be made necessary by reason of damage to common areas in the Building or to the Site caused by Tenant, Tenant's agents, contractors, employees, sublessees, licensees, concessionaires or invitees.

5.3 USE.  
---

Continuously from the commencement of the Term, to use and occupy the Premises for the Permitted Use only, and not to injure or deface the Premises, Building, the Site or any other part of the Complex nor to permit in the Premises or on the Site any auction sale, vending machine (except for two (2) vending machines exclusively for use by Tenant's employees, one per on each floor occupied by Tenant; provided, however, that (i) Landlord shall have the right to approve the location of each such vending machine and (ii) Tenant shall be required to remove the vending machines upon the expiration or earlier termination of this Lease and repair any damage to the Premises caused by their installation and removal), or inflammable fluids or chemicals, or nuisance, or the emission from the Premises of any objectionable noise or odor, nor to permit in the Premises anything which will in any way result in the leakage of fluid or the growth of mold, and not to use or devote the Premises or any part thereof for any purpose other than the



Permitted Uses, nor for any use thereof which is inconsistent with maintaining the Building as a first class office building in the quality of its maintenance, use and occupancy, or which is improper, offensive, contrary to law or ordinance or liable to render necessary any alteration or addition to the Building. Further, (i) Tenant shall not,

-19-

nor shall Tenant permit its employees, invitees, agents, independent contractors, contractors, assignees or subtenants to, keep, maintain, store or dispose of (into the sewage or waste disposal system or otherwise) or engage in any activity which might produce or generate any substance which is or may hereafter be classified as a hazardous material, waste or substance (collectively "Hazardous Materials"), under federal, state or local laws, rules and regulations, including, without limitation, 42 U.S.C. Section 6901 et seq., 42 U.S.C. Section 9601 et seq., 42 U.S.C. Section 2601 et seq., 49 U.S.C. Section 1802 et seq. and Massachusetts General Laws, Chapter 21E and the rules and regulations promulgated under any of the foregoing, as such laws, rules and regulations may be amended from time to time (collectively "Hazardous Materials Laws"), (ii) Tenant shall immediately notify Landlord of any incident in, on or about the Premises, the Building or the Site that would require the filing of a notice under any Hazardous Materials Laws, (iii) Tenant shall comply and shall cause its employees, invitees, agents, independent contractors, contractors, assignees and subtenants to comply with each of the foregoing and (iv) Landlord shall have the right upon forty-eight (48) hours notice (except in the event of an emergency) to make such inspections (including testing) as Landlord shall reasonably determine are necessary from time to time to determine that Tenant is complying with the foregoing.

5.4 OBSTRUCTIONS; ITEMS VISIBLE FROM EXTERIOR; RULES AND REGULATIONS.  
-----

Not to obstruct in any manner any portion of the Building not hereby leased or any portion thereof or of the Site used by Tenant in common with others; not without prior consent of Landlord to permit the painting or placing of any signs, curtains, blinds, shades, awnings, aerials or flagpoles, or the like, visible from outside the Premises; and to comply with all reasonable rules and regulations now or hereafter made by Landlord, of which Tenant has been given notice, for the care and use of the Building and Site and their facilities and approaches; Landlord shall not be liable to Tenant for the failure of other occupants of the Building to conform to such rules and regulations.

5.5 SAFETY APPLIANCES.  
-----

To keep the Premises equipped with all safety appliances required by any public authority because of any use made by Tenant other than for Tenant's Permitted Use, and to procure all licenses and permits so required because of such use and, if requested by Landlord, to do any work so required because of such use, it being understood that the foregoing provisions shall not be construed to broaden in any way Tenant's Permitted Use.

5.6 ASSIGNMENT; SUBLEASE.  
-----

Except as otherwise expressly provided herein, Tenant covenants and

agrees that it shall not assign, mortgage, pledge, hypothecate or otherwise transfer this Lease and/or Tenant's interest in this Lease or sublet (which term, without limitation, shall include granting of concessions, licenses or the like) the whole or any part of the Premises. Any assignment, mortgage, pledge, hypothecation, transfer or subletting not expressly

-20-

permitted in or consented to by Landlord under Sections 5.6.1-5.6.6 shall be void, ab initio; shall be of no force and effect; and shall confer no rights on or in favor of third parties. In addition, Landlord shall be entitled to seek specific performance of or other equitable relief with respect to the provisions hereof.

5.6.1 Notwithstanding the provisions of Section 5.6 above and the provisions of Section 5.6.2, 5.6.3 and 5.6.5 below, Tenant shall have the right to assign this Lease or to sublet the Premises (in whole or in part) to any parent or subsidiary corporation of Tenant or to any corporation into which Tenant may be converted or with which it may merge, provided that the entity to which this Lease is so assigned or which so sublets the Premises has a credit worthiness (e.g. assets on a pro forma basis using generally accepted accounting principles consistently applied and using the most recent financial statements) which is the same or better than Tenant as of the date of this Lease. If any parent or subsidiary corporation of Tenant to which this Lease is assigned or the Premises sublet (in whole or in part) shall cease to be such a parent or subsidiary corporation, such cessation shall be considered an assignment or subletting requiring Landlord's consent, which consent shall not be unreasonably withheld, delayed or conditioned. Any such assignment or subletting shall be subject to the provisions of Section 5.6.4 and Section 5.6.6 below.

5.6.2 Notwithstanding the provisions of Section 5.6 above, in the event Tenant desires to assign this Lease or to sublet the Premises (in whole or in part), Tenant shall give Landlord a Proposed Transfer Notice (as defined in Section 5.6.4 hereof) and Landlord shall have the right at its sole option, to be exercised within fifteen (15) days after receipt of Tenant's Proposed Transfer Notice (the "Acceptance Period"), to terminate this Lease as of a date specified in a notice to Tenant, which date shall not be earlier than sixty (60) days nor later than one hundred and twenty (120) days after Landlord's notice to Tenant; provided, however, that upon the termination date as set forth in Landlord's notice, all obligations relating to the period after such termination date (but not those relating to the period before such termination date) shall cease and promptly upon being billed therefor by Landlord, Tenant shall make final payment of all rent and Additional Rent due from Tenant through the termination date. Notwithstanding the foregoing, in the event that Tenant shall propose to sublease a portion of the Premises, Landlord shall only have the right to so terminate this Lease with respect to the portion of the Premises which Tenant proposes to sublease (the "Terminated Portion of the Premises") and from and after the termination date the Rentable Floor Area of the Premises shall be reduced to the rentable floor area of the remainder of the Premises and the definition of Rentable Floor Area of the Premises shall be so amended and after such termination all references in this Lease to the "Premises" or the "Rentable Floor Area of the Premises" shall be deemed to be references to the remainder of the Premises and accordingly

Tenant's payments for Annual Fixed Rent, operating costs, real estate taxes and electricity shall be reduced on a pro rata basis to reflect the size of the remainder of the Premises.

-21-

In the event that Landlord elects to terminate this Lease as aforesaid, Tenant shall have the right upon written notice delivered to Landlord within fifteen (15) days from receipt of Landlord's termination notice, to rescind its Proposed Transfer Notice, at which point Landlord's termination notice shall be deemed null and void and this Lease shall continue in full force and effect.

In the event that Landlord shall not exercise its termination rights as aforesaid, or shall fail to give any or timely notice pursuant to this Section the provisions of Sections 5.6.3-5.6.6 shall be applicable. This Section 5.6.2 shall not be applicable to an assignment or sublease pursuant to Section 5.6.1.

5.6.3 Notwithstanding the provisions of Section 5.6 above, but subject to the provisions of this Section 5.6.3 and the provisions of Sections 5.6.4, 5.6.5 and 5.6.6 below, in the event that Landlord shall not have exercised the termination right as set forth in Section 5.6.2, or shall have failed to give any or timely notice under Section 5.6.2, then for a period of ninety (90) days (i) after the receipt of Landlord's notice stating that Landlord does not elect the termination right, or (ii) after the expiration of the Acceptance Period in the event Landlord shall not give any or timely notice pursuant to Section 5.6.2, as the case may be, Tenant shall have the right to assign this Lease or sublet the Premises in accordance with the Proposed Transfer Notice given as provided in Section 5.6.4 provided that, in each instance, Tenant first obtains the express prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Without limiting the foregoing standard, Landlord shall not be deemed to be unreasonably withholding its consent to such a proposed assignment or subleasing if:

- (a) if Landlord has comparable space available for lease in the Building, the proposed assignee or subtenant is a tenant in the Building or is in active negotiation with Landlord for premises in the Building, or
- (b) the proposed assignee or subtenant is not of good character and reputation or is not of a character consistent with the operation of a first class office building (by way of example Landlord shall not be deemed to be unreasonably withholding its consent to an assignment or subleasing to any governmental or quasi-governmental agency which is open to the public), or
- (c) the proposed assignee does not possess adequate financial capability to perform the Tenant obligations as and when due or required or the proposed subtenant does not possess adequate financial capability to perform the subtenant obligations under the sublease as and when due or required, or
- (d) the assignee or subtenant proposes to use the Premises (or part thereof) for a purpose other than the purpose for which the Premises may be used as stated in Section 1.1 hereof, or

- (e) the character of the business to be conducted or the proposed use of the Premises by the proposed subtenant or assignee shall (i) be likely to increase Landlord's Operating Expenses beyond that which Landlord now incurs for use by Tenant; (ii) be likely to increase the burden on elevators or other Building systems or equipment over the burden prior to such proposed subletting or assignment; or (iii) violate or be likely to violate any provisions or restrictions contained herein relating to the use or occupancy of the Premises, or
- (f) there shall be existing an Event of Default (defined in Section 7.1), or
- (g) any part of the rent payable under the proposed assignment or sublease shall be based in whole or in part on the income or profits derived from the Premises or if any proposed assignment or sublease shall potentially have any adverse effect on the real estate investment trust qualification requirements applicable to Landlord and its affiliates, or
- (h) the holder of any mortgage or ground lease on property which includes the Premises does not approve of the proposed assignment or sublease, or
- (i) due to the identity or business of a proposed assignee or subtenant, such approval would cause Landlord to be in violation of any covenant or restriction contained in another lease or other agreement affecting space in the Building or elsewhere in the Property.

5.6.4 Tenant shall give Landlord notice (the "Proposed Transfer Notice") of any proposed sublease or assignment, and said notice shall specify the provisions of the proposed assignment or subletting, including (a) the name and address of the proposed assignee or subtenant, (b) in the case of a proposed assignment or subletting pursuant to Section 5.6.2, such information as to the proposed assignee's or proposed subtenant's net worth and financial capability and standing as may reasonably be required for Landlord to make the determination referred to in Section 5.6.3 above (provided, however, that Landlord shall hold such information confidential having the right to release same to its officers, accountants, attorneys and mortgage lenders on a confidential basis), (c) all of the terms and provisions upon which the proposed assignment or subletting is to be made, (d) in the case of a proposed assignment or subletting pursuant to Section 5.6.2, all other information necessary to make the determination referred to in Section 5.6.3 above and (e) in the case of a proposed assignment or subletting pursuant to Section 5.6.1 above, such information as may be reasonably required by Landlord to determine that such proposed assignment or subletting complies with the requirements of said Section 5.6.1.

If Landlord shall consent to the proposed assignment or subletting, as the case may be, then, in such event, Tenant may thereafter sublease or assign pursuant to

Tenant's notice, as given hereunder; provided, however, that if such assignment or sublease shall not be executed and delivered to Landlord within ninety (90) days after the date of Landlord's consent, the consent shall be deemed null and void and the provisions of Section 5.6.2 shall be applicable.

- 5.6.5 In addition, in the case of any assignment or subleasing as to which Landlord may consent (other than an assignment or subletting permitted under Section 5.6.1 hereof) such consent shall be upon the express and further condition, covenant and agreement, and Tenant hereby covenants and agrees that, in addition to the Annual Fixed Rent, Additional Rent and other charges to be paid pursuant to this Lease, fifty percent (50%) of the "Assignment/Sublease Profits" (hereinafter defined), if any, shall be paid to Landlord.

The "Assignment/Sublease Profits" shall be the excess, if any, of (a) the "Assignment/Sublease Net Revenues" as hereinafter defined over (b) the Annual Fixed Rent and Additional Rent and other charges provided in this Lease. The "Assignment/Sublease Net Revenues" shall be the fixed rent, Additional Rent and all other charges and sums paid either initially or over the term of the sublease or assignment plus all other profits and increases to be derived by Tenant as a result of such subletting or assignment, less the reasonable costs of Tenant incurred in such subleasing or assignment (the definition of which shall be limited to rent concessions, brokerage commissions, legal fees and alteration allowances, in each case actually paid), as set forth in a statement certified by an appropriate officer of Tenant and delivered to Landlord within thirty (30) days of the full execution of the sublease or assignment document, amortized over the term of the sublease or assignment (it being understood and agreed that said statement may set forth costs that are not required to be paid within said thirty-day period, so long as the obligation to pay the same has been incurred such that the costs are known at the time the statement is prepared).

All payments of the Assignment/Sublease Profits due Landlord shall be made within ten (10) days of receipt of same by Tenant.

- 5.6.6 (A) It shall be a condition of the validity of any assignment or subletting of right under Section 5.6.1 above, or consented to under Section 5.6.3 above, that the assignee or sublessee enter into a separate written instrument directly with Landlord in a form and containing terms and provisions reasonably satisfactory to Landlord to be bound directly to Landlord for all the obligations of the tenant hereunder, including, without limitation, the obligation (a) to pay the rent and other amounts provided for under this Lease (but in the case of a partial subletting pursuant to Section 5.6.1, such subtenant shall agree on a pro rata basis to be so bound) and (b) to comply with the provisions of Sections 5.6 through 5.6.6 hereof. Such assignment or subletting shall not relieve the tenant named herein of any of the obligations of the tenant hereunder and Tenant shall remain fully and primarily liable therefor and the liability of Tenant and such assignee (or subtenant, as the case may be) shall be joint and several. Further, and

notwithstanding the foregoing, the provisions hereof shall not constitute a recognition of the assignment or the assignee thereunder or the sublease or the subtenant thereunder, as the case may be, and at Landlord's option, upon the termination or expiration of the Lease (whether such termination is based upon a cause beyond Tenant's control, a default of Tenant, the agreement of Tenant and Landlord or any other reason), the assignment or sublease shall be terminated.

(B) As Additional Rent Tenant shall pay to Landlord as a fee for Landlord's review of any proposed assignment or sublease requested by Tenant and the preparation of any associated documentation in connection therewith, within thirty (30) days after receipt of an invoice from Landlord, an amount equal to the sum of (i) \$150.00 per hour for in-house staff and/or (ii) reasonable out of pocket legal fees or other expenses incurred by Landlord in connection with such request. In no event shall the total amount of such fee exceed \$2,000.00 in connection with any single request for consent.

(C) If this Lease be assigned, or if the Premises or any part thereof be sublet or occupied by anyone other than Tenant, Landlord may upon prior notice to Tenant, at any time and from time to time, collect rent and other charges from the assignee, sublessee or occupant and apply the net amount collected to the rent and other charges herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or a waiver of the provisions of Sections 5.6 through 5.6.6 hereof, or the acceptance of the assignee, sublessee or occupant as a tenant or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained, the Tenant herein named to remain primarily liable under this Lease.

(D) The consent by Landlord to an assignment or subletting under any of the provisions of Sections 5.6.1 or 5.6.3 shall in no way be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or subletting.

(E) On or after the occurrence of an "Event of Default" (defined in Section 7.1), Landlord shall be entitled to one hundred percent (100%) of any Assignment/Sublease Profits.

(F) Without limiting Tenant's obligations under Section 5.14, Tenant shall be responsible, at Tenant's sole cost and expense, for performing all work necessary to comply with Legal Requirements and Insurance Requirements in connection with any assignment or subletting hereunder including, without limitation, any work in connection with such assignment or subletting.

(G) In addition to the other requirements set forth in this Lease and notwithstanding any other provision of this Lease, partial sublettings of the Premises shall only be permitted under the following terms and conditions: (i) the layout of both the subleased premises and the remainder of the Premises must

comply with applicable laws, ordinances, rules and/or regulations and be approved by Landlord (which such approval shall not be unreasonably withheld, conditioned or delayed), including, without limitation, all requirements concerning access and egress; (ii) in the event the subleased premises are separately

physically demised from the remainder of the Premises, Tenant shall pay all reasonable costs of separately physically demising the subleased premises; and (iii) there shall be no more than two (2) subleases in effect for the Second Floor Premises and two (2) subleases in effect for the Third Floor Premises at any given time

5.7 INDEMNITY; INSURANCE.  
-----

(A) INDEMNITY. To defend with counsel first approved by Landlord (which approval shall not be unreasonably withheld or delayed), save harmless, and indemnify Landlord from any liability for injury, loss, accident or damage to any person or property, and from any claims, actions, proceedings and expenses and costs in connection therewith (including without limitation reasonable counsel fees) (i) arising from or claimed to have arisen from (a) the omission, fault, willful act, negligence or other misconduct of Tenant or Tenant's contractors, licensees, invitees, agents, servants, independent contractors or employees or (b) any use made or thing done or occurring on the Premises not due to the omission, fault, willful act, negligence or other misconduct of Landlord or Landlord's contractors, licensees, agents, servants, independent contractors or employees, or (ii) resulting from the failure of Tenant to perform and discharge its covenants and obligations under this Lease.

(B) INSURANCE. To maintain in full force from the date upon which Tenant first enters the Premises for any reason, throughout the Term of this Lease, and thereafter, so long as Tenant is in occupancy of any part of the Premises, commercial general liability insurance or comprehensive general liability insurance written on an occurrence basis with a broad form comprehensive liability endorsement under which Tenant is the named insured and Landlord and Landlord's managing agent (and such persons as are in privity of estate with Landlord and Landlord's managing agent as may be set out in notice from time to time) are named as additional insureds with limits which shall, at the commencement of the Term, be at least equal to those stated in Section 1.1 and from time to time during the Term shall be for such higher limits, if any, as are customarily carried in the Boston West Suburban Market with respect to similar properties or which may reasonably be required by Landlord, and worker's compensation insurance with statutory limits covering all of Tenant's employees working in the Premises, and to deposit with Landlord on or before the earlier of the date Tenant enters the Premises or the Commencement Date and concurrent with all renewals thereof, certificates for such insurance bearing the endorsement that the policies will not be canceled until after thirty (30) days' written notice to Landlord. In addition, in the event Tenant hosts a function in the Premises, Tenant agrees to obtain and maintain, and cause any persons or parties providing services for such function to obtain, the appropriate insurance coverages as reasonably determined by Landlord (including liquor liability, if applicable) and provide Landlord with evidence of the same. All insurance required to be maintained by Tenant pursuant to this Lease shall be maintained with responsible companies qualified to do

business, and in good standing, in the Commonwealth of Massachusetts and which have a rating of at least "A-" and are within a financial size category of not less than "Class VIII" in the most current Best's Key Rating Guide or such similar rating as may be reasonably selected by Landlord if such Guide is no longer published.

5.8 PERSONAL PROPERTY AT TENANT'S RISK.

-----

That all of the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by, through or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere in the Building or on the Site, shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes, or other pipes, by theft or from any other cause, no part of said loss or damage is to be charged to or be borne by Landlord, except that Landlord shall in no event be indemnified or held harmless or exonerated from any liability to Tenant or to any other person, for any injury, loss, damage or liability to the extent such indemnity, hold harmless or exoneration is prohibited by law. Further, Tenant, at Tenant's expense, shall maintain at all times during the Term of this Lease business interruption insurance and insurance against loss or damage covered by so-called "all risk" type insurance coverage with respect to Tenant's fixtures, equipment, goods, wares and merchandise, tenant improvements made by or paid for by Tenant, and other property of Tenant (collectively "Tenant's Property"). Such insurance shall be in an amount at least equal to the full replacement cost of Tenant's Property. Tenant shall maintain all of its equipment, furniture and furnishings in good order and repair. In addition, during such time as Tenant is performing work in or to the Premises, Tenant, at Tenant's expense, shall also maintain builder's risk insurance for the full insurable value of such work.

5.9 RIGHT OF ENTRY.

-----

To permit Landlord and its agents to examine the Premises at reasonable times and upon at least forty-eight (48) hours prior notice (except in the event of an emergency) and, if Landlord shall so elect, to make any repairs or replacements Landlord may deem necessary; to remove, at Tenant's expense, any alterations, addition, signs, curtains, blinds, shades, awnings, aerials, flagpoles, or the like not consented to in writing; and to show the Premises to prospective tenants during the six (6) months preceding expiration of the Term and to prospective purchasers and mortgagees at all reasonable times. Landlord and its agents shall use commercially reasonable efforts to minimize any unreasonable interference with Tenant's business operations and use of the Premises in the exercise of the foregoing rights, consistent with the reason for entry.

5.10 FLOOR LOAD; PREVENTION OF VIBRATION AND NOISE.

-----

Not to place a load upon the Premises exceeding an average rate of 100 pounds of live load per square foot of floor area (partitions shall be considered as part of the live load); and not to move any safe, vault or other heavy equipment in, about or out of the Premises except in such manner and at such time as Landlord shall in each instance authorize;

Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other space in the Building shall be so installed, maintained and used by Tenant so as to eliminate such vibration or



noise.

5.11 PERSONAL PROPERTY TAXES.  
-----

To pay promptly when due all taxes which may be imposed upon Tenant's Property in the Premises to whomever assessed.

5.12 COMPLIANCE WITH LAWS.  
-----

To comply with all applicable Legal Requirements now or hereafter in force which shall impose a duty on Landlord or Tenant relating to or as a result of the use or occupancy of the Premises; provided that Tenant shall not be required to make any alterations or additions to the structure, roof, exterior and load bearing walls, foundation, structural floor slabs and other structural elements of the Building unless the same are required by such Legal Requirements as a result of or in connection with Tenant's use or occupancy of the Premises beyond Tenant's Permitted Use. Tenant shall promptly pay all fines, penalties and damages that may arise out of or be imposed because of its failure to comply with the provisions of this Section 5.12.

Landlord at Landlord's expense, shall be responsible for the Premises complying on the Commencement Date with the requirements of the Federal Americans With Disabilities Act (the "ADA") in effect on the Commencement Date; provided, however, that notwithstanding the foregoing, Tenant at Tenant's expense, shall be responsible for (i) any additions, alterations or improvements performed by or for Tenant or any assignee of subtenant of Tenant ("Tenant Improvements") complying with the ADA and (ii) compliance with the ADA required because of "Tenant's Specific Use of the Premises" (as defined below) or Tenant Improvements. The term "Tenant's Specific Use of the Premises" as used in this Lease shall not refer to the general office use of the Premises, but shall refer to the specific products and operations Tenant and any assignee and subtenant of Tenant use in the Premises and the manner in which Tenant and any assignee and subtenant of Tenant use such products and conduct such operations.

5.13 PAYMENT OF LITIGATION EXPENSES.  
-----

To pay as Additional Rent all reasonable costs, counsel and other fees incurred by Landlord in connection with the successful enforcement by Landlord of any obligations of Tenant under this Lease or in connection with any bankruptcy case involving Tenant or any guarantor.

5.14 ALTERATIONS.  
-----

Tenant shall not make alterations and additions to Tenant's space except in accordance with plans and specifications therefor first approved by Landlord, which approval shall not be unreasonably withheld. However, Landlord's determination of matters relating to

aesthetic issues relating to alterations, additions or improvements which are visible outside the Premises shall be in Landlord's sole discretion. Without limiting such standard Landlord shall not be deemed unreasonable for withholding approval of any alterations or additions (including, without limitation, any alterations or additions to be performed by Tenant under Article III) which (a) in Landlord's opinion

might adversely affect any structural or exterior element of the Building, any area or element outside of the Premises, or any facility or base building mechanical system serving any area of the Building outside of the Premises, or (b) involve or affect the exterior design, size, height, or other exterior dimensions of the Building or (c) will require unusual expense to readapt the Premises to normal office use on Lease termination or expiration or increase the cost of construction or of insurance or taxes on the Building or of the services called for by Section 4.1 unless Tenant first gives assurance acceptable to Landlord for payment of such increased cost and that such readaptation will be made prior to such termination or expiration without expense to Landlord, (d) enlarge the Rentable Floor Area of the Premises, or (e) are inconsistent, in Landlord's judgment, with alterations satisfying Landlord's standards for new alterations in the Building. Landlord's review and approval of any such plans and specifications and consent to perform work described therein shall not be deemed an agreement by Landlord that such plans, specifications and work conform with applicable Legal Requirements and requirements of insurers of the Building and the other requirements of this Lease with respect to Tenant's insurance obligations (herein called "Insurance Requirements") nor deemed a waiver of Tenant's obligations under this Lease with respect to applicable Legal Requirements and Insurance Requirements nor impose any liability or obligation upon Landlord with respect to the completeness, design sufficiency or compliance of such plans, specifications and work with applicable Legal Requirements and Insurance Requirements nor give right to any other parties. Further, Tenant acknowledges that Tenant is acting for its own benefit and account, and that Tenant shall not be acting as Landlord's agent in performing any work in the Premises. Within thirty (30) days after receipt of an invoice from Landlord, Tenant shall pay to Landlord as a fee for Landlord's review of any work or plans (excluding any review respecting initial improvements performed pursuant to Article III hereof for which a fee, if any, has previously been paid but including any review of plans or work relating to any assignment or subletting), as Additional Rent, an amount equal to the sum of: (i) \$150.00 per hour, plus (ii) third party expenses incurred by Landlord to review Tenant's plans and Tenant's work. All alterations and additions shall be part of the Building unless and until Landlord shall specify the same for removal pursuant to Section 5.2. All of Tenant's alterations and additions and installation of furnishings shall be coordinated with any work being performed by Landlord and in such manner as to maintain harmonious labor relations and not to damage the Buildings or Site or interfere with construction or operation of the Buildings and other improvements to the Site and, except for installation of furnishings, shall be performed by Landlord's general contractor or by contractors or workers first approved by Landlord. Except for work by Landlord's general contractor, Tenant, before its work is started, shall secure all licenses and permits necessary therefor; deliver to Landlord a statement of the names of all its contractors and subcontractors and the estimated cost of all labor and material to be furnished by them and security satisfactory to Landlord protecting Landlord against liens arising out of the furnishing of such labor and material; and cause each contractor to carry workmen's

-29-

compensation insurance in statutory amounts covering all the contractor's and subcontractor's employees and commercial general liability insurance or comprehensive general liability insurance with a broad form comprehensive liability endorsement with such limits as Landlord may reasonably require, but in no event less than \$2,000,000.00 combined single limit per occurrence on a per location basis (all such insurance to be written in companies approved by

Landlord and naming and insuring Landlord and Landlord's managing agent as additional insureds and insuring Tenant as well as the contractors), and to deliver to Landlord certificates of all such insurance. Tenant shall also prepare and submit to Landlord a set of as-built plans (or, in cases where the alterations, additions or improvements at issue are not of such a nature that as-built plans would customarily be prepared or otherwise be reasonably practicable to obtain, detailed drawings and specifications), in both print and electronic forms, showing such work performed by Tenant to the Premises promptly after any such alterations, improvements or installations are substantially complete and promptly after any wiring or cabling for Tenant's computer, telephone and other communications systems is installed by Tenant or Tenant's contractor. Without limiting any of Tenant's obligations hereunder, Tenant shall be responsible, as Additional Rent, for the costs of any alterations, additions or improvements in or to the Building that are required in order to comply with Legal Requirements as a result of any work performed by Tenant. Landlord shall have the right to provide such rules and regulations relative to the performance of any alterations, additions, improvements and installations by Tenant hereunder and Tenant shall abide by all such reasonable rules and regulations and shall cause all of its contractors to so abide including, without limitation, payment for the costs of using Building services. Tenant agrees to pay promptly when due the entire cost of any work done on the Premises by Tenant, its agents, employees, or independent contractors, and not to cause or permit any liens for labor or materials performed or furnished in connection therewith to attach to the Premises or the Buildings or the Site and immediately to discharge any such liens which may so attach. Tenant shall pay, as Additional Rent, 100% of any real estate taxes on the Complex which shall, at any time after commencement of the Term, result from any alteration, addition or improvement to the Premises made by Tenant.

5.15 VENDORS.  
-----

Any vendors engaged by Tenant to perform services in or to the Premises including, without limitation, janitorial contractors and moving contractors shall be coordinated with any work being performed by or for Landlord and in such manner as to maintain harmonious labor relations and not to damage the Building or the Property or interfere with Building construction or operation and shall be performed by vendors first approved by Landlord.

-30-

ARTICLE VI  
-----

CASUALTY AND TAKING  
-----

6.1 DAMAGE RESULTING FROM CASUALTY.  
-----

In case during the Lease Term, the Premises and/or the Building are damaged by fire or casualty and such fire or casualty damage cannot, in the ordinary course, reasonably be expected to be repaired within one hundred eighty (180) days (and/or as to special work or work which requires long lead time then if such work cannot reasonably be expected to be repaired within such additional time as is reasonable under the circumstances given the nature of the work) from the time that repair work would commence, either party may, at its election, terminate this

Lease by notice given to the other party within sixty (60) days after the date of such fire or other casualty, specifying the effective date of termination. The effective date of termination specified by the terminating party shall be not less than thirty (30) days nor more than forty-five (45) days after the date of notice of such termination.

Unless terminated pursuant to the foregoing provisions, this Lease shall remain in full force and effect following any such damage subject, however, to the following provisions.

If the Building or the Site or any part thereof are damaged by fire or other casualty and this Lease is not so terminated, or Landlord or Tenant have no right to terminate this Lease, and in any such case the holder of any mortgage which includes the Building as a part of the mortgaged premises or any ground lessor of any ground lease which includes the Site as part of the demised premises allows the net insurance proceeds to be applied to the restoration of the Building (and/or the Site), Landlord shall, promptly after such damage and the determination of the net amount of insurance proceeds available, use due diligence to restore the Premises and the Building in the event of damage thereto (excluding Tenant's Property) into substantially the same condition as they were in prior to the fire or casualty and a just proportion of the Annual Fixed Rent, Tenant's share of Operating Costs and Tenant's share of real estate taxes shall be abated according to the nature and extent of the injury to the Premises, until the Premises shall have been restored by Landlord substantially into such condition except for punch list items and long lead items. Notwithstanding anything herein contained to the contrary, Landlord shall not be obligated to expend for such repair and restoration any amount in excess of the net insurance proceeds.

If such restoration is not completed within six (6) months from the time that repair work commences, such period to be subject, however, to extension where the delay in completion of such work is due to Force Majeure, as defined hereinbelow, (but in no event beyond ten (10) months from the date of the fire or casualty), Tenant, as its sole and exclusive remedy, shall have the right to terminate this Lease at any time after the expiration of such six-month period (as extended), which right shall continue until the restoration is substantially completed. Such termination shall be effective as of the thirtieth (30th) day after the date of receipt by Landlord of Tenant's notice, with the same

-31-

force and effect as if such date were the date originally established as the expiration date hereof unless, within thirty (30) days after Landlord's receipt of Tenant's notice, such restoration is substantially completed, in which case Tenant's notice of termination shall be of no force and effect and this Lease and the Lease Term shall continue in full force and effect. When used herein, "Force Majeure" shall mean any prevention, delay or stoppage due to governmental regulation, strikes, lockouts, acts of God, acts of war, terrorists acts, civil commotions, unusual scarcity of or inability to obtain labor or materials, labor difficulties, casualty or other causes reasonably beyond Landlord's control or attributable to Tenant's action or inaction.

## 6.2 UNINSURED CASUALTY.

-----

Notwithstanding anything to the contrary contained in this Lease, if the Building or the Premises shall be substantially damaged by fire or casualty as the result of a risk not covered by the forms of casualty

insurance at the time maintained by Landlord and such fire or casualty damage cannot, in the ordinary course, reasonably be expected to be repaired within ninety (90) days from the time that repair work would commence, Landlord may, at its election, terminate the Term of this Lease by notice to the Tenant given within sixty (60) days after such loss. If Landlord shall give such notice, then this Lease shall terminate as of the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

### 6.3 RIGHTS OF TERMINATION FOR TAKING.

-----

If the entire Building, or such portion of the Premises as to render the balance (if reconstructed to the maximum extent practicable in the circumstances) unsuitable for Tenant's purposes, shall be taken by condemnation or right of eminent domain, Landlord or Tenant shall have the right to terminate this Lease by notice to the other of its desire to do so, provided that such notice is given not later than thirty (30) days after Tenant has been deprived of possession. If either party shall give such notice, then this Lease shall terminate as of the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

Further, if so much of the Building shall be so taken that continued operation of the Building would be uneconomic as a result of the taking, Landlord shall have the right to terminate this Lease by giving notice to Tenant of Landlord's desire to do so not later than thirty (30) days after Tenant has been deprived of possession of the Premises (or such portion thereof as may be taken). If Landlord shall give such notice, then this Lease shall terminate as of the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

Should any part of the Premises be so taken or condemned during the Lease Term hereof, and should this Lease not be terminated in accordance with the foregoing provisions, and the holder of any mortgage which includes the Premises as part of the mortgaged premises or any ground lessor of any ground lease which includes the Site as part of the demised premises allows the net condemnation proceeds to be applied to the restoration of the Building, Landlord agrees, after the determination of the net amount of

-32-

condemnation proceeds available to Landlord, to use due diligence to put what may remain of the Premises into proper condition for use and occupation as nearly like the condition of the Premises prior to such taking as shall be practicable (excluding Tenant's Property). Notwithstanding the foregoing, Landlord shall not be obligated to expend for such repair and restoration any amount in excess of the net condemnation proceeds made available to it.

If the Premises shall be affected by any exercise of the power of eminent domain, then the Annual Fixed Rent, Tenant's share of operating costs and Tenant's share of real estate taxes shall be justly and equitably abated and reduced according to the nature and extent of the loss of use thereof suffered by Tenant; and in case of a taking which permanently reduces the Rentable Floor Area of the Premises, a just proportion of the Annual Fixed Rent, Tenant's share of operating costs and Tenant's share of real estate taxes shall be abated for the remainder of the Lease Term.

6.4 AWARD.  
-----

Landlord shall have and hereby reserves to itself any and all rights to receive awards made for damages to the Premises, the Building, the Complex and the Site and the leasehold hereby created, or any one or more of them, accruing by reason of exercise of eminent domain or by reason of anything lawfully done in pursuance of public or other authority. Tenant hereby grants, releases and assigns to Landlord all Tenant's rights to such awards, and covenants to execute and deliver such further assignments and assurances thereof as Landlord may from time to time request, and if Tenant shall fail to execute and deliver the same within fifteen (15) days after notice from Landlord, Tenant hereby covenants and agrees that Landlord shall be irrevocably designated and appointed as its attorney-in-fact to execute and deliver in Tenant's name and behalf all such further assignments thereof which conform with the provisions hereof.

Nothing contained herein shall be construed to prevent Tenant from prosecuting in any condemnation proceeding a claim for the value of any of Tenant's usual trade fixtures installed in the Premises by Tenant at Tenant's expense and for relocation and moving expenses, provided that such action and any resulting award shall not affect or diminish the amount of compensation otherwise recoverable by Landlord from the taking authority.

ARTICLE VII  
-----

DEFAULT  
-----

7.1 TENANT'S DEFAULT.  
-----

(a) If at any time subsequent to the date of this Lease any one or more of the following events (herein sometimes called an "Event of Default") shall occur:

(i) Tenant shall fail to pay the fixed rent, Additional Rent or other charges for which provision is made herein on or before the date

-33-

on which the same become due and payable, and the same continues for seven (7) days after notice from Landlord thereof; or

(ii) Landlord having rightfully given the notice specified in subdivision (i) above twice in any calendar year, Tenant shall thereafter in the same calendar year fail to pay the fixed rent, Additional Rent or other charges on or before the date on which the same become due and payable; or

(iii) Tenant shall assign its interest in this Lease or sublet any portion of the Premises in violation of the requirements of Section 5.6 through 5.6.5 of this Lease; or

(iv) Tenant shall neglect or fail to perform or observe any other covenant herein contained on Tenant's part to be

performed or observed and Tenant shall fail to remedy the same within thirty (30) days after notice to Tenant specifying such neglect or failure, or if such failure is of such a nature that Tenant cannot reasonably remedy the same within such thirty (30) day period, Tenant shall fail to commence promptly to remedy the same and to prosecute such remedy to completion with diligence and continuity; or

- (v) Tenant's leasehold interest in the Premises shall be taken on execution or by other process of law directed against Tenant; or
- (vi) Tenant shall make an assignment for the benefit of creditors or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future Federal, State or other statute, law or regulation for the relief of debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties, or shall admit in writing its inability to pay its debts generally as they become due; or
- (vii) A petition shall be filed against Tenant in bankruptcy or under any other law seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future Federal, State or other statute, law or regulation and shall remain undismissed or unstayed for an aggregate of ninety (90) days (whether or not consecutive), or if any debtor in possession (whether or not Tenant) trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed without the consent or acquiescence of

-34-

Tenant and such appointment shall remain unvacated or unstayed for an aggregate of ninety (90) days (whether or not consecutive)--

then, and in any of said cases (notwithstanding any license of a former breach of covenant or waiver of the benefit hereof or consent in a former instance), Landlord lawfully may, immediately or at any time thereafter, and without demand or further notice terminate this Lease by written notice to Tenant, specifying a date not less than ten (10) days after the giving of such notice on which this Lease shall terminate, and this Lease shall come to an end on the date specified therein as fully and completely as if such date were the date herein originally fixed for the expiration of the Lease Term (Tenant hereby waiving any rights of redemption), and Tenant will then quit and surrender the Premises to Landlord, but Tenant shall remain liable as hereinafter provided.

- (b) If this Lease shall have been terminated as provided in this Article, then Landlord may re- enter the Premises, either by

force, summary proceedings, ejectment or otherwise, and remove and dispossess Tenant and all other persons and any and all property from the same, as if this Lease had not been made.

- (c) In the event that this Lease is terminated under any of the provisions contained in Section 7.1 (a) or shall be otherwise terminated by breach of any obligation of Tenant, Tenant covenants and agrees forthwith to pay and be liable for, on the days originally fixed herein for the payment thereof, amounts equal to the several installments of rent and other charges reserved as they would, under the terms of this Lease, become due if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or relet for a period less than the remainder of the Term, and for the whole thereof, but in the event the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent and other charges received by Landlord in reletting, after deduction of all reasonable expenses incurred in reletting the Premises (including, without limitation, remodeling costs, brokerage fees and the like), and in collecting the rent in connection therewith, in the following manner:

Landlord agrees to use reasonable efforts to relet the Premises after Tenant vacates the same in the event that this Lease is terminated based upon a default by Tenant hereunder. The marketing of the Premises in a manner similar to the manner in which Landlord markets other premises within Landlord's control in the Building shall be deemed to have satisfied Landlord's obligation to use "reasonable efforts." In no event shall Landlord be required to (i) solicit or entertain negotiations with any other prospective tenants for the Premises until Landlord obtains full and unappealable legal right to relet the Premises free of any claim of Tenant, (ii) relet the Premises before leasing other vacant space in the Building, (iii) lease the Premises for a rental less than the current fair market rental then prevailing for similar office space in the Building, or (iv) enter into a

-35-

lease with any proposed tenant that does not have, in Landlord's reasonable opinion, sufficient financial resources or operating experience to operate the Premises in a first class manner

Amounts received by Landlord after reletting shall first be applied against such Landlord's expenses, until the same are recovered, and until such recovery, Tenant shall pay, as of each day when a payment would fall due under this Lease, the amount which Tenant is obligated to pay under the terms of this Lease (Tenant's liability prior to any such reletting and such recovery not in any way to be diminished as a result of the fact that such reletting might be for a rent higher than the rent provided for in this Lease); when and if such expenses have been completely recovered, the amounts received from reletting by Landlord as have not



previously been applied shall be credited against Tenant's obligations as of each day when a payment would fall due under this Lease, and only the net amount thereof shall be payable by Tenant. Further, amounts received by Landlord from such reletting for any period shall be credited only against obligations of Tenant allocable to such period, and shall not be credited against obligations of Tenant hereunder accruing subsequent or prior to such period; nor shall any credit of any kind be due for any period after the date when the term of this Lease is scheduled to expire according to its terms.

- (d) (i) At any time after such termination and whether or not Landlord shall have collected any damages as aforesaid, Tenant shall pay to Landlord as liquidated final damages and in lieu of all other damages beyond the date of notice from Landlord to Tenant, at Landlord's election, such a sum as at the time of the giving of such notice represents the amount of the excess, if any, of the total rent and other benefits which would have accrued to Landlord under this Lease from the date of such notice for what would be the then unexpired Lease Term if the Lease terms had been fully complied with by Tenant over and above the then cash rental value (in advance) of the Premises for the balance of the Lease Term.
- (d) (ii) For the purposes of this Article, if Landlord elects to require Tenant to pay damages in accordance with the immediately preceding paragraph, the total rent shall be computed by assuming that Tenant's share of excess taxes, Tenant's share of excess operating costs and Tenant's share of excess electrical costs would be, for the balance of the unexpired Term from the date of such notice, the amount thereof (if any) for the immediately preceding annual period payable by Tenant to Landlord.
- (e) In case of any Event of Default, re-entry, dispossession by summary proceedings or otherwise, Landlord may (i) re-let the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease and may grant

-36-

concessions or free rent to the extent that Landlord considers advisable or necessary to re-let the same and (ii) may make such alterations, repairs and decorations in the Premises as Landlord in its sole judgment considers advisable or necessary for the purpose of reletting the Premises; and the making of such alterations, repairs and decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Premises, or, in the event that the Premises are re-let, for failure to collect the rent under re-letting.

- (f) The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be entitled lawfully, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for. Further, nothing contained in this

Lease shall limit or prejudice the right of Landlord to prove and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

- (g) In lieu of any other damages or indemnity and in lieu of the recovery by Landlord of all sums payable under all the foregoing provisions of this Section 7.1, Landlord may elect to collect from tenant, by notice to Tenant, at any time after this Lease is terminated under any of the provisions contained in this Article VII or otherwise terminated by breach of any obligation of Tenant and before such full recovery, and Tenant shall thereupon pay, as liquidated damages, an amount equal to the sum of the Annual Fixed Rent and all Additional Rent payable for the twelve (12) months ended next prior to the such termination plus the amount of Annual Fixed Rent and Additional Rent of any kind accrued and unpaid at the time of such election plus any and all expenses which the Landlord may have incurred for and with respect of the collection to any of such rent.

## 7.2 LANDLORD'S DEFAULT.

-----

Landlord shall in no event be in default in the performance of any of Landlord's obligations hereunder unless and until Landlord shall have failed to perform such obligations within thirty (30) days, or such additional time as is reasonably required to correct any such default, after notice by Tenant to Landlord properly specifying wherein Landlord has failed to perform any such obligation. The Tenant shall not assert any right to deduct the cost of repairs or any monetary claim against the Landlord from rent thereafter due and payable, but shall look solely to the Landlord for satisfaction of such claim.

-37-

## ARTICLE VIII

-----

### MISCELLANEOUS PROVISIONS

-----

## 8.1 EXTRA HAZARDOUS USE.

-----

Tenant covenants and agrees that Tenant will not do or permit anything to be done in or upon the Premises, or bring in anything or keep anything therein, which shall invalidate or increase the rate of insurance on the Premises or on the Building above the standard rate applicable to premises being occupied for the use to which Tenant has agreed to devote the Premises; and Tenant further agrees that, in the event that Tenant shall do any of the foregoing, Tenant will promptly pay to Landlord, on demand, any such increase resulting therefrom, which shall be due and payable as Additional Rent thereunder.

## 8.2 WAIVER.

-----

Failure on the part of Landlord or Tenant to complain of any action or non-action on the part of the other, no matter how long the same may continue, shall never be a waiver by Tenant or Landlord, respectively,

of any of its rights hereunder. Further, no waiver at any time of any of the provisions hereof by Landlord or Tenant shall be construed as a waiver of any of the other provisions hereof, and a waiver at any time of any of the provisions hereof shall not be construed as a waiver at any subsequent time of the same provisions. The consent or approval of Landlord or Tenant to or of any action by the other requiring such consent or approval shall not be construed to waive or render unnecessary Landlord's or Tenant's consent or approval to or of subsequent similar act by the other.

No payment by Tenant, or acceptance by Landlord, of a lesser amount than shall be due from Tenant to Landlord shall be treated otherwise than as a payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that such lesser amount is payment in full, shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant.

### 8.3 CUMULATIVE REMEDIES. -----

Except as expressly provided in this Lease, the specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which such party may be lawfully entitled in case of any breach or threatened breach by Tenant of any provisions of this Lease. In addition to the other remedies provided in this Lease, Landlord shall be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or to a decree compelling specific performance of any such covenants, conditions or provisions.

-38-

### 8.4 QUIET ENJOYMENT. -----

Tenant, subject to the terms and provisions of this Lease on payment of the rent and observing, keeping and performing all of the terms and provisions of this Lease on Tenant's part to be observed, kept and performed, shall lawfully, peaceably and quietly have, hold, occupy and enjoy the Premises during the Term (exclusive of any period during which Tenant is holding over after the termination or expiration of this Lease without the consent of Landlord), without hindrance or ejection by any persons lawfully claiming under Landlord to have title to the Premises superior to Tenant; the foregoing covenant of quiet enjoyment is in lieu of any other covenant, express or implied; and it is understood and agreed that this covenant and any and all other covenants of Landlord contained in this Lease shall be binding upon Landlord and Landlord's successors, including ground or master lessees, only with respect to breaches occurring during Landlord's or Landlord's successors' respective ownership of Landlord's interest hereunder, as the case may be.

Further, Tenant specifically agrees to look solely to Landlord's then equity interest in the Building at the time owned, or in which Landlord holds an interest as ground lessee, for recovery of any judgment from Landlord; it being specifically agreed that neither Landlord (original or successor), nor any partner in or of Landlord, nor any beneficiary of any Trust of which any person holding Landlord's interest is trustee, nor any member, manager, partner, director or stockholder, nor Landlord's managing agent, shall ever be personally liable for any such

judgment, or for the payment of any monetary obligation to Tenant. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or Landlord's successors in interest, or any action not involving the personal liability of Landlord (original or successor), any partner in or of Landlord, any successor trustee to the persons named herein as Landlord, or any beneficiary of any trust of which any person holding Landlord's interest is trustee, or of any manager, member, partner, director or stockholder of Landlord or of Landlord's managing agent to respond in monetary damages from Landlord's assets other than Landlord's equity interest aforesaid in the Building, but in no event shall Tenant have the right to terminate or cancel this Lease or to withhold rent or to set-off any claim or damages against rent as a result of any default by Landlord or breach by Landlord of its covenants or any warranties or promises hereunder, except in the case of a wrongful eviction of Tenant from the demised premises (constructive or actual) by Landlord continuing after notice to Landlord thereof and a reasonable opportunity for Landlord to cure the same. In no event shall Landlord ever be liable to Tenant for any indirect or consequential damages or loss of profits or the like. In the event that Landlord shall be determined to have acted unreasonably in withholding any consent or approval under this Lease, the sole recourse and remedy of Tenant in respect thereof shall be to specifically enforce Landlord's obligation to grant such consent or approval, and in no event shall the Landlord be responsible for any damages of whatever nature in respect of its failure to give such consent or approval nor shall the same otherwise affect the obligations of Tenant under this Lease or act as any termination of this Lease.

-39-

#### 8.5 NOTICE TO MORTGAGEE AND GROUND LESSOR.

-----

After receiving notice from any person, firm or other entity that it holds a mortgage which includes the Premises as part of the mortgaged premises, or that it is the ground lessor under a lease with Landlord, as ground lessee, which includes the Premises as a part of the demised premises, no notice from Tenant to Landlord shall be effective unless and until a copy of the same is given to such holder or ground lessor (provided Tenant has received written notice of such holder or ground lessor, including correct addresses, prior to the date Tenant sends its notice), and the curing of any of Landlord's defaults by such holder or ground lessor within a reasonable time thereafter (including a reasonable time to obtain possession of the premises if the mortgagee or ground lessor elects to do so) shall be treated as performance by Landlord. For the purposes of this Section 8.5 or Section 8.15, the term "mortgage" includes a mortgage on a leasehold interest of Landlord (but not one on Tenant's leasehold interest).

#### 8.6 ASSIGNMENT OF RENTS.

-----

With reference to any assignment by Landlord or Landlord's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage or ground lease on property which includes the Premises, Tenant agrees:

- (a) That the execution thereof by Landlord, and the acceptance thereof by the holder of such mortgage or the ground lessor, shall never be treated as an assumption by such holder or ground lessor of any of the obligations of Landlord

hereunder, unless such holder, or ground lessor, shall, by notice sent to Tenant, specifically otherwise elect; and

- (b) That, except as aforesaid, such holder or ground lessor shall be treated as having assumed Landlord's obligations hereunder only upon foreclosure of such holder's mortgage and the taking of possession of the Premises, or, in the case of a ground lessor, the assumption of Landlord's position hereunder by such ground lessor.

In no event shall the acquisition of title to the Building and the land on which the same is located by a purchaser which, simultaneously therewith, leases the entire Building or such land back to the seller thereof be treated as an assumption by such purchaser-lessor, by operation of law or otherwise, of Landlord's obligations hereunder, but Tenant shall look solely to such seller-lessee, and its successors from time to time in title, for performance of Landlord's obligations hereunder subject to the provisions of Section 8.4 hereof. In any such event, this Lease shall be subject and subordinate to the lease to such purchaser provided that such purchaser agrees to recognize the right of Tenant to use and occupy the Premises upon the payment of rent and other charges payable by Tenant under this Lease and the performance by Tenant of Tenant's obligations under this Lease and provided that Tenant agrees to attorn to such purchaser. For all purposes, such seller-lessee, and its successors in title, shall be the landlord hereunder unless and until Landlord's position shall have been assumed by such purchaser-lessor.

-40-

8.7 SURRENDER.  
-----

No act or thing done by Landlord during the Lease Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of the Lease or a surrender of the Premises.

8.8 BROKERAGE.  
-----

(A) Tenant warrants and represents that Tenant has not dealt with any broker, finder or other agent in connection with the consummation of this Lease other than the Recognized Broker, if any, designated in Section 1.1 hereof; and in the event any claim is made against the Landlord relative to dealings by Tenant with brokers, finders or other agents other than the Recognized Broker, if any, designated in Section 1.1 hereof, Tenant shall defend the claim against Landlord with counsel of Tenant's selection first approved by Landlord (which approval will not be unreasonably withheld) and save harmless and indemnify Landlord on account of loss, cost or damage which may arise by reason of such claim.

(B) Landlord warrants and represents that Landlord has not dealt with any broker, finder or other agent in connection with the consummation of this Lease other than the Recognized Broker, if any, designated in Section 1.1 hereof; and in the event any claim is made against the Tenant relative to dealings by Landlord with brokers, finders or other agents other than the Recognized Broker, if any, designated in Section

1.1 hereof, Landlord shall defend the claim against Tenant with counsel of Landlord's selection and save harmless and indemnify Tenant on account of loss, cost or damage which may arise by reason of such claim. Landlord agrees that it shall be solely responsible for the payment of brokerage commissions to the Recognized Broker for the Original Term of this Lease, if any, designated in Section 1.1 hereof.

8.9 INVALIDITY OF PARTICULAR PROVISIONS.

-----

If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

8.10 PROVISIONS BINDING, ETC.

-----

The obligations of this Lease shall run with the land, and except as herein otherwise provided, the terms hereof shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of Landlord and Tenant and, if Tenant shall be an

-41-

individual, upon and to his heirs, executors, administrators, successors and assigns. Each term and each provision of this Lease to be performed by Tenant shall be construed to be both a covenant and a condition. The reference contained to successors and assigns of Tenant is not intended to constitute a consent to subletting or assignment by Tenant.

8.11 RECORDING.

-----

Tenant agrees not to record the within Lease, but each party hereto agrees, on the request of the other, to execute a so-called Notice of Lease or short form lease in form recordable and complying with applicable law and reasonably satisfactory to both Landlord's and Tenant's attorneys. In no event shall such document set forth rent or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

8.12 NOTICES.

-----

Whenever, by the terms of this Lease, notice shall or may be given either to Landlord or to Tenant, such notice shall be in writing and shall be sent by overnight commercial courier or by registered or certified mail postage or delivery charges prepaid, as the case may be:

If intended for Landlord, addressed to Landlord at the address set forth in Article I of this Lease (or to such other address or addresses as may from time to time hereafter be designated by Landlord by like notice) with a copy to Landlord, Attention: General Counsel.

If intended for Tenant, addressed to Tenant at the address set

forth in Article I of this Lease except that from and after the Commencement Date the address of Tenant shall be the Premises (or to such other address or addresses as may from time to time hereafter be designated by Tenant by like notice).

Except as otherwise provided herein, all such notices shall be effective when received; provided, that (i) if receipt is refused, notice shall be effective upon the first occasion that such receipt is refused, (ii) if the notice is unable to be delivered due to a change of address of which no notice was given, notice shall be effective upon the date such delivery was attempted or (iii) if the notice address is a post office box number, notice shall be effective the day after such notice is sent as provided hereinabove.

Where provision is made for the attention of an individual or department, the notice shall be effective only if the wrapper in which such notice is sent is addressed to the attention of such individual or department.

Any notice given by an attorney on behalf of Landlord or by Landlord's managing agent shall be considered as given by Landlord and shall be fully effective.

-42-

Time is of the essence with respect to any and all notices and periods for giving notice or taking any action thereto under this Lease.

8.13 WHEN LEASE BECOMES BINDING.  
-----

Employees or agents of Landlord have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated herein and may be modified or altered only by written agreement between Landlord and Tenant, and no act or omission of any employee or agent of Landlord shall alter, change or modify any of the provisions hereof.

8.14 SECTION HEADINGS.  
-----

The titles of the Articles throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

8.15 RIGHTS OF MORTGAGEE.  
-----

This Lease shall be subject and subordinate to any mortgage now or hereafter on the Site or the Building, or both, and to each advance made or hereafter to be made under any mortgage, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefor provided that the holder of such mortgage agrees to recognize the rights of Tenant under this Lease (including the right to use and occupy the Premises) upon the payment of rent and other charges payable by Tenant under this Lease and the performance by

Tenant of Tenant's obligations hereunder in which event Tenant shall agree to attorn to such holder and its successors as landlord. In confirmation of such subordination and recognition, Tenant shall execute and deliver promptly such instruments of subordination and recognition as such mortgagee may reasonably request. Tenant hereby appoints such mortgagee (from time to time) as Tenant's attorney-in-fact to execute such subordination upon default of Tenant in complying with such mortgagee's (from time to time) request. In the event that any mortgagee or its respective successor in title shall succeed to the interest of Landlord, then, this Lease shall nevertheless continue in full force and effect and Tenant shall and does hereby agree to attorn to such mortgagee or successor and to recognize such mortgagee or successor as its landlord. If any holder of a mortgage which includes the Premises, executed and recorded prior to the date of this Lease, shall so elect, this Lease and the rights of Tenant hereunder, shall be superior in right to the rights of such holder, with the same force and effect as if this Lease had been executed, delivered and recorded, or a statutory Notice hereof recorded, prior to the execution, delivery and recording of any such mortgage. The election of any such holder shall become effective upon either notice from such holder to Tenant in the same fashion as notices from Landlord to Tenant are to be given hereunder or by the recording in the appropriate registry or recorder's

-43-

office of an instrument in which such holder subordinates its rights under such mortgage to this Lease.

If in connection with obtaining financing a bank, insurance company, pension trust or other institutional lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or condition its consent thereto, provided that such modifications do not increase the monetary or other obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created, or materially decrease the obligations of Landlord hereunder.

8.16 STATUS REPORTS AND FINANCIAL STATEMENTS.  
-----

Recognizing that Landlord may find it necessary to establish to third parties, such as accountants, banks, potential or existing mortgagees, potential purchasers or the like, the then current status of performance hereunder, Tenant, on the request of Landlord made from time to time (but no more often than once during any twelve (12) month period), will promptly furnish to Landlord, or any existing or potential holder of any mortgage encumbering the Premises, the Building, the Site and/or the Complex or any potential purchaser of the Premises, the Building, the Site and/or the Complex, (each an "Interested Party"), a statement of the status of any matter pertaining to this Lease, including, without limitation, acknowledgments that (or the extent to which) each party is in compliance with its obligations under the terms of this Lease. In addition, Tenant shall deliver to Landlord, or any Interested Party designated by Landlord, financial statements of Tenant and any guarantor of Tenant's obligations under this Lease, as reasonably requested by Landlord, including, but not limited to financial statements for the past three (3) years. Any such status statement or financial statement delivered by Tenant pursuant to this Section 8.16 may be relied upon by any Interested Party.

8.17 SELF-HELP.  
-----



If Tenant shall at any time default in the performance of any obligation under this Lease, Landlord shall have the right, but shall not be obligated, to enter upon the Premises and to perform such obligation notwithstanding the fact that no specific provision for such substituted performance by Landlord is made in this Lease with respect to such default. In performing such obligation, Landlord may make any payment of money or perform any other act. All sums so paid by Landlord (together with interest at the rate of one and one-half percentage points over the then prevailing prime rate in Boston as set by Bank of America, N.A., or its successor (but in no event greater than the maximum rate permitted by applicable law) and all costs and expenses in connection with the performance of any such act by Landlord, shall be deemed to be Additional Rent under this Lease and shall be payable to Landlord immediately on demand. Landlord may exercise the foregoing rights without waiving any other of its rights or releasing Tenant from any of its obligations under this Lease.

-44-

8.18      HOLDING OVER.  
-----

Any holding over by Tenant after the expiration of the term of this Lease shall be treated as a tenancy at sufferance and shall be on the terms and conditions as set forth in this Lease, as far as applicable except that Tenant shall pay as a use and occupancy charge an amount equal to the greater of (x) 150% of the Annual Fixed Rent and Additional Rent calculated (on a daily basis) at the highest rate payable under the terms of this Lease, or (y) the fair market rental value of the Premises, in each case for the period measured from the day on which Tenant's hold-over commences and terminating on the day on which Tenant vacates the Premises. In addition, Tenant shall save Landlord, its agents and employees harmless and will exonerate, defend and indemnify Landlord, its agents and employees from and against any and all damages which Landlord may suffer on account of Tenant's hold-over in the Premises after the expiration or prior termination of the term of this Lease. Nothing in the foregoing nor any other term or provision of this Lease shall be deemed to permit Tenant to retain possession of the Premises or hold over in the Premises after the expiration or earlier termination of the Lease Term. All property which remains in the Building or the Premises after the expiration or termination of this Lease shall be conclusively deemed to be abandoned and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any part thereof shall be sold, then Landlord may receive the proceeds of such sale and apply the same, at its option against the expenses of the sale, the cost of moving and storage, any arrears of rent or other charges payable hereunder by Tenant to Landlord and any damages to which Landlord may be entitled under this Lease and at law and in equity.

8.19      NON-SUBROGATION.  
-----

Any insurance carried by either party with respect to the Premises or property therein or occurrences thereon shall, if it can be so written without additional premium or with an additional premium which the other party agrees to pay, include a clause or endorsement denying to the insurer rights of subrogation against the other party to the extent rights have been waived by the insured prior to occurrence of injury or loss. Each party, notwithstanding any provisions of this Lease to the contrary, hereby waives any rights of recovery against the other for

injury or loss due to hazards covered by such insurance (or which would have been covered had such party carried the insurance required to be carried by it under the Lease) to the extent of the indemnification received under such insurance policy. This waiver of rights by Tenant shall apply to, and be for the benefit of, Landlord's managing agent.

8.20 SECURITY DEPOSIT.  
-----

If, in Section 1.1 hereof, a security deposit is specified, Tenant agrees that the same will be paid upon execution and delivery of this Lease, and that Landlord shall hold the same, throughout the term of this Lease (including any extension thereof), as security for the performance by Tenant of all obligations on the part of Tenant to be kept and performed. Landlord shall have the right from time to time without prejudice to any other remedy Landlord may have on account thereof, to apply such deposit, or any part thereof, to

-45-

Landlord's damages arising from any default on the part of Tenant. If Landlord so applies all or any portion of such deposit, Tenant shall within seven (7) days after notice from Landlord deliver cash to Landlord in an amount sufficient to restore such deposit to the full amount stated in Section 1.1. Tenant not then being in default and having performed all of its obligations under this Lease, including the payment of all Annual Fixed Rent, Landlord shall return the deposit, or so much thereof as shall not have theretofore been applied in accordance with the terms of this Section 8.20, to Tenant on the expiration or earlier termination of the term of this Lease and surrender possession of the Premises by Tenant to Landlord in the condition required in the Lease at such time. While Landlord holds such deposit, Landlord shall have no obligation to pay interest on the same and shall have the right to commingle the same with Landlord's other funds. If Landlord conveys Landlord's interest under this Lease, the deposit, or any part thereof not previously applied, may be turned over by Landlord to Landlord's grantee, and, if so turned over, Tenant agrees to look solely to such grantee for proper application of the deposit in accordance with the terms of this Section 8.20, and the return thereof in accordance herewith.

Neither the holder of any mortgage nor the lessor in any ground lease on property which includes the Premises shall ever be responsible to Tenant for the return or application of any such deposit, whether or not it succeeds to the position of Landlord hereunder, unless such deposit shall have been received in hand by such holder or ground lessor.

8.21 LATE PAYMENT.  
-----

If Landlord shall not have received any payment or installment of Annual Fixed Rent or Additional Rent (the "Outstanding Amount") on or before the date on which the same first becomes payable under this Lease (the "Due Date"), the amount of such payment or installment shall incur a late charge equal to the sum of: (a) five percent (5%) of the Outstanding Amount for administration and bookkeeping costs associated with the late payment and (b) interest on the Outstanding Amount from the Due Date through and including the date such payment or installment is received by Landlord, at a rate equal to the lesser of (i) the rate announced by Bank of America, N.A., (or its successor) from time to time as its prime or base rate (or if such rate is no longer available, a comparable rate reasonably selected by Landlord), plus two percent

(2%), or (ii) the maximum applicable legal rate, if any. Such interest shall be deemed Additional Rent and shall be paid by Tenant to Landlord upon demand.

Notwithstanding the foregoing, Landlord agrees that such late charge will not be imposed upon the first late payment under this Lease until five (5) days after the date on which such payment first became due and payable.

8.22 TENANT'S PAYMENTS.  
-----

Each and every payment and expenditure, other than Annual Fixed Rent, shall be deemed to be Additional Rent hereunder, whether or not the provisions requiring payment of such amounts specifically so state, and shall be payable, unless otherwise provided in this Lease, within twenty (20) days after written demand by Landlord, and in the case of the

-46-

non-payment of any such amount, Landlord shall have, in addition to all of its other rights and remedies, all the rights and remedies available to Landlord hereunder or by law in the case of non-payment of Annual Fixed Rent. Unless expressly otherwise provided in this Lease, the performance and observance by Tenant of all the terms, covenants and conditions of this Lease to be performed and observed by Tenant shall be at Tenant's sole cost and expense. If Tenant has not objected to any statement of Additional Rent which is rendered by Landlord to Tenant within ninety (90) days after Landlord has rendered the same to Tenant, then the same shall be deemed to be a final account between Landlord and Tenant not subject to any further dispute. In the event that Tenant shall seek Landlord's consent or approval under this Lease, then Tenant shall reimburse Landlord, upon demand, as Additional Rent, for all reasonable costs and expenses, including legal and architectural costs and expenses, incurred by Landlord in processing such request, whether or not such consent or approval shall be given.

8.23 WAIVER OF TRIAL BY JURY.  
-----

To induce Landlord to enter into this Lease, Tenant hereby waives any right to trial by jury in any action, proceeding or counterclaim brought by either Landlord or Tenant on any matters whatsoever arising out of or any way connected with this Lease, the relationship of the Landlord and the Tenant, the Tenant's use or occupancy of the Premises and/or any claim of injury or damage, including but not limited to, any summary process eviction action.

8.24 GOVERNING LAW.  
-----

This Lease shall be governed exclusively by the provisions hereof and by the law of the Commonwealth of Massachusetts, as the same may from time to time exist.

EXECUTED as a sealed instrument in two or more counterparts each of which shall be deemed to be an original.

WITNESS:

/s/ Illegible  
-----

LANDLORD:

By: /s/ David C. Provost  
-----

DAVID C. PROVOST, FOR THE TRUSTEES OF 91  
HARTWELL AVENUE TRUST PURSUANT TO WRITTEN  
DELEGATION BUT NOT INDIVIDUALLY

TENANT:

SYNTA PHARMACEUTICALS, INC.

ATTEST:

By: /s/ Wendy E. Rieder  
-----

Name: Wendy E. Rieder  
-----

Title: (Secretary or Assistant Secretary)  
-----

By: /s/ John A. McCarthy, Jr.  
-----

Name: John A. McCarthy, Jr.  
-----

Title: (President or Vice President)  
-----

Hereto duly authorized

By:

/s/ Keith Ehrlich  
-----

Name: Keith Ehrlich  
-----

Title: (Treasurer or Assistant Treasurer)  
-----

Hereto duly authorized

CORPORATE SEAL

EXHIBIT A  
-----

DESCRIPTION OF SITE

That certain parcel of land situate in Lexington in the County of Middlesex and Commonwealth of Massachusetts, described as follows:

SOUTHEASTERLY by Hartwell Avenue, two hundred thirty-seven and 47/100 feet;

SOUTHEASTERLY by a curving line forming the junction of said Hartwell Avenue and Hartwell Place, as shown on

plan hereinafter mentioned, thirty-nine and 27/100 feet;

SOUTHWESTERLY five hundred thirty-two and 23/100 feet, and

SOUTHWESTERLY, SOUTHERLY and SOUTHEASTERLY one hundred ninety and 25/100 feet, by said Hartwell Place;

SOUTHERLY by lot 9 on said plan, three hundred seventy-four and 57/100 feet;

SOUTHWESTERLY three hundred sixty-seven and 65/100 feet;

NORTHWESTERLY thirty-one and 12/100 feet, and

NORTHWESTERLY again, eight hundred ninety and 63/100 feet, by land now or formerly of The United States of America;

NORTHEASTERLY by said United States of America land and by land now or formerly of John W. O'Connor et al, nine hundred thirty-three and 87/100 feet.

Said parcel is shown as lot 10 on said plan, (Plan No.31330D).

All of said boundaries are determined by the Court to be located as shown on a subdivision plan, as approved by the Court, filed in the Land Registration Office, a copy of which is filed in the Registry of Deeds for the South Registry District of Middlesex County in Registration Book 835, Page 146, with Certificate 141096.

The above described land is subject to and has the benefit of the ditches as approximately shown on said plan at date of original decree, (May 17, 1963).

Exhibit A  
Page 1 of 3

So much of the above described land as is included within the area marked "Tennessee Gas Transmission Company Easement 30' wide" is subject to the easements set forth in a taking by the Northeastern Gas Transmission Company, dated July 13, 1951 and duly recorded in Book 7772, Page 162.

The above described land is subject to an Avigation Easement set forth in a Declaration of Taking by the United States of America dated February 12, 1954 recorded with the Middlesex South District Registry of Deeds in Book 8219, Page 421 and more particularly shown as "Avigation Easement A-130E-1" on Plan No. 31330-D (referred to above).

The above described land is subject to an Order by the Town of Lexington for construction of water main in Hartwell Avenue, Document No. 461902 as affected by Certificate for Dissolving Betterments filed as Document No. 499500.

The above described land is subject to a Grant of Easement from Wilbur C. Nylander et al Trs. to the Town of Lexington to construct and maintain sewer in Hartwell Place, Document No. 508567.

The above described land is subject to a grant of Easement over 20 feet wide drain easement (i) for the benefit of lot 9 in common with others entitled thereto, set forth in Document 511666 and (ii) set forth in Document No. 479843 for the benefit of lot 7 shown on plan recorded with said Document No. 479843.

The above described land is subject to a Taking of easement by the Town of Lexington in Hartwell Place, Document No. 544200.

The above described land is subject to and has the benefit of a Grant of Easement and Reservation from Wilbur C. Nylander et al Trs. to the Town of Lexington for conservation purposes, Document No. 616453.

The above described land is subject to and has the benefit of the following:

- A. Order of Conditions issued by the Town of Lexington Conservation Commission filed as Document No. 616456 as extended by Extension Permits issued by said Conservation Commission filed as Document Nos. 627154, 635069, 655552 and 669180.
- B. Decision of the Town of Lexington Board of Appeals filed as Document No. 616457.
- C. Decision of the Town of Lexington Board of Appeals filed as Document No. 616458.

Exhibit A  
Page 2 of 3

- D. Decision of the Town of Lexington Board of Appeals filed as Document No. 616459.
- E. Decision of the Town of Lexington Board of Appeals filed as Document No. 634489.
- F. Decision of the Town of Lexington Board of Appeals filed as Document No. 646344.
- G. Decision of the Town of Lexington Board of Appeals filed as Document No. 646345.
- H. Decision of the Town of Lexington Board of Appeals filed as Document No. 646346.

The above described land is subject to an Easement granted to Boston Edison Company filed as Document No. 672152.

The above described land is subject to such other easements, agreements and matters of record, if any, insofar as in force and applicable.

Exhibit A  
Page 3 of 3

EXHIBIT C

-----  
LANDLORD SERVICES

I. CLEANING  
-----

Cleaning and janitorial services shall be provided as needed Monday through Friday, exclusive of holidays, Saturdays and Sundays.

A. OFFICE AREAS  
-----

Cleaning and janitorial services to be provided in the office areas shall include:

1. Vacuuming, damp mopping of resilient floors and trash removal.
2. Dusting of horizontal surfaces within normal reach (tenant equipment to remain in place).
3. High dusting and dusting of vertical blinds to be rendered as needed.

B. LAVATORIES  
-----

Cleaning and janitorial services to be provided in the common area lavatories of the building shall include:

1. Dusting, damp mopping of resilient floors, trash removal, sanitizing of basins, bowls and urinals as well as cleaning of mirrors and bright work.
2. Refilling of soap, towel, tissue and sanitary dispensers to be rendered as necessary.
3. High dusting to be rendered as needed.

C. MAIN LOBBIES, ELEVATORS, STAIRWELLS AND COMMON CORRIDORS  
-----

Cleaning and janitorial services to be provided in the common areas of the building shall include:

Exhibit C  
Page 1 of 3

1. Trash removal, vacuuming, dusting and damp mopping of resilient floors and cleaning and sanitizing of water fountains.
2. High dusting to be rendered as needed.

D. WINDOW CLEANING  
-----

All exterior windows shall be washed on the inside and outside surfaces at frequency necessary to maintain a first class appearance.

## II. HVAC ----

- A. Heating, ventilating and air conditioning equipment will be provided with sufficient capacity to accommodate a maximum population density of one (1) person per one hundred fifty (150) square feet of useable floor area served, and a combined lighting and standard electrical load of 3.0 watts per square foot of useable floor area. In the event Tenant introduces into the Premises personnel or equipment which overloads the system's ability to adequately perform its proper functions, Landlord shall so notify Tenant in writing and supplementary system(s) may be required and installed by Landlord at Tenant's expense, if within fifteen (15) days Tenant has not modified its use so as not to cause such overload.

Operating criteria of the basic system are in accordance with the Massachusetts Energy Code and shall not be less than the following:

- (i) Cooling season indoor conditions of not in excess of 78 degrees Fahrenheit when outdoor conditions are 91 degrees Fahrenheit drybulb and 73 degrees Fahrenheit wetbulb.
  - (ii) Heating season minimum room temperature of 72 degrees Fahrenheit when outdoor conditions are 6 degrees Fahrenheit drybulb.
- B. Landlord shall provide heating, ventilating and air conditioning as normal seasonal charges may require during the hours of 8:00 a.m. to 6:00 p.m., Monday through Friday, and 8:00 a.m. to 12:00 p.m. on Saturdays (legal holidays in all cases excepted).

If Tenant shall require air conditioning (during the air conditioning season) or heating or ventilating during any other time period, Landlord shall use landlord's best efforts to furnish such services for the area or areas specified by written request of Tenant delivered to the Building Superintendent or the Landlord before 3:00 p.m. of the business day

Exhibit C  
Page 2 of 3

preceding the extra usage. Landlord shall charge Tenant for such extra-hours usage at reasonable rates customary for first-class office buildings in the Boston Suburban market, and Tenant shall pay Landlord, as additional rent, upon receipt of billing therefor.

## III. ELECTRICAL SERVICES -----

- A. Landlord shall provide electric power for a combined load of 3.0 watts per square foot of useable area for lighting and for office machines through standard receptacles for the typical office space.
- B. In the event that Tenant has special equipment (such as computers and reproduction equipment) that requires either 3-phase electric power or any voltage other than 120 amps, or for any other usage in excess of 3.0 watts per square foot, Landlord may at its option require the installation of separate metering (Tenant being solely responsible for the costs of any such separate meter and the installation thereof) and direct billing to Tenant for the electric power required for any such special equipment.



C. Landlord will furnish and install, at Tenant's expense, all replacement lighting tubes, lamps and ballasts required by Tenant. Landlord will clean lighting fixtures on a regularly scheduled basis at Tenant's expense.

IV. ELEVATORS  
-----

Provide passenger elevator service.

V. WATER  
-----

Provide hot water for lavatory purposes and cold water for drinking, lavatory and toilet purposes.

VI. CARD ACCESS SYSTEM  
-----

Landlord will provide a card access system at one entry door of the building.

Exhibit C  
Page 3 of 3

EXHIBIT D  
-----

FLOOR PLAN

Exhibit D

EXHIBIT F

FORMS OF LIEN WAIVERS

CONTRACTOR'S PARTIAL WAIVER AND SUBORDINATION OF LIEN

STATE OF \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ COUNTY Application for Payment No.: \_\_\_\_\_

OWNER: \_\_\_\_\_

CONTRACTOR: \_\_\_\_\_

LENDER / MORTGAGEE: None \_\_\_\_\_

1.	Original Contract Amount:	\$	_____
2.	Approved Change Orders:	\$	_____
3.	Adjusted Contract Amount: (line 1 plus line 2)	\$	_____
4.	Completed to Date:	\$	_____
5.	Less Retainage:	\$	_____
6.	Total Payable to Date: (line 4 less line 5)	\$	_____
7.	Less Previous Payments:	\$	_____
8.	Current Amount Due: (line 6 less line 7)	\$	_____
9.	Pending Change Orders:	\$	_____
10.	Disputed Claims:	\$	_____

The undersigned who has a contract with \_\_\_\_\_ for furnishing labor or materials or both labor and materials or rental equipment, appliances or tools for the erection, alteration, repair or removal of a building or structure or other improvement of real property known and identified as located in \_\_\_\_\_ (city or town),

\_\_\_\_\_ County, \_\_\_\_\_ and owned by \_\_\_\_\_, upon receipt of \_\_\_\_\_ (\$\_\_\_\_\_) in payment of an invoice/requisition/application for payment dated \_\_\_\_\_ does hereby:

- (a) waive any and all liens and right of lien on such real property for labor or materials, or both labor and materials, or rental equipment, appliances or tools, performed or furnished through the following date \_\_\_\_\_ (payment period), except for retainage, unpaid agreed or pending change orders, and disputed claims as stated above;
- (b) subordinate any and all liens and right of lien to secure payment for such unpaid, agreed or pending change orders and disputed claims, and such further labor or materials, or both labor and materials, or rental equipment, appliances or tools, except for retainage, performed or furnished at any time through the twenty-fifth day after the end of the above payment period, to the extent of the amount actually advanced by the above lender/mortgagee through such twenty-fifth day.

Signed under the penalties of perjury this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

WITNESS:

CONTRACTOR:

Name:

Name:

Title:

Title:

SUBCONTRACTOR'S LIEN WAIVER

General Contractor:

Subcontractor:

Owner:

Project:

Total Amount Previously Paid:

\$

Amount Paid This Date: \$ -----  
Retainage (Including This Payment) Held to Date: \$ -----

In consideration of the receipt of the amount of payment set forth above and any and all past payments received from the Contractor in connection with the Project, the undersigned acknowledges and agrees that it has been paid all sums due for all labor, materials and/or equipment furnished by the undersigned to or in connection with the Project and the undersigned hereby releases, discharges, relinquishes and waives any and all claims, suits, liens and rights under any Notice of Identification, Notice of Contract or statement of account with respect to the Owner, the Project and/or against the Contractor on account of any labor, materials and/or equipment furnished through the date hereof.

The undersigned individual represents and warrants that he is the duly authorized representative of the undersigned, empowered and authorized to execute and deliver this document on behalf of the undersigned and that this document binds the undersigned to the extent that the payment referred to herein is received.

The undersigned represents and warrants that it has paid in full each and every sub-subcontractor, laborer and labor and/or material supplier with whom undersigned has dealt in connection with the Project and the undersigned agrees at its sole cost and expense to defend, indemnify and hold harmless the Contractor against any claims, demands, suits, disputes, damages, costs, expenses (including attorneys' fees), liens and/or claims of lien made by such sub-subcontractors, laborers and labor and/or material suppliers arising out of or in any way related to the Project. This document is to take effect as a sealed instrument.

Exhibit F  
Page 3 of 7

Signed under the penalties of perjury as of this \_\_\_\_\_  
day of \_\_\_\_\_, 20\_\_.

SUBCONTRACTOR:

Signature and Printed Name of  
Individual  
Signing this Lien Waiver

-----

WITNESS:

-----

Name: -----

Title: -----

Dated: -----

CONTRACTOR'S WAIVER OF CLAIMS AGAINST OWNER AND  
ACKNOWLEDGMENT OF FINAL PAYMENT

Commonwealth of Massachusetts Date: \_\_\_\_\_

COUNTY OF \_\_\_\_\_ Invoice No.: \_\_\_\_\_

OWNER: \_\_\_\_\_

CONTRACTOR: \_\_\_\_\_

PROJECT: \_\_\_\_\_

1.	Original Contract Amount:	\$	_____
2.	Approved Change Orders:	\$	_____
3.	Adjusted Contract Amount:	\$	_____
4.	Sums Paid on Account of Contract Amount:	\$	_____
5.	Less Final Payment Due:	\$	_____

The undersigned being duly sworn hereby attests that when the Final Payment Due as set forth above is paid in full by Owner, such payment shall constitute payment in full for all labor, materials, equipment and work in place furnished by the undersigned in connection with the aforesaid contract and that no further payment is or will be due to the undersigned.

The undersigned hereby attests that it has satisfied all claims against it for items, including by way of illustration but not by way of limitation, items of: labor, materials, insurance, taxes, union benefits, equipment, etc. employed in the prosecution of the work of said contract, and acknowledges that satisfaction of such claims serves as an inducement for the Owner to release the Final Payment Due.

The undersigned hereby agrees to indemnify and hold harmless the Owner from and against all claims arising in connection with its Contract with respect to claims for the furnishing of labor, materials and equipment by others. Said indemnification and hold harmless shall include the reimbursement of all actual attorney's fees and all costs and expenses of every nature, and shall be to the fullest extent permitted by law.

The undersigned hereby irrevocably waives and releases any and all liens and right of lien on such real property and other property of the Owner for labor or materials, or both labor and materials, or rental equipment, appliances or tools, performed or furnished by the undersigned, and anyone claiming by, through, or under the undersigned, in connection with the Project.

The undersigned hereby releases, remises and discharges the Owner, any agent of the Owner and their respective predecessors, successors, assigns, employees, officers, shareholders, directors, and principals, whether disclosed or undisclosed (collectively "Releasees") from and against any and all claims, losses, damages, actions and causes of action (collectively "Claims") which the undersigned and anyone claiming by, through or under the undersigned has or may have against the Releasees, including, without limitation, any claims arising in connection with the Contract and the work performed thereunder.

Notwithstanding anything to the contrary herein, payment to the undersigned of the Final Payment Due sum as set forth above, shall not constitute a waiver by the Owner of any of its rights under the contract including by way of illustration but not by way of limitation guarantees and/or warranties. Payment will not be made until a signed waiver is returned to Owner.

The undersigned individual represents and warrants that he/she is the duly authorized representative of the undersigned, empowered and authorized to execute and deliver this document on behalf of the undersigned.

Signed under the penalties of perjury as a sealed instrument as of this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Corporation

-----

By:

-----

Name:

-----

Title:

-----

Hereunto duly authorized

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned notary

public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it as \_\_\_\_\_ for \_\_\_\_\_, a corporation/partnership voluntarily for its stated purpose.

-----  
NOTARY PUBLIC

My Commission Expires:

Exhibit F  
Page 7 of 7

SYNTA  
PHARMACEUTICALS

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

TEL: 781 274 8200  
FAX: 781 274 8228

[www.syntapharma.com](http://www.syntapharma.com)

August 1, 2006

Ms. Stacey Baker  
Vice President  
Boston Properties, Inc.  
Prudential Center  
111 Huntington Avenue  
Boston, MA 02199-8001

Dear Stacey:

Pursuant to Section 2.4.1 of the lease (the "Lease") dated January 13, 2005 between Mortimer B. Zuckerman and Edward H. Linde, Trustees of 91 Hartwell Avenue Trust ("Lessor") and Synta Pharmaceuticals Inc. ("Lessee"), relating to 21,832 rentable square feet of space (the "Leased Premises") at 91 Hartwell Avenue, Lexington, MA, Lessee hereby exercises its option to extend the term of the Lease for a one year term at Lessee's current Annual Fixed Rent, Terms and Conditions per the Lease

Sincerely,

/s/ Keith S. Ehrlich

Keith S. Ehrlich  
Vice President, Finance and Administration

August 14, 2006

VIA FEDERAL EXPRESS

Mr. Keith S. Ehrlich  
Vice President, Finance and Administration  
Synta Pharmaceuticals  
45 Hartwell Avenue  
Lexington, MA 02421

Dear Keith:

Thank you for your letter of August 1st regarding Synta's lease extension at 91 Hartwell Avenue in Lexington.

The existing premises of 21,832 RSF shall be renewed for one (1) year on all the same terms and conditions as is your right under Section 2.4.1 of your Lease.

We look forward to Synta's continued occupancy at 91 Hartwell Avenue.

Please feel free to contact me directly if I may be of any assistance.

Very truly yours,

/s/ STACEY BAKER

Stacey Baker  
Vice President

CC: Mr. Jon Varholack



PINNACLE PROPERTIES MANAGEMENT, INC.  
STANDARD FORM  
COMMERCIAL LEASE

In consideration of the covenants herein contained, 6-8 PRESTON COURT, L.L.C., a Delaware limited liability company, ("LESSOR"), does hereby lease to Asiana Pharmaceuticals Corporation, a Delaware corporation ("LESSEE"), the following described premises, (the "leased premises"): approximately 4,000 square feet as depicted on Exhibit "A" located at 8-A Preston Court, Bedford, MA 01730 to have and hold the leased premises for a term of five (5) years commencing at noon on June 1, 1999 and ending at noon on May 30, 2004 unless sooner terminated as herein provided. LESSOR and LESSEE now covenant and agree that the following terms and conditions shall govern this lease during the term hereof and for such further time as LESSEE shall hold the leased premises.

1. RENT. LESSEE shall pay to LESSOR base rent of seventy-one thousand eight hundred U.S. Dollars (\$71,800.00) per year, drawn on a U.S. Bank, in monthly installments of \$5,983.33 payable on the first day in each calendar month in advance, without demand or any right of set-off or deduction whatsoever, the first monthly payment to be made upon LESSEE's execution of this lease, including payment in advance of appropriate fractions of a monthly payment for any portion of a month at the commencement or end of said lease term. All payments shall be made to LESSOR or LESSOR's agent: 6-8 Preston Court, L.L.C. c/o Pinnacle Properties Management Inc., 3740 Beach Blvd., Suite 306, Jacksonville, FL 32207, or at such other place as LESSOR shall from time to time in writing designate. The amount of base rent due during each calendar year of this lease and any extensions thereof shall be annually increased by the increase in the "Cost of Living" as shown by the Consumer Price Index (Boston, Massachusetts, All Items, All Urban Consumers), United States Department of Labor, Bureau of Labor Statistics (the "Index"). All such adjustments shall take place with the rent due on January 1 of each year during the lease term. The base month from which to determine the amount of each increase in the Index shall be January 1999, which figure shall be compared with the figure for November 1999, and each November thereafter to determine the percentage increase (if any). The increase will be multiplied by the base rent to determine the increased base rent (if any) to be paid during the following calendar year. In the event that the Consumer Price Index as presently computed is discontinued as a measure of "Cost of Living" changes, any adjustment shall then be made on the basis of a comparable index then in general use as selected by LESSOR.

2. SECURITY DEPOSIT. LESSEE shall pay to LESSOR a security deposit in the amount of eleven thousand eight hundred dollars (\$11,800.00) upon the execution of this lease by LESSEE, which shall be held, as security for LESSEE's performance as herein provided and refunded to LESSEE without interest at the end of this lease subject to LESSEE's satisfactory compliance with the conditions hereof. LESSEE may not apply the security deposit to payment of any rent. In the event of any default or breach of this lease by LESSEE, LESSOR may apply the security deposit first to any unamortized improvements completed for LESSEE's occupancy, then to offset any outstanding invoice or other payment due to LESSOR, with the balance applied to outstanding rent. If all or any portion of the security deposit is applied to cure a default or breach during the term of the lease, (i) such application of the security deposit shall not constitute a waiver of such default or deprive LESSOR of any other remedy LESSOR may have

on account of such default, and (ii) LESSEE shall be responsible for immediately restoring said deposit to its full original amount and failure to do so shall be considered a substantial default under this lease. LESSEE's failure to remit the full security deposit or any portion thereof when due shall also constitute a

substantial lease default. LESSOR may deliver the Security Deposit to the purchaser of LESSOR's interest in the leased premises in the event such interest is sold, and thereupon LESSOR shall be discharged from any further liability with respect to such Security Deposit.

3. USE OF PREMISES. LESSEE shall use the leased premises only for the purpose of executive and administrative offices, research & development, and storage.

4. ADDITIONAL RENT AND TAX ESCALATION. LESSEE shall pay to LESSOR as additional rent per annum ("Additional Rent") a proportionate share (9.02%) of any increase in the Operating Costs (defined below) in the building (including the related land, driveways, parking facilities, and similar improvements) of which the leased premises are a part (hereinafter called the building), for a given calendar year over the actual Operating Costs in the building for the calendar year 1999 (the "Operating Expense Stop"). LESSOR may collect such amount in a lump sum, which shall be due within thirty (30) days after LESSOR furnishes to LESSEE the Operating Costs and Tax Statement (defined below). Alternatively, LESSOR may make a good faith estimate of the Additional Rent to be due by LESSEE for any calendar year or part thereof during the lease term, and LESSEE shall pay to LESSOR at the commencement of the lease and on the first day of each calendar month thereafter, an amount equal to the estimated Additional Rent for such calendar year or part thereof divided by the number of months therein. From time to time, LESSOR may estimate and re-estimate the Additional Rent to be due by LESSEE and deliver a copy of the estimate or re-estimate to LESSEE. Thereafter, the monthly installments of Additional Rent payable to LESSEE shall be appropriately adjusted in accordance with the estimations so that, by the end of the calendar year in question, LESSEE shall have paid all of the Additional Rent as estimated by LESSOR. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Operating Costs are available for each calendar year. The term "Operating Costs" shall mean all expenses and disbursements that LESSOR incurs in connection with the ownership, operation, and maintenance of the building including, but not limited to, the following costs: a) wages and salaries (including management fees) of all employees engaged in the operation, maintenance, and security of the building, including taxes, insurance, and benefits relating thereto; b) all supplies and materials used in the operation, maintenance, repair, replacement, and security of the building; c) costs for improvements made to the building which, although capital in nature, are expected to reduce the normal operating costs of the building, as well as capital improvements made in order to comply with any law hereafter promulgated by any governmental authority, as amortized over the useful economic life of such improvements as determined by LESSOR in its reasonable discretion; d) cost of all utilities, except the cost of utilities reimbursable to LESSOR by the building's tenants; e) insurance expenses; f) repairs, replacements, and general maintenance of the building; and g) service or maintenance contracts with independent contractors for the operation, maintenance, repair, replacement, or security of the building (including, without limitation, alarm service, window cleaning, and elevator maintenance).

LESSEE shall also pay to LESSOR as additional rent a proportionate share (9.02%) (based on square footage leased by LESSEE as compared with the total leasable square footage of the

building) of any increase in the Taxes ("Tax Escalation") levied against the land and building. LESSEE shall pay the Tax Escalation in the same manner as provided above for Additional Rent with regard to Operating Costs. The base from which to determine the amount of any increase in taxes shall be the rate and the assessment in effect as of fiscal year 1999 ("Real Estate Tax Stop"). "Taxes" shall mean taxes, assessments, and governmental charges whether federal, state, county or municipal, and whether they be by taxing districts or authorities presently taxing or by others, subsequently created or otherwise, and any other taxes and assessments attributable to the building (or its operation), excluding, however, penalties and interest thereon and federal and state taxes on income (if the present method of taxation changes so that in lieu of the whole or any part of any Taxes, there is levied on LESSOR a capital tax directly on the rents received therefrom or a franchise tax, assessment, or charge based,

in whole or in part, upon such rents for the building, then all such taxes, assessments, or charges, or the part thereof so based, shall be deemed to be included within the term "Taxes" for purposes hereof).

By April 1 of each calendar year, or as soon thereafter as practicable, LESSOR shall furnish to LESSEE a statement of Operating Costs and Taxes for the previous year (the "Operating Costs and Tax Statement"). With respect to any calendar year or partial calendar year in which the building is not occupied to the extent of 95% of the leasable area thereof, the Operating Costs for such period shall, for the purposes hereof, be increased to the amount which would have been incurred had the building been occupied to the extent of 95% of the rental area thereof. If the Operating Costs and Tax Statement reveals that LESSEE paid more for Operating Costs than the actual Additional Rent and more for Taxes than Tax Escalation for the year for which such statement was prepared, then LESSOR shall promptly credit LESSEE for such excess; likewise, if LESSEE paid less than the actual Additional Rent or Tax Escalation due, then LESSEE shall promptly pay LESSOR such deficiency, within thirty (30) days after receiving notice from LESSOR of the amount of such deficiency.

5. UTILITIES. LESSEE may utilize the existing equipment serving the leased premises to heat the leased premises in season and cool all office areas between May 1 and November 1. LESSEE shall pay all charges for utilities used on the leased premises, including electricity, gas, oil, water, and sewer. LESSEE shall pay the utility provider or LESSOR, as applicable, for all such utility charges as determined either by separate meters serving the leased premises or as a proportionate share of the utility charges as determined by LESSOR if not separately metered. LESSEE shall also pay LESSOR a proportionate share of any other fees and charges relating in any way to utility use at the building. No plumbing, construction or electrical work of any type shall be conducted by LESSEE or its agents without LESSOR's prior written approval and LESSEE obtaining the appropriate municipal permit.

6. COMPLIANCE WITH LAWS. LESSEE acknowledges that no trade, occupation, activity or work shall be conducted in the leased premises or use made thereof which may be unlawful, improper, noisy, offensive, or contrary to any applicable statute, law, regulation, restriction, ordinance or bylaw. LESSEE shall keep all employees working in the leased premises covered by Worker's Compensation Insurance and shall obtain any licenses and permits necessary for LESSEE's occupancy. LESSEE shall comply with all Federal, state, municipal and other laws, ordinances, rules and regulations applicable to the leased premises and the business conducted therein and LESSEE shall comply with the rules and recommendations of landlord's insurance carriers. Any cost for alterations, additions or improvements required to

modify the common areas of the building in conjunction with any applicable law, regulation, including the Americans With Disabilities Act, shall be paid by LESSOR. Such alterations, additions, or improvements shall be made in the sole discretion of LESSOR. Any alterations, additions or improvements required to modify the leased premises in conjunction with any law or regulation, including the American's With Disabilities Act, shall be approved by LESSOR and paid by LESSEE.

7. FIRE, CASUALTY, EMINENT DOMAIN. Should a substantial portion of the leased premises, or of the property of which they are a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, LESSOR may elect to terminate this lease. When such fire, casualty, or taking renders the leased premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and LESSEE may elect to terminate this lease if: (a) LESSOR fails to give written notice within thirty (30) days of such fire, casualty or taking of its intention to restore the leased premises, or (b) LESSOR fails to restore the leased premises to a condition substantially suitable for their intended use within one hundred eighty (180) days of said fire, casualty or taking. LESSOR reserves all rights for damages or injury to the leased premises for any taking by eminent domain and LESSEE shall release the entire condemnation award, and LESSEE hereby assigns to LESSOR all

of LESSEE's interest therein.

8. FIRE INSURANCE. LESSEE shall not permit any use of the leased premises which will adversely affect or make voidable any insurance on the property of which the leased premises are a part, or on the contents of said property, or which shall be contrary to any law or regulation from time to time established by the Insurance Services Office (or successor), local Fire Department, LESSOR's insurer, or any similar body. LESSEE shall on demand reimburse LESSOR, and all other tenants, all extra insurance premiums caused by LESSEE's use of the leased premises. LESSEE shall not vacate the leased premises or permit same to be unoccupied other than during LESSEE's customary non-business days or hours.

9. MAINTENANCE OF PREMISES. LESSOR will be responsible for all structural and roof maintenance of the leased premises but specifically excluding damage caused by the careless, malicious, willful, or negligent acts of LESSEE or others, chemical, water or corrosion damage from any source, and maintenance of the space heating, ventilating, and cooling units exclusively serving the leased premises (collectively, the "HVAC Unit") and of any non "building standard" leasehold improvements.

LESSOR shall not be deemed to have breached its obligation to make the repairs required to be made by LESSOR unless LESSOR fails to make the same within a reasonable period (taking into consideration the type of repair involved) after receiving written notice from LESSEE of the need therefor. LESSEE agrees to maintain at its expense the HVAC Unit and all other aspects of the leased premises in the same condition as they are at the commencement of the term or as they may be put in during the term of this lease, normal wear and tear and damage by fire or other casualty only excepted, and whenever necessary, to replace light bulbs, plate glass and other glass therein, acknowledging that the leased premises are now in good order and the light bulbs and glass whole. If LESSOR so directs, LESSEE shall enter into a preventive maintenance/service contract acceptable to LESSOR with a maintenance contractor acceptable to LESSOR at LESSEE's sole cost and expense for servicing all air conditioning, heating,

ventilating, and other equipment or other equipment located within or serving the leased premises. LESSEE will properly control or vent all solvents, degreasers, smoke, odors, etc. and shall not cause the area surrounding the leased premises to be in anything other than a neat and clean condition, depositing all waste in appropriate receptacles. LESSEE shall be solely responsible for any damage to plumbing equipment, sanitary lines, or any other portion of the building which results from the discharge or use of any acid or corrosive substance by LESSEE. LESSEE shall not permit the leased premises to be overloaded, damaged, stripped or defaced, nor suffer any waste, and will not keep animals within the leased premises. LESSEE will protect any carpet with plastic or masonite chair pads under any rolling chairs. Unless heat is provided at LESSOR's expense, LESSEE shall maintain sufficient heat to prevent freezing of pipes or other damage. Any increase in air conditioning equipment or electrical capacity, or any installation and/or maintenance of equipment which is necessitated by some specific aspect of LESSEE's use of the leased premises shall be at LESSEE's expense. All maintenance provided by LESSOR shall be during LESSOR's normal business hours.

10. ALTERATIONS. LESSEE shall not make structural alterations or additions of any kind to the leased premises, but may make nonstructural alterations provided LESSOR consents thereto in writing. All such allowed alterations shall be at LESSEE's expense and shall conform to LESSOR's construction specifications. If LESSOR or LESSOR's agent provides any services or maintenance for LESSEE in connection with such alterations or otherwise under this lease, any just invoice of LESSOR or its contractors will be promptly paid by LESSEE. LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released or removed forthwith without cost to LESSOR. Any alterations or additions shall become part of the leased premises and the property of LESSOR. Any alterations completed by LESSOR shall be LESSOR's "building standard" unless

noted otherwise. LESSOR shall have the right at any time to change the size, area, level and location of parking areas, stairs, walkways, pathways, entrances, driveways, landscaped areas or other common areas of the building.

11. ASSIGNMENT OR SUBLEASING. LESSEE shall not voluntarily, involuntarily or by operation of law assign or encumber this lease or sublet or allow any other firm or individual to occupy the whole or any part of the leased premises without LESSOR's prior written consent such consent shall not be unreasonably withheld. Notwithstanding such assignment or subleasing, LESSEE and GUARANTOR shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this lease. LESSEE shall pay LESSOR promptly for legal and administrative expenses incurred by LESSOR in connection with any consent requested hereunder by LESSEE. LESSEE shall be deemed to be in default hereunder if the cumulative total of more than forty-nine percent (49%) of LESSEE's stock, partnership interest or membership interest (as applicable) shall be transferred in any manner during the term of this lease to other than the present holders thereof or the spouse or lineal descendant of any present holder who is a natural person. If LESSOR conveys or transfers its interest in the building, upon such conveyance or transfer, LESSOR (and in the case of any subsequent conveyances or transfers, the then grantor or transferor) shall be entirely released from all liability with respect to the performance of any obligation on the part of the landlord to be performed hereunder from and after the date of such conveyance or transfer.

12. SUBORDINATION. This lease shall be subject and subordinate to any and all mortgages and other instruments in the nature of a mortgage, now or at any time hereafter, and LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be requested to show the subordination of this lease to said mortgages or other such instruments in the nature of a mortgage. Notwithstanding the foregoing, if the mortgagee elects to have this lease superior to such mortgage, then upon mortgagee's request LESSEE shall execute, acknowledge and deliver an instrument, in form used by said mortgagee, effecting such priority. In the event proceedings are brought for foreclosure of, or the exercise of a power of sale under any such mortgage, LESSEE shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as landlord under this lease. LESSEE, upon request from LESSOR or any successor in interest, shall execute, acknowledge and deliver such instruments as are required to effect the intent of this section.

13. LESSOR'S ACCESS. LESSOR or agents of LESSOR may at any reasonable time enter to view the leased premises, to make repairs and alterations as LESSOR should elect to do for the leased premises, the common areas or any other portions of the building, to make repairs which LESSEE is required but has failed to do, and to show the leased premises to others.

14. SNOW REMOVAL. The plowing of snow from all roadways and unobstructed parking areas shall be the sole responsibility of LESSOR, the expense of which shall be included in Operating Costs. The control of snow and ice on all walkways, steps, and loading areas serving the leased premises and all other areas not readily accessible to plows unless they serve multiple tenants shall be the sole responsibility of LESSEE. Notwithstanding the foregoing, however, LESSEE shall hold LESSOR harmless from any and all claims by LESSEE's agents, representatives, employees, callers or invitees for damage or personal injury resulting in any way from snow or ice on any area serving the leased premises.

15. ACCESS AND PARKING. LESSEE shall have the right to use parking facilities provided for the leased premises in common with others entitled to the use thereof. Said parking area plus any stairs, walkways, elevators or other common areas shall in all cases be considered a part of the leased premises when they are used by LESSEE or LESSEE's employees, agents, callers or invitees. LESSEE will not obstruct in any manner any portion of the building or the walkways or approaches to the building, and will conform to all rules and regulations now or hereafter made by LESSOR for parking, and for the care, use, or alteration of the building, its facilities and approaches. LESSEE further warrants that LESSEE will not permit any employee or visitor to violate this or any other covenant or

obligation of LESSEE. No unattended parking will be permitted between 7:00 PM and 7:00 AM without LESSOR's prior written approval, and from December 1 through March 31 annually, such parking shall be permitted only in those areas specifically designated for assigned overnight parking. Unregistered or disabled vehicles, or storage trailers of any type, may not be parked at any time. LESSOR may tow, at LESSEE's sole risk and expense, any misparked vehicle belonging to LESSEE or LESSEE's agents, employees, invitees or callers, at any time. LESSOR shall not be responsible for providing any security services for the leased premises.

16. LIABILITY. LESSEE shall be solely responsible as between LESSOR and LESSEE for deaths or personal injuries to all persons whomsoever occurring in or on the leased premises (including any common areas that are considered part of the leased premises hereunder) from

whatever cause arising, and damage to property to whomsoever belonging arising out of the use, control, condition or occupation of the leased premises by LESSEE; and LESSEE agrees to indemnify and save harmless LESSOR from any and all liability, including but not limited to costs, expenses, damages, causes of action, claims, judgments and attorney's fees of any kind which may be asserted against or incurred by LESSOR as a result of any occurrence in or about the leased premises or by reason of LESSEE's use or occupancy of the leased premises, or by reason of a failure of LESSEE to perform any of its obligations under this lease, or otherwise caused by or in any way growing out of any matters aforesaid, except for death, personal injuries or property damage solely and directly resulting from the gross negligence or willful misconduct of LESSOR.

17. INSURANCE. LESSEE will secure and carry at its own expense worker's compensation insurance at the minimum statutory amount, comprehensive general public liability insurance under which LESSOR and LESSEE are named insureds, against any claims based on bodily injury (including death) or property damage arising out of the condition of the leased premises (including any common areas that are considered part of the leased premises hereunder) or their use by LESSEE, such policy to insure LESSEE, LESSOR and OWNER against any claim up to Two Million Dollars (2,000,000) in the case of any one accident involving bodily injury (including death), and up to Two Million Dollars (\$2,000,000) against any claim for damage to property and containing a contractual endorsement covering LESSEE's indemnity obligation under this section. LESSOR and OWNER shall be included in each such policy as additional insureds using ISO form CG 20 26 11 85 or some other form approved by LESSOR. LESSEE will file with LESSOR prior to occupancy certificates and any applicable riders or endorsements showing that such insurance is in force, and thereafter will file renewal certificates prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be cancelled without at least ten (10) days prior written notice to each insured. In the event LESSEE shall fail to provide or maintain such insurance at any time during the term of this lease, then LESSOR may elect to contract for such insurance at LESSEE's expense. Anything in this lease to the contrary notwithstanding, it is agreed that each party (the "Releasing Party") hereby releases the other (the "Released Party") from any liability from which the Released Party would, but for this section, have had to the Releasing Party during the term of this lease, resulting from the occurrence of any accident or occurrence or casualty (i) which is or would be covered by a policy of physical hazard insurance of the type commonly referred to as an "all-risk" policy affording coverage for the perils (u) of fire; (v) of windstorm, (w) of flood, (x) of earthquake, (y) covered by broad form extended coverage insurance as included in the standard form used in the Commonwealth of Massachusetts, including, in particular without limitation, sprinkler leakage, and (z) of explosion of steam pressure boilers and other similar apparatus located in, on or about the building (irrespective of whether such coverage is carried by the Releasing Party); or (ii) covered by any other casualty or property damage insurance being carried by the Releasing Party at the time of such occurrence, which accident, occurrence or casualty may have resulted in whole or in part from any act or neglect of the Released Party, its officers, agents or employees; provided, however, the release here and above set forth

shall become inoperative and null and void if the Releasing Party wishes to place the appropriate insurance with an insurance company which (y) takes the position that the existence of such release vitiates or would adversely affect the policy so insuring the Releasing Party in a substantial manner and notice thereof is given to the Released Party, or (z) requires the payment of a higher premium by reason of the existence of such release, unless in the latter case the

Released Party within ten (10) days after notice thereof from the Releasing Party pays such increase in premium.

18. SIGNS. LESSOR authorizes, and LESSEE at LESSEE's expense agrees to erect, signage for the leased premises in accordance with all applicable governmental regulations and with LESSOR's building standards for style, size, location, etc. LESSEE shall obtain the prior written consent of LESSOR before erecting any sign on the leased premises, which consent shall include approval as to size, wording, design, and location. LESSOR may remove and dispose of any sign not approved, erected or displayed in conformance with this lease.

19. BROKERAGE. LESSEE warrants and represents to LESSOR that LESSEE has dealt with no broker or third person except Brad Spencer of Grubb & Ellis who will be paid by LESSOR in accordance with LESSOR's standard fee schedule with respect to this lease and LESSEE agrees to indemnify LESSOR against any brokerage claims arising by virtue of this lease. LESSOR warrants and represents to LESSEE that LESSOR has employed no exclusive broker or agent in connection with the letting of the leased premises.

20. DEFAULT AND ACCELERATION OF RENT. In the event that: (a) any assignment for the benefit of creditors, trust mortgage, receivership or other insolvency proceeding shall be made or instituted with respect to LESSEE or LESSEE's property; (b) LESSEE shall default in the observance or performance of any of LESSEE's covenants, agreements, or obligations hereunder, other than substantial monetary payments as provided below, and such default shall not be corrected within ten (10) days after written notice thereof; or (c) LESSEE vacates the leased premises for twenty (20) consecutive days, then LESSOR shall have the right thereafter, while such default continues and without demand or further notice, at LESSOR's option, either (i) to terminate this lease, or (ii) without terminating this lease, to take possession of the leased premises, with or without process of law, using such force as may be necessary to remove all persons and personal property therefrom, and in the event of such re-entry without termination, LESSOR may (but shall have no obligation to do so) lease the leased premises for the remainder of the term or for a lesser longer period on such terms and conditions as LESSOR, in its sole judgment, deems advisable and for the purpose of such re-letting, LESSOR is hereby authorized to make such repairs and alterations as LESSOR deems necessary. Notwithstanding any re-letting without termination, (y) LESSEE shall remain liable for payment of the base rent, Additional Rent and all other charges and for the performance of all other obligations to be performed by LESSEE under this lease, and (z) LESSOR may at any time thereafter elect to terminate this lease for such previous breach. The rentals received from such re-letting shall first be applied to the expenses of such re-letting (including alteration and repair expenses and reasonable brokerage and attorneys' fees); and second to the payment of rent and other charges due and paid hereunder. LESSEE shall not be entitled to receive any surplus funds received by LESSOR from such re-letting. If such funds from the re-letting are less than those required to be paid by LESSEE or under for any month, such deficiency shall be calculated and payable monthly by LESSEE. LESSOR shall also be entitled to collect from LESSEE any other loss or damage which LESSOR may sustain by reason of LESSEE's default under this lease. In addition to the foregoing, LESSOR shall have all other rights and remedies available to it at law or in equity. If LESSEE shall default in the payment of the security deposit, rent, taxes, substantial invoice from LESSOR or LESSOR's agent for goods and/or services or other sum herein specified, and such default shall continue for ten (10) days after written notice thereof, and,

because both parties agree that nonpayment of said sums when due is a substantial breach of the lease, and, because the payment of rent in monthly installments is for the sole benefit and convenience of LESSEE, then in addition to the foregoing remedies the entire balance of rent which is due hereunder shall become immediately due and payable as liquidated damages. LESSOR, without being under any obligation to do so and without thereby waiving any default, may remedy any such default of LESSEE for the account and at the expense of LESSEE. If LESSOR pays or incurs any obligations for the payment of money in connection therewith, such sums paid or obligations incurred plus interest and costs, shall be paid to LESSOR by LESSEE as additional rent. Any sums received by LESSOR from or on behalf of LESSEE at any time shall be applied first to any unamortized improvements completed for LESSEE's occupancy, then to offset any outstanding invoice or other payment due to LESSOR, with the balance applied to outstanding rent. LESSEE agrees to pay reasonable attorney's fees and/or administrative costs incurred by LESSOR in enforcing any or all obligations of LESSEE under this lease at any time. LESSEE shall pay LESSOR interest at the rate of eighteen percent (18%) per annum on any payment from LESSEE to LESSOR which is past due. If LESSEE fails to perform any obligations on its part to be performed under this lease, LESSOR shall have the right (i) if no emergency exists, to perform the same after giving ten (10) days notice to LESSEE; and (ii) in any emergency situation perform the same immediately without notice or delay. LESSEE shall on demand reimburse LESSOR for costs incurred by LESSOR in rectifying LESSEE's defaults as aforesaid, including reasonable attorneys' fees. Except for the gross negligence or willful misconduct by LESSOR, LESSOR shall not be liable or in any way responsible for any loss, inconvenience or damage resulting to LESSEE for any action taken by LESSOR pursuant to this section.

21. NOTICE. Any notice from LESSOR to LESSEE relating to the leased premises or to the occupancy thereof shall be deemed duly served when left at the leased premises addressed to LESSEE, or served by constable, or sent to the leased premises by certified mail, return receipt requested, postage prepaid, addressed to LESSEE, or by nationally recognized overnight delivery. Any notice from LESSEE to LESSOR relating to the leased premises or to the occupancy thereof shall be deemed duly served when served by constable, or delivered to LESSOR by certified mail, return receipt requested, postage prepaid, or by nationally recognized overnight delivery addressed to LESSOR c/o Pinnacle Properties Management, Inc. at 56 Roland Street, Boston, MA 02129 or at LESSOR's last designated address with a copy to Frank P. Brady, Esq., Polsinelli, White, Vardeman & Shalton, 7500 College Boulevard, Suite 750, Overland Park, KS 66210. No oral notice or representation shall have any force or effect. Time is of the essence in service of any notice.

22. OCCUPANCY. In the event that LESSEE takes possession of said leased premises prior to the start of said term, LESSEE will perform and observe all of LESSEE's covenants from the date upon which LESSEE takes possession except the obligation for the payment of extra rent for any period of less than one month. LESSEE shall not remove LESSEE's goods or property from the leased premises other than in the ordinary and usual course of business, without having first paid and satisfied LESSOR for all rent which may become due during the entire term of this lease. LESSOR shall have the right to relocate LESSEE to another facility upon prior written notice to LESSEE and on terms comparable to those herein. If LESSOR relocates LESSEE, LESSOR shall reimburse LESSEE for LESSEE's reasonable out-of-pocket expenses for moving LESSEE's furniture, equipment, and supplies from the leased premises to the relocation space

and for reprinting LESSEE's stationery of the same quality and quantity as LESSEE's stationery supply on hand immediately before LESSOR's notice to LESSEE of the exercise of this relocation right. Upon such relocation, the relocation space shall be deemed to be the leased premises and the terms of the lease shall remain in full force and shall apply to the relocation space. In the event that LESSEE continues to occupy or control all or any part of the leased premises after the agreed termination of this lease without the written permission of LESSOR, then LESSEE shall be liable to LESSOR for any and all loss, damages or



expenses incurred by LESSOR, and all other terms of this lease shall continue to apply except that rent shall be due in full monthly installments at a rate of one hundred fifty percent (150%) of that which would otherwise be due under this lease, it being understood between the parties that such extended occupancy is as a tenant at sufferance and is solely for the benefit and convenience of LESSEE and as such has greater rental value. LESSEE's control or occupancy of all or any part of the leased premises beyond noon on the last day of any monthly rental period shall constitute LESSEE's occupancy for an entire additional month, and increased rent as provided in this section shall be due and payable immediately in advance. LESSOR's acceptance of any payments from LESSEE during such extended occupancy shall not alter LESSEE's status as a tenant at sufferance.

23. FIRE PREVENTION. LESSEE agrees to use every reasonable precaution against fire and agrees to provide and maintain approved, labeled fire extinguishers, emergency lighting equipment, and exit signs and complete any other modifications within the leased premises as required or recommended by the Insurance Services Office (or successor organization), OSHA, the local Fire Department, or any similar body.

24. OUTSIDE AREA. No goods, equipment, or things of any type or description shall be held or stored outside the leased premises at any time without prior written consent from LESSOR. Any goods, equipment or things left outside the leased premises without LESSOR's prior written consent shall be deemed abandoned and may be removed at LESSEE's expense without notice by LESSOR. LESSEE shall have a building standard size dumpster in a location approved by LESSOR, provided and serviced at LESSEE's expense by whichever disposal firm may from time to time be designated by LESSOR, unless a shared dumpster or compactor is provided by LESSOR, in which case LESSEE shall pay its proportionate share of any costs associated therewith.

25. ENVIRONMENT. LESSEE will so conduct and operate the leased premises as not to interfere in any way with the use and enjoyment of other portions of the same or neighboring buildings by others by reason of odors, smoke, smells, noise, pets, accumulation of garbage or trash, vermin or other pests, or otherwise, and will at its expense employ a professional pest control service if necessary. LESSEE agrees to maintain efficient and effective devices for preventing damage to heating equipment from solvents, degreasers, cutting oils, propellants, etc. which may be present at the leased premises. No hazardous materials or wastes shall be stored, disposed of, or allowed to remain at the leased premises at any time, and LESSEE shall be solely responsible for any and all corrosion or other damage associated with the use, storage and/or disposal of same by LESSEE. LESSEE agrees not to unreasonably or unlawfully introduce any hazard or toxic materials onto the leased premises without (a) first obtaining LESSOR's written consent, and (b) complying with all applicable Federal, state and local laws or ordinances pertaining to the transportation, storage, use or disposal of such materials, including but not

limited to, obtaining proper permits. If LESSEE's transportation, storage, use or disposal of hazardous or toxic materials on the leased premises results in (i) contamination of the soil or surface or ground water or (ii) loss or damage to persons or property, then LESSEE agrees (1) to notify LESSOR immediately of any contamination, claim of contamination, loss or damage, (2) after consultation and approval by LESSOR, to clean-up, at LESSEE's sole expense, contamination in full compliance with all applicable statutes, regulations and standards, and (3) to indemnify, defend and hold LESSOR harmless from and against any claims, suits, causes of action, costs and fees, including reasonable attorneys' fees arising from or connected with any such contamination, claim of contamination, loss, damage or clean-up. This provision shall survive termination of this lease.

26. RESPONSIBILITY. LESSOR shall not be held liable to anyone for loss or damage caused in any way by the use, leakage, seepage or escape of water from any source, or for the cessation of any service rendered customarily to said leased premises or buildings, or agreed to by the terms of this lease, due to any

accident, the making of repairs, alterations or improvements, labor difficulties, weather conditions, mechanical breakdowns, trouble or scarcity in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained for said building, or any cause beyond LESSOR's immediate control.

27. SURRENDER. LESSEE shall at the termination of this lease remove all of LESSEE's goods and effects from the leased premises. LESSEE shall deliver to LESSOR the leased premises and all keys and locks thereto, all fixtures and equipment connected therewith, and all alterations, additions and improvements made to or upon the leased premises, whether completed by LESSEE, LESSOR, or others, including but not limited to any offices, partitions (except movable partitions supplied and installed by LESSEE), window blinds, floor coverings (including computer floors), plumbing and plumbing fixtures, air conditioning equipment and ductwork of any type, exhaust fans or heaters, water coolers, burglar alarms, telephone wiring, telephone equipment, air or gas distribution piping, compressors, overhead cranes, hoists, trolleys or conveyors, counters, shelving or signs attached to walls or floors, all electrical work, including but not limited to lighting fixtures of any type, wiring, conduit, EMT, transformers, distribution panels, bus ducts, raceways, outlets and disconnects, and furnishings (except kitchen-type appliances supplied and installed by LESSEE) or equipment which have been bolted, welded, nailed, screwed, glued or otherwise attached to any wall, floor or ceiling, or which have been directly wired to any portion of the electrical system or which have been plumbed to the water supply, drainage or venting systems serving the leased premises. LESSEE shall deliver the leased premises sanitized from any chemicals or other contaminants, and broom clean and in the same condition as they were at the commencement of this lease or any prior lease between the parties for the leased premises, or as they were modified during said term with LESSOR's written consent, reasonable wear and tear and damage by fire or other casualty only excepted. In the event of LESSEE's failure to remove any of LESSEE's property from the leased premises upon termination of the lease, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE, to remove and store any such property at LESSEE's expense, or to retain same under LESSOR's control, or to sell at public or private sale (without notice), any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such abandoned property. In no case shall the leased premises be deemed surrendered to LESSOR

until the termination date provided herein or such other date as may be specified in a written agreement between the parties, notwithstanding the delivery of any keys to LESSOR.

28. GENERAL. (a) The invalidity or unenforceability of any provision of this lease shall not affect or render invalid or unenforceable any other provision hereof. (b) The obligations of this lease shall run with the land, and this lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that LESSOR shall be liable only for obligations occurring while lessor, owner, or master lessee of the leased premises. (c) Any action or proceeding arising out of the subject matter of this lease shall be brought by LESSEE within one year after the cause of action has occurred and only in a court of the Commonwealth of Massachusetts. (d) If LESSOR is acting under or as agent for any trust or corporation, the obligations of LESSOR shall be binding upon the trust or corporation, but not upon any trustee, officer, director, shareholder, or beneficiary of the trust or corporation individually. (e) This lease is made and delivered in the Commonwealth of Massachusetts, and shall be interpreted, construed, and enforced in accordance with the laws thereof. (f) This lease was the result of negotiations between parties of equal bargaining strength, and when executed by both parties shall constitute the entire agreement between said parties. No other oral or written representation shall have any effect hereon, and this agreement may not be altered, extended or amended except by written agreement attached hereto or as otherwise provided herein. (g) Notwithstanding any other statements herein, LESSOR makes no warranty, express or implied, concerning the suitability of the

leased premises for LESSEE's intended use. (i) LESSEE agrees that if LESSOR does not deliver possession of the leased premises as herein provided for any reason, LESSOR shall not be liable for any damages to LESSEE for such failure, but LESSOR agrees to use reasonable efforts to deliver possession to LESSEE at the earliest possible date, and a proportionate abatement of rent for such time as LESSEE may be deprived of possession of said leased premises shall be LESSEE's sole remedy. (j) Neither the submission of this lease form, nor the prospective acceptance of the security deposit and/or rent shall constitute a reservation of or option for the leased premises, or an offer to lease, it being expressly understood and agreed that this lease shall not bind either party in any manner whatsoever until it has been executed by both parties. (k) LESSEE shall not be entitled to exercise any option contained herein if LESSEE is in default of any terms or conditions hereof. (l) The headings in this lease are for convenience only and shall not be considered part of the terms hereof. (m) No endorsement by LESSEE on any check shall bind LESSOR in any way.

29. SECURITY AGREEMENT. LESSEE hereby grants LESSOR a continuing security interest in all existing or hereafter acquired property of LESSEE which is in the leased premises to secure the payment of rent, the cost of leasehold improvements, and the performance of any other obligations of LESSEE under this lease. Default in the payment or performance of any of LESSEE's obligations hereunder is a default under this security agreement, and shall entitle LESSOR to immediately exercise all of the rights and remedies of a secured party under the Uniform Commercial Code. LESSEE also agrees to execute a UCC-1 Financing Statement and any other financing agreement required by LESSOR in connection with this security interest.

30. WAIVERS, ETC. No consent or waiver, express or implied, by LESSOR, to or of any breach of any covenant, condition or duty of LESSEE shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. If LESSEE is several persons, several corporations or a partnership, LESSEE's obligations are joint or

partnership and also several. Unless repugnant to the context, "LESSOR" and "LESSEE" mean the person or persons, natural or corporate, named above as LESSOR and as LESSEE respectively, and their respective heirs, executors, administrators, successors and assigns.

31. AUTOMATIC FIVE YEAR EXTENSIONS. This lease, including all terms, conditions, escalations, etc. shall be automatically extended for additional successive periods of five (5) years each unless LESSOR or LESSEE shall serve written notice, either party to the other, of either party's desire not to so extend the lease. The time for serving such written notice shall be not more than twelve (12) months or less than six (6) months prior to the expiration of the then current lease period. Time is of the essence.

32. JURY TRIAL. LESSOR and LESSEE hereby waive any and all rights to a jury trial in any summary process or eviction proceeding in any way arising out of the lease.

33. ESTOPPEL CERTIFICATES. From time to time, LESSEE shall furnish to any party designated by LESSOR, within ten (10) days after a request therefor, a certificate signed by LESSEE confirming and containing such factual certifications and representations as to this lease as LESSOR may reasonably request.

34. CORPORATE APPROVAL. Concurrently with its execution of the lease, LESSEE shall provide LESSOR with duly authorized and executed corporate resolutions (in form and substance satisfactory to LESSOR) authorizing the entering into and consummation of the transactions contemplated by this lease and designating the corporate or other officer or officers to execute this lease on behalf of LESSEE.

35. FINANCIAL REPORTS. Within fifteen (15) days after LESSOR's request, LESSEE shall furnish LESSEE's most recent audited financial statements (including any

notes to them) to LESSOR, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, LESSEE's internally prepared financial statements. LESSEE will discuss its financial statements with LESSOR and will give LESSOR access to LESSEE's books and records in order to enable LESSOR to verify the financial statements. LESSOR will not disclose any aspect of LESSEE's financial statements that LESSEE designates to LESSOR as confidential except (i) to LESSOR's lenders or prospective purchasers of the property, (ii) in litigation between LESSOR and LESSEE, and (iii) if required by court order.

36. CONFIDENTIALITY. LESSEE acknowledges that the terms and conditions of this lease are to remain confidential for the LESSOR's benefit, and may not be disclosed by LESSEE to anyone, by any manner or means, directly or indirectly, without LESSOR's prior written consent.

37. LEGAL EXPENSE; REMEDIES CUMULATIVE. In case suit should be brought because of the breach by LESSEE of any of its obligations under this lease, LESSOR shall be entitled to recover all expenses incurred in connection with such breach, including reasonable attorneys' fees. LESSOR's rights and remedies shall be cumulative and may be exercised and enforced concurrently, and no right or remedy of LESSOR shall be deemed to be exclusive of any other right or remedy it may have.

38. LIMITATION ON LESSOR'S LIABILITY. Notwithstanding anything set forth in this lease to the contrary, it is agreed that LESSEE shall look solely to the equity of LESSOR in the building for the satisfaction of the remedies of LESSEE in the event of a breach by LESSOR of any of the provisions of this lease, and LESSOR shall not be liable for any such breach except to the extent of LESSOR's equity in the building.

39. ADDITIONAL PROVISIONS. (Continued on attached rider if necessary.)

LESSOR at no additional cost to LESSEE, shall perform the following work at the leased premises:

Remove the existing tile in the rear portion of the leased premises;  
Replace the existing carpet in the existing office area and perimeter offices with new carpet and vinyl cove base; and  
Perform punchlist items including: installing covers over existing electrical outlets, replacing damaged ceiling tiles, and painting the back double metal doors.

LESSOR, at LESSOR's option, may construct up to an additional 10,000 square feet onto the existing building as shown on Exhibit "B" attached hereto ("Potential Addition") that may temporarily or permanently affect LESSEE's access to and from its tenant entry door and may involve relocating LESSEE's tenant entry door. In the event that the LESSOR makes the Potential Addition, LESSEE's proportionate share of Operating Costs and Taxes shall be equitably adjusted to reflect the new square footage of the building. In such event, LESSOR shall diligently pursue the completion of the Potential Addition and shall use reasonable efforts to complete the Potential Addition without undue delay and in a manner which does not materially and unreasonably affect LESSEE's use, enjoyment and occupation of the leased premises.

IN WITNESS WHEREOF, LESSOR AND LESSEE have hereunto set their hands and common seals and intend to be legally bound hereby this 13th day of May

LESSOR: 6-8 PRESTON COURT, L.L.C.

LESSEE: ASIANA PHARMACEUTICALS CORPORATION

By: PINNACLE PROPERTIES MANAGEMENT, INC., its manager

/s/ FREDERICK D. KEEFE  
President, Pinnacle Properties Management, Inc.

By: \_\_\_\_\_

/s/ LAN BO CHEN

By:

\_\_\_\_\_  
President Asiana Pharmaceuticals

#### GUARANTY

IN CONSIDERATION of the making of the above lease by 6-8 Preston Court, L.L.C with Asiana Pharmaceuticals Corporation at the request of the undersigned and in reliance on this

guaranty, the undersigned (GUARANTOR) hereby personally guarantees the prompt payment of rent by LESSEE and the performance by LESSEE of all the terms, conditions, covenants and agreements of the lease, any amendments thereto and any extensions or assignments thereof, and the undersigned promises to pay all expenses, including reasonable attorney's fees, incurred by LESSOR in enforcing all obligations of LESSEE under the lease or incurred by LESSOR in enforcing this guaranty. LESSOR's consent to any assignments, subleases, amendments and extensions by LESSEE or to any compromise or release of LESSEE's liability hereunder, with or without notice to the undersigned, or LESSOR's failure to notify the undersigned of any default and/or reinstatement of the lease by LESSEE, shall not relieve the undersigned from liability as GUARANTOR.

IN WITNESS WHEREOF, the undersigned GUARANTOR has hereunto set his/her/its hand and common seal intending to be legally bound hereby this 13th day of May.

12/98

/s/ LAN BO CHEN

#### ADDENDUM

This Addendum shall constitute an integral part of the Lease ("Lease") of even date herewith between 6-8 Preston Court, L.L.C. ("Lessor") and Asiana Pharmaceuticals Corporation ("Lessee") with respect to the Premises commonly known as 8A Preston Court. To the extent any of the terms and conditions set forth in this Addendum are inconsistent with the terms and conditions set forth in the Lease, the terms and conditions of this Addendum shall supercede the terms and conditions of the Lease and the terms and conditions of this Addendum shall govern.

The parties agree as follows:

1. Lessee shall immediately provide Lessor with telephonic notice, which shall promptly be confirmed by written notice, of any and all spillage, discharge, release and disposal of Hazardous Material onto or within the Premises, including the soils and subsurface waters thereof, which by law must be reported to any federal, state or local agency, and any injuries or damages resulting directly or indirectly therefrom. Further, Lessee shall deliver to Lessor each and every notice or order, when said order or notice identifies a violation which may have the potential to adversely impact the Premises, received from any federal, state or local agency concerning Hazardous Material and the possession, use and/or accumulation thereof promptly upon receipt of each such notice or order by Lessee. Lessor shall have the right, upon reasonable notice, to inspect and copy each and every notice or order received from any federal, state or local agency concerning Hazardous Material and the possession, use and/or accumulation thereof.

2. Lessee shall be responsible for and shall indemnify, protect, defend and hold harmless Lessor and Lessor's Agents (defined as Lessor's members, employees, agents, contractors, licensees or invitees) from any and all liability, damages, injuries, causes of action, claims, judgments, costs, penalties, fines, losses, and expenses which arise during or after the term of this Lease and which result from Lessee's or from Lessee's Agents (defined as Lessee's assignees, sublessees, employees, agents, contractors, licensees, or invitees) receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Hazardous Material in, upon or about the Premises, including without limitation (i) diminution in value of the Premises, (ii) damages for the loss or restriction on use of any portion or amenity of the Premises, (iii) damages arising from any adverse impact on marketing of space in the Building, (iv) damages and the costs of remedial work to other property in the vicinity of the Premises owned by Lessor or an affiliate of Lessor, and (v) consultant fees, expert fees, and attorneys' fees.

3. The indemnification pursuant to the preceding Section 2 includes, without limiting the generality of Section 2, reasonable costs incurred in connection with any investigation of site conditions, cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil, subsoil, ground water, or elsewhere on, under or about the Premises, or on, under or about any other property in the vicinity of the Premises owned by Lessor or an affiliate of Lessor. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Lessee results in any contamination of the Premises, or underlying soil or groundwater, Lessee shall promptly take all actions at its sole expense as are

necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material, provided that Lessor's approval of such action shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, except that Lessee shall not be required to obtain Lessor's prior approval of any action of an emergency nature reasonably required or any action mandated by a governmental authority, but Lessee shall give Lessor prompt notice thereof.

4. Notwithstanding other provisions of this Addendum, it shall be a default under this Lease, and Lessor shall have the right to terminate the Lease and/or pursue its other remedies under the Lease, in the event that (i) Lessee's use of the Premises for the generation, storage, use, treatment or disposal of Hazardous Material is in a manner or for a purpose prohibited by applicable law unless Lessee is diligently pursuing compliance with such law, (ii) Lessee has been required by any governmental authority to take remedial action in connection with Hazardous Material contaminating the Premises if the contamination resulted from Lessee's action or use of the Premises, unless Lessee is diligently pursuing compliance with such requirement, or (iii) Lessee is subject to an enforcement order issued by any governmental authority in connection with the use, disposal or storage of a Hazardous Material on the Premises, unless Lessee is diligently seeking compliance with such enforcement order.

5. At any time prior to the expiration or earlier termination of the term of the Lease, Lessor shall have the right to enter upon the Premises at all reasonable times and at reasonable intervals in order to conduct appropriate tests regarding the presence, use and storage of Hazardous Material, and to inspect Lessee's records with regard thereto. Lessee will pay the reasonable costs of any such test which demonstrates that contamination in excess of permissible levels has occurred and such contamination was caused by use of the Premises during the term of the Lease. Lessee shall correct any deficiencies identified in any such tests in accordance with its obligations under this Addendum.

6. Lessee shall at its own expense cause an environmental site

assessment of the Premises to be conducted and a report thereof delivered to Lessor upon the expiration or earlier termination of the Lease. This report shall consist of a visual inspection of the premises for visible signs of possible contamination and an inspection of records regarding the generation, storage, use, disposal, and transport of Hazardous Materials within the Premises during Lessee's occupancy (hereinafter referred to as the "Exit Report"), or a more complete and broader report only if so recommended in the Exit Report to investigate areas of possible contamination. Lessee shall correct any deficiencies identified in such report in accordance with its obligations under this Addendum prior to the expiration or earlier termination of this Lease.

7. Lessee's obligations under this Addendum shall survive the termination of the Lease. Should Lessee employ any period of time after the expiration or earlier termination of this Lease, to complete the removal from the Premises of any such Hazardous Material, Lessee shall be a Lessee at sufferance subject to the provisions of Section 22 of the Lease.

8. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of Massachusetts or the United States Government.

9. If Lessee shall request Lessor's consent to any assignment of this Lease or to any subletting of all or any part of the Premises, Lessee shall submit to Lessor with such request the name of the proposed assignee or sublessee, such information concerning its business, financial responsibility and standing as Lessor may reasonably require, and the consideration and rents (and terms and conditions thereof) to be paid for and the effective date of the proposed assignment or subletting. Upon receipt of such request and all such information, Lessor shall have the right (without limiting Lessor's right of consent in respect of such assignment or subletting), by giving notice to Lessee within fifteen (15) days thereafter, (or level 3 \\*romanoio) to terminate this Lease if the request is for an assignment or a subletting of all the Premises, or (or level 3 \\*romanoio) if such request is to sublet a portion of the Premises only, to terminate this Lease with respect to such portion. If Lessor exercises its right to terminate this Lease, the effective date of termination shall be set forth in Lessor's notice to Lessee, but such date shall not be earlier than the effective date of the proposed assignment or subletting nor later than ninety (90) days thereafter. If Lessor so elects to terminate this Lease, Lessee shall continue to pay the Rent and other charges hereunder to Lessor until the effective date of termination, on which date Lessee will surrender possession of the Premises, or the portion thereof subject to such right of termination, to Lessor in accordance with the provisions hereof. If Lessor shall terminate this Lease as to a portion of the Premises only, then following such termination the Rent and Additional Rent shall be reduced in the same proportion as the number of square feet of net rentable footage in such portion of the Premises bears to the number of square feet of net rentable footage in the Premises immediately prior to such termination.

10. level 2 \h \r0 or level 3 \h \r0 o If Lessee shall request Lessor consent to an assignment of this Lease and Lessor shall consent thereto, the assignee ("Assignee") shall pay directly to Lessor, as additional rent hereunder, at such times as Assignee shall have agreed to pay Lessee, an amount equal to any consideration Assignee shall have agreed to pay Lessee on account of such assignment. If Assignee shall fail to pay Lessor any such consideration when due, such failure shall constitute a default under this Lease.

11. If Lessee shall request Lessor's consent to a subletting of the Premises or any part thereof and Lessor shall consent thereto, Lessee shall pay Lessor as Additional Rent, in addition to the Rent and other charges payable hereunder, an amount equal to any consideration paid by the subtenant to Lessee in excess of (or level 3 \\*romanoio) the Rent and other charges payable hereunder if all of the Premises are so sublet, or (\*seq level 3 \\*romanoio) if less than all, of the Premises are so sublet, the Rent and other charges payable hereunder allocable to the portion of the Premises so sublet based on the number

of square feet of net useable footage the Premises so sublet to the total number of square feet of net useable footage in the Premises. The foregoing amount shall be determined monthly and paid by Lessee to Lessor on the first day of each calendar month in advance during the term of such sublease. If Lessee shall fail to pay Lessor any such consideration, such failure shall be a default under this Lease.

IN WITNESS WHEREOF, the parties execute this Addendum on the 31st day of May, 1999.

LESSOR:

6-8 PRESTON COURT, L.L.C.,  
a Delaware limited liability company

By: Pinnacle Properties Management, Inc., its manager

By: /s/ FRED KEEFE  
Name: Fred Keefe  
Title: President

LESSEE:

ASIANA PHARMACEUTICALS CORPORATION

By: /s/ LAN BO CHEN  
Name: Lan Bo Chen  
Title: Founder

EXHIBIT A

FLOOR PLAN

EXHIBIT B

FLOOR PLAN

PINNACLE PROPERTIES MANAGEMENT

STANDARD FORM

AMENDMENT TO LEASE #1

IN CONNECTION WITH A LEASE CURRENTLY IN EFFECT BETWEEN THE PARTIES AT 8-A PRESTON COURT, BEDFORD, MASSACHUSETTS, EXECUTED ON MAY 13, 1999 AND TERMINATING MAY 30, 2004, AND IN CONSIDERATION OF THE MUTUAL BENEFITS TO BE DERIVED HEREFROM, 6-8 PRESTON COURT, L.L.C., LESSOR AND ASIANA PHARMACEUTICALS CORPORATION, LESSEE, HEREBY AGREE TO AMEND SAID LEASE AS FOLLOWS:

1. Provided LESSOR is able to obtain a building permit and all other permits and approvals required from the City of Bedford, then LESSOR shall have the right at LESSOR's sole option and at LESSOR's sole expense to construct up to an additional 10,000 square feet of office space onto the existing Building, as shown on Exhibit "A" attached hereto ("Addition") that may temporarily or permanently affect LESSEE's access to and from its existing front entry door.



2. If LESSOR chooses to construct the Addition, then upon substantial completion of the Addition, LESSEE shall lease 1,700 square feet (including common area) additional as shown cross hatched on Exhibit "B" attached hereto ("Expansion Space"). LESSEE's Proportionate Share of Operating Costs and Taxes shall be equitably adjusted to reflect the new square footage of the Building and the Expansion Space. The Expansion Space shall be finished at LESSOR's expense as office space with LESSOR's building standard materials to consist of: carpeting throughout, two partitioned offices, acoustical tile ceilings, standard lighting, fire protection sprinklers, standard heating and cooling capacity, and 110V convenience electrical wall outlets at regular intervals. The Expansion Space shall also be painted according to LESSOR's standards. All other terms, conditions and covenants of this lease shall apply to the Expansion Space.

3. The Security Deposit referred to in Section 2 of the lease shall be increased to \$19,152.00 from \$11,800.00. LESSEE shall pay the balance of \$7,352.00 upon substantial completion.

4. LESSEE and LESSOR each warrants and represents to the other party that it has dealt with no broker or third person with respect to this lease amendment and LESSEE and LESSOR each agrees to indemnify the other party against any brokerage claims arising by any person or entity claiming by, through or under such party.

5. Commencing upon substantial completion of the Expansion Space, the lease shall be amended and modified so that the adjusted base rent shall be increased by \$44,115.00 annually, from a total of \$71,800.00 to an annual base rent of \$115,915.00, or \$9,659.58 per month. Annual base rent for the purpose of computing any future escalations thereon shall be \$115,915.00.

6. Time is of the essence with respect to this Amendment.

EXCEPT AS SPECIFICALLY AMENDED HEREBY, THE LEASE AND ALL THE TERMS, CONDITIONS AND COVENANTS CONTAINED THEREIN SHALL REMAIN IN FULL FORCE AND EFFECT AND ARE HEREBY FULLY RATIFIED AND CONFIRMED. THIS AMENDMENT SHALL BE EFFECTIVE UPON FULL EXECUTION AND SHALL

CONTINUE THROUGH THE BALANCE OF THE LEASE AND ANY EXTENSIONS THEREOF UNLESS FURTHER MODIFIED BY WRITTEN AMENDMENT(S).

In Witness Whereof, LESSOR and LESSEE have hereunto set their hands and common seals this 31st day of July, 2000.

LESSOR: 52 & 56 ROLAND STREET, L.L.C.

LESSEE: ASIANA PHARMACEUTICALS  
CORPORATION

BY: PINNACLE PROPERTIES  
MANAGEMENT, L.L.C., ITS MANAGER

By: /s/ FREDERICK D. KEEFE  
-----  
Frederick D. Keefe, President and Member

By: /s/ BRYAN G. KEANEY  
-----  
Name: BRYAN G. KEANEY  
-----  
Title: CHIEF FINANCIAL OFFICER

EXHIBIT A

FLOOR PLAN

EXHIBIT B

FLOOR PLAN

PINNACLE PROPERTIES MANAGEMENT, L.L.C.

STANDARD FORM

AMENDMENT TO LEASE #2

IN CONNECTION WITH A LEASE CURRENTLY IN EFFECT BETWEEN THE PARTIES AT 8-A PRESTON COURT, BEDFORD, MASSACHUSETTS, EXECUTED ON MAY 13, 1999 AND TERMINATING MAY 30, 2004, AND IN CONSIDERATION OF THE MUTUAL BENEFITS TO BE DERIVED HEREFROM, 6-8 PRESTON COURT, L.L.C., LESSOR AND ASIANA PHARMACEUTICALS CORPORATION, LESSEE, HEREBY AGREE TO AMEND SAID LEASE AS FOLLOWS:

1. LESSEE shall lease the approximately 3,000 square feet (including common area) additional as shown cross hatched on Exhibit "A" attached hereto ("Expansion Space") upon substantial completion of LESSOR's Work in the Expansion Space. LESSEE's Proportionate Share of Operating Costs and Taxes shall be equitably adjusted to reflect the new square footage of the Building and the Expansion Space. The Expansion Space shall be finished at LESSOR's expense as office space with LESSOR's building standard materials consisting solely of the following ("LESSOR's Work"): carpeting throughout the front portion of the Expansion Space, one partitioned office, acoustical tile ceilings, standard painting, standard lighting, fire protection sprinklers, standard heating and cooling capacity, and 110V convenience electrical wall outlets at regular intervals. All other terms, conditions and covenants of this lease shall apply to the Expansion Space.

2. The Security Deposit referred to in Section 2. of the lease shall be increased to \$28,832.00 from \$19,152.00. LESSEE shall pay the balance of \$9,680.00 upon substantial completion of LESSOR's Work in the Expansion Space.

3. LESSEE and LESSOR each warrants and represents to the other party that it has dealt with no broker or third person with respect to this lease amendment and LESSEE and LESSOR each agrees to indemnify the other party against any brokerage claims arising by any person or entity claiming by, through or under such party.

4. Commencing upon substantial completion of LESSOR's Work in the Expansion Space, the lease shall be amended and modified so that the adjusted base rent shall be increased by \$54,085.00 annually, from a total of \$115,915.00 to an annual base rent of \$170,000.00, or \$14,166.67 per month. Annual base rent for the purpose of computing any escalations thereon shall be \$170,000.00.

5. Time is of the essence with respect to this Amendment.

EXCEPT AS SPECIFICALLY AMENDED HEREBY, THE LEASE AND ALL THE TERMS, CONDITIONS AND COVENANTS CONTAINED THEREIN SHALL REMAIN IN FULL FORCE AND EFFECT AND ARE HEREBY FULLY RATIFIED AND CONFIRMED. THIS AMENDMENT SHALL BE EFFECTIVE UPON FULL EXECUTION AND SHALL CONTINUE THROUGH THE BALANCE OF THE LEASE AND ANY EXTENSIONS THEREOF UNLESS FURTHER MODIFIED BY WRITTEN AMENDMENT(S).

In Witness Whereof, LESSOR and LESSEE have hereunto set their hands and common seals this 26th day of November 2001.

LESSOR: 6-8 PRESTON COURT, L.L.C.

LESSEE: ASIANA PHARMACEUTICALS  
CORPORATION

BY: PINNACLE PROPERTIES  
MANAGEMENT, L.L.C., ITS MANAGING MEMBER

By: /s/ FREDERICK D. KEEFE

By: /s/ BRYAN G. KEANEY

Frederick D. Keefe, President and Member

Name: BRYAN G. KEANEY

Title: CFO

EXHIBIT A

FLOOR PLAN

PINNACLE PROPERTIES MANAGEMENT, L.L.C.

STANDARD FORM

AMENDMENT TO LEASE #3

IN CONNECTION WITH A LEASE CURRENTLY IN EFFECT BETWEEN THE PARTIES AT 8-A PRESTON COURT, BEDFORD, MASSACHUSETTS, EXECUTED ON MAY 13, 1999 AND TERMINATING MAY 30, 2004 ("LEASE"), AND IN CONSIDERATION OF THE MUTUAL BENEFITS TO BE DERIVED HEREFROM, 6-8 PRESTON COURT, L.L.C., LESSOR AND ASIANA PHARMACEUTICALS CORPORATION, LESSEE, HEREBY AGREE TO AMEND SAID LEASE AS FOLLOWS:

1. The leased premises shall be referred to as 6-A Preston Court rather than 8-A Preston Court.

2. Per Section 31 of the Lease, the current lease term is hereby extended for an additional five year term ("Extended Term") and shall now terminate on May 30, 2009 instead of on May 30, 2004. The base rent shall be in accordance with the existing Lease and amendments including all escalations.

3. LESSEE shall accept the leased premises in "AS IS" "WHERE IS" condition, without warranty or representation.

4. Notwithstanding anything in the Lease to the contrary, LESSEE may assign the Lease or sublease all or part of the leased premises (a "PERMITTED TRANSFER") to the following types of entities (a "PERMITTED TRANSFEREE") with written notice to LESSOR but without the written consent of LESSOR: (1) an Affiliate (as hereinafter defined) of LESSEE; (2) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity in which or with which LESSEE, or its corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions governing merger and consolidation of business entities, so long as (A) LESSEE's obligations hereunder are assumed by the entity surviving such merger or created by such consolidation; and (B) the Tangible Net Worth (as hereinafter defined) of the surviving or created entity is not less than the Tangible Net Worth of LESSEE as of the date hereof; or (3) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity acquiring all or substantially all of LESSEE's assets if such entity's Tangible Net Worth after such acquisition is not less than the Tangible Net Worth of LESSEE as of the date hereof. LESSEE shall promptly notify LESSOR of any such Permitted Transfer. LESSEE shall remain liable for the performance of all of the obligations of LESSEE hereunder, or if LESSEE no longer exists because of a merger, consolidation, or acquisition, the surviving or acquiring entity shall expressly assume in writing the obligations of LESSEE hereunder. Additionally, the Permitted Transferee shall comply with all of the terms and conditions of this Lease. No later than 30 days after the effective date of any Permitted Transfer, LESSEE agrees to furnish LESSOR with (A) copies of the instrument effecting the Permitted Transfer, (B) documentation establishing LESSEE's satisfaction of the requirements set forth above applicable to any such Permitted Transfer, and (C) evidence of insurance as required under the Lease with respect to the Permitted Transferee. "TANGIBLE NET WORTH" means the excess of total assets over total liabilities, in each case as

determined in accordance with generally accepted accounting principles consistently applied ("GAAP"), excluding, however, from the determination of total assets all assets which would be classified as intangible assets under GAAP including goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises. "Affiliate" means any person or entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the party in question.

5. LESSEE represents that Munchi BioTherapeutics Corp. (a Delaware corporation) has succeeded to the interests of Asiana Pharmaceuticals Corporation (a Massachusetts corporation) as LESSEE of the leased premises, and Munchi BioTherapeutics Corp. hereby assumes all obligations and liabilities of the LESSEE under the Lease.

6. LESSOR agrees to maintain casualty insurance in a commercially reasonable amount for the building of which the leased premises are a part.

7. LESSEE'S agreement to subordinate this Lease to any and all future mortgages and/or other future instruments in the nature of a mortgage, is conditional upon LESSOR using reasonable efforts and due diligence to obtain the future mortgagee's agreement that LESSEE's possession will not thereafter be disturbed so long as LESSEE is not in default in the payment of rent or other covenants or obligations hereof.

8. In Section 21 of the Lease, the notice address for Frank Brady is changed to the following: Frank Brady, Esq., Pinnacle Properties Management,. LLC, 10955 Lowell Avenue, Suite 600, Overland Park, KS 66210. Additionally, the following is added at the end of the first sentence: "with a copy to Bryan Keaney, Synta Pharmaceuticals, Inc., 45 Hartwell Avenue, Lexington, MA 02421".

9. The first, third, fourth and fifth sentences of Section 22 of the Lease are hereby deleted.

10. In Section 25 of the Lease, the phrase "no hazardous materials or waste shall be stored, disposed of, or allowed to remain at the leased premises at any time, and" is hereby replaced with "no hazardous materials or waste shall be stored, disposed of, or allowed to remain at the leased premises at any time except in compliance with all applicable statutes, regulations, ordinances and the like, and".

11. Per Section 35 of the Lease, provided LESSEE is not in default of the Lease, LESSEE will not be required to provide financial statements more than one time per year if requested by LESSOR.

12. Section 36 of the Lease is hereby deleted in its entirety.

13. Section 37 of the Lease shall be amended by the addition of the following language to the end of that section: "The prevailing party may recover from the non prevailing party reasonable attorney's fees."

14. LESSEE warrants and represents to LESSOR that it has not employed a broker or third person with respect to this lease amendment and LESSEE agrees to indemnify LESSOR against any brokerage claims arising by any person or entity claiming by, through or under LESSEE.

15. Time is of the essence with respect to this lease amendment.

EXCEPT AS SPECIFICALLY AMENDED HEREBY, THE LEASE AND ALL THE TERMS, CONDITIONS AND COVENANTS CONTAINED THEREIN SHALL REMAIN IN FULL FORCE AND EFFECT AND ARE HEREBY FULLY RATIFIED AND CONFIRMED. THIS LEASE AMENDMENT SHALL BE EFFECTIVE UPON FULL EXECUTION AND SHALL CONTINUE THROUGH THE BALANCE OF THE LEASE AND ANY EXTENSIONS THEREOF UNLESS FURTHER MODIFIED BY WRITTEN AMENDMENT(S).

In Witness Whereof, LESSOR and LESSEE have hereunto set their hands and common seals this day of December 2003.

LESSOR: 6-8 PRESTON COURT, L.L.C.

LESSEE: ASIANA PHARMACEUTICALS  
CORPORATION

BY: PINNACLE PROPERTIES  
MANAGEMENT, L.L.C., ITS MANAGING MEMBER

By: \_\_\_\_\_  
Frederick D. Keefe, President and Member

By: /s/ LAN BO CHEN  
\_\_\_\_\_  
Name: LAN BO CHEN  
\_\_\_\_\_  
Title: FOUNDER  
\_\_\_\_\_

LESSEE: MUNCHI BIOTHERAPEUTICS  
CORP.

By: /s/ LAN BO CHEN  
\_\_\_\_\_  
Name: LAN BO CHEN  
\_\_\_\_\_  
Title: FOUNDER  
\_\_\_\_\_

ASSIGNMENT AND ASSUMPTION OF LEASE  
AND LANDLORD'S CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AND LANDLORD'S CONSENT (this "Agreement"), dated as of May 25, 2005, by and among 6-8 PRESTON COURT, L.L.C., a Delaware limited liability company ("Landlord"), MUNCHI BIOTHERAPEUTICS CORP., a Delaware corporation, by assignment, ("Tenant"), and SYNTA PHARMACEUTICALS CORP., a Massachusetts corporation ("Assignee").

WHEREAS, by a lease dated as of May 13, 1999, as amended by that certain Amendment to Lease #1, that certain Amendment to Lease #2 and that certain Amendment to Lease #3 (collectively, the "Lease"), Landlord leased to Tenant's predecessor-in-interest, ASIANA PHARMACEUTICALS CORPORATION, a Massachusetts corporation, certain space (the "Premises") located in suite 6-A, consisting of approximately 8,700 square feet of space, in the building known as 6-8 Preston Court (the "Building") located in Bedford, Massachusetts (the "Property"); and

WHEREAS, the Lease was assigned to Tenant by ASIANA PHARMACEUTICALS CORPORATION by that certain Amendment to Lease #3, dated December, 2003; and

WHEREAS, Tenant now desires to assign all of its right, title and interest in and to the Lease to Assignee, and Assignee desires to accept such assignment, effective as of the date hereof; and

WHEREAS, Landlord has agreed to consent to the assignment as set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, each to the other paid, the receipt and sufficiency of which are hereby acknowledged, Landlord, Tenant and Assignee hereby agree as follows:

1. ASSIGNMENT AND ASSUMPTION; INDEMNITY.  
\_\_\_\_\_

(a) Tenant transfers, assigns and sets over unto the Assignee all of its

right, title and interest in and obligations under the Lease as of the Effective Date. For purposes of this Agreement, the term "Effective Date" shall be May 25, 2005.

(b) Assignee assumes the performance of and agrees to be bound by all the obligations of the Tenant as lessee under the Lease arising on or after the Effective Date, including, without limitation, the obligation to pay monthly rent and other amounts provided for thereunder.

(c) Tenant agrees with Assignee to indemnify and hold Assignee harmless from and

-1-

against any and all loss, cost, damage and expense suffered by Assignee (including without limitation reasonable attorneys' fees and costs of defense) as a result of any claim under or in respect of the Lease, to the extent such claim arises from or relates to the period on or prior to the Effective Date.

(d) Assignee agrees with Tenant to indemnify and hold Tenant harmless from and against any and all loss, cost, damage and expense suffered by Tenant (including without limitation reasonable attorneys' fees and costs of defense) as a result of any claim under or in respect of the Lease, to the extent such claim relates to the period subsequent to the Effective Date.

(e) Each of Assignee and Tenant represents that it has not dealt with any broker or other person or firm to whom a commission or fee is or may be due in respect of this assignment, and each party hereby agrees to indemnify and hold the other harmless from and against any and all loss, cost, damage and expense (including without limitation reasonable attorneys' fees and costs) suffered by the other as a result of any claim against the representing party that a fee or commission is due on account of a relationship between the claimant and the representing party.

## 2. NO RELEASE OF TENANT; CONTINUATION OF GUARANTY. Tenant and ASIANA

-----  
PHARMACEUTICALS CORPORATION shall remain liable under the Lease and the Landlord's consent to the assignment of the Lease is absolutely contingent upon the Guaranty of the Lease by Lan Bo Chen remaining in full force and effect, subsequent to the Effective Date.

## 3. LANDLORD'S REPRESENTATIONS REGARDING LEASE. Landlord represents,

-----  
warrants and covenants to the parties hereto that, as of the date hereof (i) the Lease is in full force and effect and, to Landlord's actual knowledge, Tenant is not in default thereunder; (ii) Landlord has received no notice that it is in default under the Lease nor has Landlord any actual knowledge of the existence of any condition or the occurrence of any event which, if not timely acted upon, would result in Landlord's default under the Lease; and (iii) Landlord has the right, power and authority to execute this Agreement.

## 4. TENANT'S REPRESENTATIONS REGARDING LEASE. Tenant represents, warrants

-----  
and covenants to the parties hereto that, as of the date hereof, (i) the Lease is in full force and effect and, to the best of Tenant's knowledge, Landlord is not in default thereunder; (ii) Tenant has received no notice that it is in default under the Lease nor has Tenant any knowledge of the existence of any condition or the occurrence of any event which, if not timely acted upon, would result in Tenant's default under the Lease; (iii) to the best of Tenant's knowledge, Tenant is in compliance with all applicable environmental laws; (iv) to the best of Tenant's knowledge, neither Tenant nor Tenant's agents, employees or contractors has caused or permitted any hazardous substances to be brought upon, kept or used in or about the Premises except in compliance with applicable environmental laws and as permitted by the Lease; and (v) Tenant has the right, power and authority to execute this Agreement.

5. LANDLORD'S CONSENT. Landlord hereby consents to this Agreement on the  
-----  
terms contained herein and on the following terms and conditions:

- (i) The giving of this consent shall not be construed either as a consent by Landlord to, or as permitting, any other or further assignment of the Lease, whether in whole or in part, or any subletting of the Premises or any part thereof, or as a waiver of the requirement of obtaining Landlord's consent thereto, to the extent required under the Lease.
- (ii) The giving of this Consent shall not result in any liability on the part of Landlord for the payment of any commissions or fees in connection with the proposed assignment transaction herein contemplated by Tenant and Assignee; Landlord hereby represents that it has dealt with no broker or other party to whom a commission is due as a result of this Agreement.

6. MORTGAGEE, ETC. Landlord represents that that presently there is no  
-----

mortgage on the Building and the Property, except the lien of that certain Mortgage, Assignment of Rents and Security Agreement dated November 15, 2000, recorded in the Middlesex South District Registry of Deeds in Book 52035, Page 552, securing a debt to Heller Financial, Inc. (the "MORTGAGEE"). As further security for such debt, Landlord's interest in the Lease has been assigned to Mortgagee.

7. RATIFICATION. Except as hereinabove specifically assigned, the Lease is  
-----

hereby ratified and confirmed.

8. COUNTERPARTS. This Agreement may be executed in counterparts and, taken  
-----

together, such counterparts shall constitute one and the same Agreement, valid and binding on the parties.

9. NOTICES. From and after the Effective Date, notices to Tenant shall be  
-----

addressed to Assignee at: Attention: Vice President of Finance & Administration, Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, MA 02421; with a copy to: Jonathan L. Kravetz, Esq., Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111.

IN WITNESS WHEREOF, Landlord, Tenant and Assignee have signed and sealed this Agreement as of the day and year first above written.

LANDLORD:

6-8 PRESTON COURT, L.L.C.

By: /s/ FREDERICK D. KEEFE

-----  
Name: FREDERICK D. KEEFE

-----  
Its: PRESIDENT / AUTHORIZED SIGNATORY  
-----

TENANT:

MUNCHI BIOTHERAPEUTICS CORP.

By: /s/ LAN BO CHEN

-----  
Name: LAN BO CHEN  
-----

Its: FOUNDER  
-----

ASSIGNEE:

SYNTA PHARMACEUTICALS CORP.

By: /s/ KEITH EHRLICH

-----  
Name: KEITH EHRLICH  
-----

Its: VICE PRESIDENT, FINANCE & ADMINISTRATION

GUARANTOR:

The undersigned executes this Agreement for the purpose of confirming that his Guaranty of the Lease shall remain in full force and effect subsequent to the Effective Date.

/s/ LAN BO CHEN

-----  
Lan Bo Chen

-4-

#### ACKNOWLEDGMENTS

#### STATE OF MASSACHUSETTS

Suffolk, ss.

June 21, 2005

On this 21 day of June, 2005, before me, the undersigned notary public, personally appeared Frederick D. Keefe, proved to me through satisfactory evidence of identification, which were MA Driver's License, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily, as authorized signature, for 6-8 PRESTON COURT, L.L.C., a Delaware limited liability company, for its stated purpose.

/s/ DAVID TONELLI

-----  
Notary Public  
My Commission Expires:

-----  
David Tonelli  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires  
July 2, 2005  
-----



STATE OF MASSACHUSETTS

Middlesex, ss.

May 25th, 2005

On this 25th day of May, 2005, before me, the undersigned notary public, personally appeared Lam Bo Chen, proved to me through satisfactory evidence of identification, which were the driver's license, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily, as founder, for MUNCHI BIO THERAPEUTICS CORP., a Delaware corporation, for its stated purpose.

/s/ XIU LING HU

-----  
Notary Public Commonwealth of  
Massachusetts  
My Commission Expires 4/24/09

-5-

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss.

May 25th, 2005

On this 25th day of May, 2005, before me, the undersigned notary public, personally appeared Keith Erlich, proved to me through satisfactory evidence of identification, which were the driver's license, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (he) (she) signed it voluntarily, as VP of Finance & Admin, for SYNTA PHARMACEUTICALS CORP., a Delaware corporation, for its stated purpose.

/s/ XIU LING HU

-----  
Notary Public Commonwealth of  
Massachusetts  
My Commission Expires April 24,  
2009

-6-

SUBORDINATION, NON-DISTURBANCE AND  
ATTORNMENMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT (this "AGREEMENT") is made as of this 25th day of March, 2005, by and among HELLER FINANCIAL, INC., a Delaware corporation with an office and place of business at 125 Park Avenue, Ninth Floor, New York, New York 10017 (the "LENDER"), 6-8 PRESTON COURT, L.L.C., a Delaware limited liability company with an office and place of business at 56 Roland St, Boston, MA 02129 (the "LANDLORD") and SYNTA PHARMACEUTICALS CORP, a Delaware corporation with an office and place of business at 6-8 Preston Court, Suite 6-A, Bedford, Massachusetts (the "TENANT").

RECITALS

A. Asiana Pharmaceuticals Corporation, a Massachusetts corporation, entered into a lease with Landlord dated May 13, 1999 (the "ORIGINAL LEASE") covering certain premises ("PREMISES") in the improvements located on certain real property owned by Landlord commonly known as Suite 6-A Preston Court, Bedford, Massachusetts 01730 (the "PROPERTY"). The Original Lease was amended by that certain Amendment to Lease # 1, that certain Amendment to Lease # 2 and that

certain Amendment to Lease # 3. The Original Lease, as amended, was assigned to Munchi Biotherapeutics Corp., a Delaware corporation ("MUNCHI") pursuant to the terms of that certain Amendment to Lease # 3.

B. The Original Lease, as amended, was further amended pursuant to and in accordance with the terms of that certain Assignment and Assumption of Lease and Landlord's Consent dated May 25, 2005, by and between Landlord, Munchi and Tenant (the "ASSIGNMENT AND ASSUMPTION"), pursuant to which Tenant assumed the obligations of Munchi under the Lease. The Original Lease as amended, together with the Assignment and Assumption are collectively referred to herein as the "LEASE."

C. Landlord hereby represents that a true and complete copy of the Lease has been delivered by Landlord to Lender.

D. Lender has made a loan (the "LOAN") to Landlord evidenced by a Promissory Note, dated as of November 15, 2000, in the stated principal amount of Seven Million Three Hundred Thousand and No/100 Dollars (\$7,300,000.00), made jointly and severally by Landlord and 4 Preston Court, L.L.C. (the "NOTE").

E. Landlord's obligations under the Loan are secured by, among other things, (i) the lien of that certain Mortgage, Assignment of Rents and Security Agreement dated November 15, 2000 (the "MORTGAGE"), recorded in the Middlesex South District Registry of Deeds in Book 52035, Page 552.

F. Lender, Landlord and Tenant desire to confirm their understanding with respect to the Mortgage and the Lease.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual covenants hereinafter contained, the parties hereto mutually covenant and agree as follows:

1. Tenant and Landlord certify that (a) the Lease is presently in full force and effect and unmodified, and represents the entire agreement between Landlord and Tenant with respect to the Premises or any portion thereof; (b) no rental payable under the Lease has been paid more than one (1) month in advance of its due date; (c) to their knowledge, respectively, no event has occurred that constitutes a default under the Lease by Landlord or Tenant or that, with the giving of notice, the passage of time, or both, would constitute such a default; (d) as of the date of this Agreement, neither Tenant or Landlord has a current charge, defense, lien, claim, counterclaim, offset or setoff under the Lease or against any amounts payable thereunder; and (e) the commencement date of the Lease and the rent commencement date of the Lease shall occur, and Tenant shall take possession of the Premises, pursuant to the terms, conditions and provisions of the Lease.

2. Tenant agrees that the Lease and any extensions, renewals, replacements or modifications thereof, and all of the right, title and interest of Tenant thereunder in and to the Premises are and shall be subject and subordinate to the lien of the Mortgage and to all of the terms and conditions contained therein, and to any renewals, modifications, replacements, consolidations and extensions thereof, provided that said Mortgage and any renewals, modifications, replacements, consolidations and extensions thereof shall nevertheless be subject to the terms of this Agreement.

3. Lender consents to the Lease and, in the event Lender comes into possession of or acquires title to the Premises as a result of the foreclosure or other enforcement of the Mortgage or the Note, or in the event that Lender brings any proceedings upon the Mortgage, or the bond or Note or obligation secured thereby or exercises any of its rights under the Mortgage, Lender agrees that, so long as no default has occurred under the Lease (unless the same has been cured within any applicable grace period), Lender will recognize Tenant as tenant under the Lease and will not disturb Tenant in its possession of the Premises for any reason other than one which would entitle Landlord to terminate

the Lease under its terms or would cause, without any further action by Landlord, the termination of the Lease or would entitle Landlord to dispossess Tenant from the Premises.

4. Tenant agrees with Lender that if the interest of Landlord in the Premises shall be transferred to and owned by Lender by reason of foreclosure or other proceedings brought by it, or any other manner, Tenant shall be bound to Lender under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if Lender were the landlord under the Lease, and Tenant does hereby agree to attorn to Lender as its landlord. The foregoing shall be self-operative, and no further instruments of attornment shall be required; however, Tenant agrees, upon the election of and written demand by Lender within 60 days after title to the Premises vests in Lender, to execute an instrument in confirmation of the foregoing provisions, reasonably satisfactory to Lender and Tenant, in which Tenant shall acknowledge such attornment and shall set forth the terms and conditions of its tenancy, which shall be those under the Lease. Lender shall accept Tenant's attornment, and except as otherwise provided herein, Lender and Tenant shall, from the date Lender succeeds to the interest of Landlord under the Lease, have the same remedies against each other for the breach of any covenants contained in the Lease that Landlord and Tenant might have had under the Lease against each other if Lender had not succeeded to the interest of Landlord.

5. Tenant agrees with Lender that if Lender shall succeed to the interest of Landlord under the Lease, Lender shall not be: (a) liable for any previous act or omission of a prior

landlord under the Lease; (b) subject to any offset (except as otherwise specifically provided in the Lease) for a claim arising prior to its succession to the rights of Landlord under the Lease; (c) bound by any subsequent modification of the Lease, or by any subsequent prepayment of more than one month's Rent, unless such modification or prepayment shall have been expressly approved by the Lender, and further, in the event that Lender fails to respond to (in writing, either approving or rejecting) such request for approval to a modification of the Lease within forty-five (45) days from the date on which Lender receives such approval request from Tenant in writing, Lender shall be deemed to have approved said modification and shall be bound thereby; (d) bound by any security deposit which Tenant may have paid to any prior landlord, unless such deposit is in an escrow fund available to Lender; (e) bound by any notice of termination given by Landlord to Tenant without Lender's prior written consent thereto; (f) personally liable under the Lease, and Lender's liability under the Lease shall be limited to the ownership interest of Lender in the Premises; (g) be bound by any covenant to undertake or complete any work at or improvements to the Premises, or to reimburse or pay Tenant for the cost of any such work or improvements, except as otherwise explicitly set forth in the Lease; provided, however, it is agreed and understood that, in the event that any such work or improvement has not been completed or funded, as the case may be, at such time as Lender (or its successor) succeeds to the interests of Landlord under the Lease, then Lender (or its successor) shall not be obligated to complete or pay for any such work or improvements, but shall allow Tenant a credit against amounts due under the Lease for such unfinished or unfunded, as the case may be, portions of any such work or improvements; (h) be required to perform or provide any services not expressly provided for in the Lease; (i) be required to abide by any provisions for the diminution or abatement of rent, except as expressly provided for in the Lease; (h) be liable for any credit, reimbursement or refund to Tenant on account of Tenant's overpayment of Tenant's share of Real Estate Taxes and/or Tenant's share of Operating Expenses (as such terms are defined in the Lease), unless Lender (or its successor) actually received the funds which are the basis for such credit, reimbursement or refund; or (i) be liable or responsible in any way for the payment of any brokerage fees or commissions due in connection with the Lease (or renewals of the terms

thereof), or under any indemnities therefor.

6. If a default by Landlord shall occur under the Lease, Tenant shall give written notice thereof to Lender and Lender shall have the right (within the time period for cure thereof provided to Landlord in the Lease) but not the obligation, to cure such default.

7. Landlord has agreed in the Mortgage and in the Assignment that any rentals payable under a lease entered into between Landlord and a tenant shall be paid directly by such tenant to Lender upon the occurrence of a default by Landlord under the Mortgage. Accordingly, after notice is given by both Lender and Landlord to Tenant that the rentals under the Lease should be paid to Lender, Landlord agrees that Tenant shall pay to Lender, or in accordance with the directions of Lender, all rentals and other monies due and to become due to Landlord under the Lease, or amounts equal thereto. Tenant may rely upon any such notice and shall have no responsibility to ascertain whether such demand by Lender is permitted under the Mortgage or the Assignment. Landlord hereby waives any right, claim or demand it may now or hereafter have against Tenant by reason of such payment to Lender, and any such payment to Lender shall discharge the obligations of Tenant under the Lease to make such payment to Landlord.

8. This Agreement shall bind and inure to the benefit of the parties hereto, their successors and assigns. As used herein, the term "Tenant" shall include Tenant, its successors and assigns; the words "foreclosure" and "foreclosure sale" as used herein shall be deemed to

3

include the acquisition of Landlord's estate in the Premises by voluntary deed (or assignment) in lieu of foreclosure; and the word "Lender" shall include the Lender herein specifically named and any of its successors, participants and assigns, including anyone who shall have succeeded to Landlord's interest in the Premises by, through or under foreclosure of the Mortgage.

9. All notices, consents and other communications pursuant to the provisions of this Agreement shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable commercial overnight carrier that provides a receipt, such as Federal Express or Airborne, and shall be deemed given when postmarked and addressed to the parties at their respective addresses set forth in introductory paragraph to this Agreement, or to such other address as shall from time to time have been designated by written notice by such party to the other parties as herein provided.

10. This Agreement is the whole and only agreement between the parties hereto with regard to the subordination of the Lease and the leasehold interest of Tenant thereunder to the lien or charge of the Mortgage in favor of Lender, and shall supercede and control any prior agreements as to such, or any, subordination, including, but not limited to, those provisions, if any, contained in the Lease, which provide for the subordination of the Lease and the leasehold interest of Tenant thereunder to a deed or deeds of trust or to a mortgage or mortgages to be thereafter executed, and shall not be modified or amended and no provision herein shall be waived except in writing signed by the party against whom enforcement of any such modification or amendment is sought.

11. The use of the neuter gender in this Agreement shall be deemed to include any other gender, and words in the singular number shall be held to include the plural when the sense requires. In the event any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located.

[Signature Page Follows]

4

IN WITNESS WHEREOF, Lender, Landlord and Tenant have executed or caused to be executed this Agreement as of the date first written above.

Signed, Seal and Delivered  
in the Presence of:

LENDER:

HELLER FINANCIAL, INC., a Delaware corporation

/s/ MARY ANN JONES  
-----

By: /s/ RICHARD ENGEL  
-----

Name: Richard Engel  
-----

Its: Authorized Representative  
-----

LANDLORD:

6-8 PRESTON COURT, L.L.C., a Delaware limited  
liability company

/s/ ILLEGIBLE  
-----

By: /s/ FREDERICK KEEFE  
-----

Name: Frederick Keefe  
-----

Its: Authorized Signature  
-----

TENANT:

SYNTA PHARMACEUTICALS CORP., a Delaware  
corporation

/s/ ILLEGIBLE  
-----

By: /s/ KEITH EHRLICH  
-----

Name: Keith Ehrlich  
-----

Its: Vice President, Finance & Administration  
-----

5

STATE OF NEW YORK            )  
                                  :  
COUNTY OF NEW YORK         )

ss.

The foregoing instrument was acknowledged before me this 18 day of July, 2005, by Richard Engel as authorized representative of Heller Financial, Inc., a Delaware corporation, on behalf of said corporation.

/s/ MARY ANN JONES

-----  
Notary Public  
My Commission Expires: 9/2/07  
Affix Seal

-----  
Mary Ann Jones  
Notary Public State of New  
York  
No. 01JO6097959  
Qualified in Queens County  
My Commission Expires  
Sep. 2, 2007  
-----

STATE OF MASSACHUSETTS        )  
                                  :        ss.  
COUNTY OF SUFFOLK            )

The foregoing instrument was acknowledged before me this 20th day of June, 2005, by Frederick D. Keefe, as President of Pinnacle Properties Management, L.L.C., a Delaware limited liability company, which in turn is the manager of 6-8 Preston Court, L.L.C., a Delaware limited liability company, on behalf of said limited liability company.

/s/ DAVID TONELLI

-----  
Notary Public  
My Commission Expires:  
Affix Seal

-----  
David Tonelli  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires July 2, 2005  
-----

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss

25th, May, 2005

On this 25th day of May, 2005, before me, the undersigned notary public, personally appeared Keith Erlich, VP of Finance and Admin. of Synta Pharmaceuticals Corp., a Delaware corporation, proved to me through satisfactory evidence of identification, which were personal knowledge of identity, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

/s/ XIU LING HU  
-----

Notary Public  
My Commission Expires:

-----  
Xiu Ling Hu  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires April 24, 2009  
-----

MASTER LEASE AGREEMENT  
(QUASI)  
DATED AS OF NOVEMBER 10, 2004 ("AGREEMENT")

THIS AGREEMENT is between General Electric Capital Corporation (together with its successors and assigns, if any, "Lessor") and Synta Pharmaceuticals Corp. ("Lessee"). Lessor has an office at 83 WOOSTER HEIGHTS ROAD, DANBURY, CT 06810. Lessee is a corporation organized and existing under the laws of state of Delaware. Lessee's mailing address and chief place of business is 45 HARTWELL AVENUE, LEXINGTON, MA 02421. This Agreement contains the general terms that apply to the leasing of Equipment from Lessor to Lessee. Additional terms that apply the Equipment (term, rent, options, etc.) shall be contained on a schedule ("Schedule").

1. LEASING:

(a) Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the equipment and other property ("EQUIPMENT") described in any Schedule signed by both parties.

(b) Lessor shall purchase Equipment from the manufacturer or supplier ("SUPPLIER") and lease it to Lessee if on or before the Last Delivery Date (specified in the Schedule) Lessor receives (i) a Schedule for the Equipment, (ii) evidence of insurance which complies with the requirements of Section 8, and (iii) such other documents as Lessor may reasonably request. Each of the documents required above must be in form and substance satisfactory to Lessor. Lessor hereby appoints Lessee its agent for inspection and acceptance of the Equipment from the Supplier. Once the Schedule is signed, the Lessee may not cancel the Schedule.

2. TERM, RENT AND PAYMENT:

(a) The rent payable for the Equipment and Lessee's right to use the Equipment shall begin on the earlier of (i) the date when the Lessee signs the Schedule and accepts the Equipment or (ii) when Lessee has accepted the Equipment under a Certificate of Acceptance ("LEASE COMMENCEMENT DATE"). The term of this Agreement shall be the period specified in the applicable Schedule. The word "term" shall include all basic and any renewal terms.

(b) Lessee shall pay rent to Lessor at its address stated above, except as otherwise directed by Lessor. Rent payments shall be in the amount set forth in, and due as stated in the applicable Schedule. If any Advance Rent (as stated in the Schedule) is payable, it shall be due when the Lessee signs the Schedule. Advance Rent shall be applied to the first rent payment. In no event shall any Advance Rent or any other rent payments be refunded to Lessee. If rent is not paid within ten (10) days of its due date, Lessee agrees to pay a late charge of five cents (\$.05) per dollar on, and in addition to, the amount of such rent but not exceeding the lawful maximum, if any.

3. TAXES:

(a) If permitted by law, Lessee shall report and pay promptly all taxes, fees and assessments due, imposed, assessed or levied against Lessor or Lessee on account of any Equipment (or purchase, ownership, delivery, leasing, possession, use or operation thereof) by any

governmental entity or taxing authority during or related to the term of this Agreement, including, without limitation, all license and registration fees, and all sales, use, personal property, excise, franchise, stamp or other taxes, imposts, duties and charges, together with any penalties, fines or interest thereon (collectively "TAXES"). Lessee shall have no liability for Taxes imposed by the United States of America or any State or political subdivision thereof or



any foreign jurisdiction which are on or measured by the net income of Lessor, and any such Taxes are excluded from "Taxes" as such term is used throughout this Agreement. Lessee shall promptly reimburse Lessor (on an after tax basis) for any Taxes charged to or assessed against Lessor. Lessee shall send Lessor a copy of each report or return and evidence of Lessee's payment of Taxes upon request.

(b) Lessee's obligations, and Lessor's rights and privileges, contained in this Section 3 shall survive the expiration or other termination of this Agreement.

#### 4. REPORTS:

(a) If any tax or other lien shall attach to any Equipment, Lessee will notify Lessor in writing, within ten (10) days after Lessee becomes aware of the tax or lien. The notice shall include the full particulars of the tax or lien and the location of such Equipment on the date of the notice.

(b) Lessee will deliver to Lessor financial statements as follows: If Lessee is a privately held company, then Lessee agrees to provide quarterly financial statements, certified by Lessee's president or chief financial officer including a balance sheet, statement of operations and cash flow statement within 30 days of each quarter end and its complete audited annual financial statements, certified by a reorganized firm of certified public accountants, within 120 days of fiscal year end or at such time as Lessee's Board of Directors receives the audit. If Lessee is a publicly held company, then Lessee agrees to provide quarterly unaudited statements and annual audited statements, certified by a recognized firm of certified public accountants, within 10 days after the statements are provided to the Securities and Exchange Commission ("SEC") or make such statements available on its website. All such statements are to be prepared using generally accepted accounting principles ("GAAP") and, if Lessee is a publicly held company, are to be in compliance with SEC requirements.

(c) Lessor may inspect any Equipment during normal business hours after giving Lessee reasonable prior notice.

(d) Lessee will keep the Equipment at the Equipment Location (specified in the applicable Schedule) and will give Lessor prior written notice of any relocation of Equipment. If Lessor requests, Lessee will promptly notify Lessor in writing of the location of any Equipment.

(e) If any Equipment is lost or damaged (where the estimated repair costs would exceed the greater of ten percent (10%) of the original Equipment cost or ten thousand and 00/100 dollars (\$10,000), or is otherwise involved in an accident causing personal injury or property damage, Lessee will promptly and fully report the event to Lessor in writing.

(f) If Lessor requests, Lessee will furnish a certificate of an authorized officer of Lessee stating that he has reviewed the activities of Lessee's and that, to the best of his knowledge, there

2

exists no default or event which with notice or lapse of time (or both) would become such a default within thirty (30) days after any request by Lessor.

(g) Lessee will promptly notify Lessor of any change in Lessee's state of incorporation or organization.

#### 5. DELIVERY, USE AND OPERATION:

(a) All Equipment shall be shipped directly from the Supplier to Lessee.

(b) Lessee agrees that the Equipment will be used by Lessee solely in the conduct of its business and in a manner complying with all applicable laws, regulations and insurance policies.

(c) Lessee will not move any equipment from its leased or owned locations

("LOCATION"), except for purposes of repair, refurbishment or maintenance, and Lessee will not move any piece of Equipment with an original equipment value of \$25,000 or more from one Location to another Location without written notification to Lessor.

(d) Lessee will keep the Equipment free and clear of all liens and encumbrances other than those which result from acts of Lessor.

(e) Lessor shall not disturb Lessee's quiet enjoyment of the Equipment during the term of the Agreement unless a default has occurred and is continuing under this Agreement.

#### 6. MAINTENANCE:

(a) Lessee will, at its sole expense, maintain each unit of Equipment in good operating order and repair, normal wear and tear excepted. The Lessee shall also maintain the Equipment in accordance with manufacturers recommendations. Lessee shall make all alterations or modifications required to comply with any applicable law, rule or regulation during the term of this Agreement. If Lessor requests, Lessee shall affix plates, tags or other identifying labels showing ownership thereof by Lessee and Lessor's security interest therein. The tags or labels shall be placed in a prominent position on each unit of Equipment.

(b) Lessee will not attach or install anything on the Equipment that will impair the originally intended function or use of such Equipment without the prior written consent of Lessor, which consent may not be withheld, conditioned or delayed unreasonably. All additions, parts, supplies, accessories, and equipment ("ADDITIONS") furnished or attached to any Equipment that are not readily removable shall become subject to the lien of Lessor. All Additions shall be made only in compliance with applicable law. Lessee will not attach or install any Equipment to or in any other personal or real property without the prior written consent of Lessor, which consent may not be withheld, conditioned or delayed unreasonably.

7. STIPULATED LOSS VALUE: If for any reason any unit of Equipment becomes lost, stolen, destroyed, irreparably damaged or unusable ("CASUALTY OCCURRENCES") Lessee shall promptly and fully notify Lessor in writing. Lessee shall pay Lessor the sum of (i) the Stipulated Loss Value (see Schedule) of the affected unit determined as of the rent payment date prior to the casualty Occurrence; and (ii) all rent and other amounts which are then due under this

3

Agreement on the Payment Date (defined below) for the affected unit. The Payment Date shall be the next rent payment after the Casualty Occurrence. Upon payment of all sums due hereunder, the term of this lease as to such unit shall terminate.

#### 8. INSURANCE:

(a) Lessee shall bear the entire risk of any loss, theft, damage to, or destruction of, any unit of Equipment from any cause whatsoever from the time the Equipment is delivered to Lessee and installed (if applicable).

(b) Lessee agrees, at its own expense, to keep all Equipment insured for such amounts and against such hazards as Lessor may reasonably require. All such policies shall be with companies, and on terms, reasonably satisfactory to Lessor. The insurance shall include coverage for damage to or loss of Equipment, liability for personal injuries, death or property damage. Lessor shall be named as additional insured with a loss payable clause in favor of Lessor, as its interest may appear, irrespective of any breach of warranty or other act or omission of Lessee. The insurance shall provide for liability coverage in any amount equal to at least ONE MILLION U.S. DOLLARS (\$1,000,000.00) total liability per occurrence, unless otherwise stated in any Schedule. The casualty/property damage coverage shall be in an amount equal to the higher of the Stipulated Loss Value or the full replacement cost of the Equipment. No insurance shall be subject to any co-insurance clause. The insurance policies

shall provide that the insurance may not be altered or canceled by the insurer until after thirty (30) days written notice to Lessor. Lessee agrees to deliver to Lessor evidence of insurance reasonable satisfactory to Lessor.

(c) Lessee hereby appoints to Lessor as Lessee's attorney-in-fact to make proof of loss and claim for insurance, and to make adjustments with insurers and to receive payment of an execute or endorse all documents, checks or drafts in connection with insurance payments. Lessor shall not act a Lessees attorney-in-fact unless Lessee is in default. Lessee shall pay any reasonable expenses if Lessor in adjusting or collecting insurance. Lessee will not make adjustments with insurers except with respect to claims for damage to any unit of Equipment where the repair costs are less than the lesser of ten percent (10%) of the original Equipment cost or ten thousand and 00/100 dollars (\$10,000). Lessor may, at its option, apply proceeds of insurance, in whole or in part, to (i) repair or replace Equipment or any portion thereof, or (ii) satisfy any obligation of Lessee to Lessor under this Agreement.

#### 9. RETURN OF EQUIPMENT:

(a) At the expiration or termination of this Agreement or any Schedule, Lessee shall perform any testing and repairs required to place the units of Equipment in the same condition and appearance as when received by Lessee (reasonable wear and tear excepted) and in good working order for the original intended purpose of the Equipment. If required the units of Equipment shall be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is reasonably satisfactory to Lessor. Lessee shall remove installed markings that are not necessary for the operation, maintenance or repair of the Equipment. All Equipment will be cleaned, cosmetically acceptable, and in such condition as to be immediately installed into use in a similar environment for which the Equipment was

4

originally intended to be used. All waste material and fluid must be removed from the Equipment and disposed of in accordance with then current waste disposal laws. Lessee shall return the units of Equipment to a location within the continental United States as Lessor shall direct. Lessee shall obtain and pay for a policy of transit insurance for the redelivery period in an amount equal to the replacement value of the Equipment. The transit insurance must name Lessor as the loss payee. The Lessee shall pay for all costs to comply with this section (a).

(b) Until Lessee has fully complied with the requirements of Section 9(a) above, Lessee's rent payment obligation and all other obligations under this Agreement shall continue from month to month notwithstanding any expiration or termination of the lease term. Lessor may not terminate the Lessee's right to use Equipment, unless Lessee is in default.

(c) Lessee shall provide to Lessor a detailed inventory of all components of the Equipment including model and serial numbers. Lessee shall also provide an up-to-date copy of all other documentation pertaining to the Equipment. All service manuals, blueprints, process flow diagrams, operating manuals, inventory and maintenance records shall be given to Lessor at least ninety (90) days and not more than one hundred twenty (120) days prior to lease termination.

(d) Lessee shall make the Equipment available for on-site operational inspections by potential purchasers at least one hundred twenty (120) days prior to and continuing up to lease termination. Lessor shall provide Lessee with reasonable notice prior to any inspection. Lessee shall provide personnel, power and other requirements necessary to demonstrate electrical, hydraulic and mechanical systems for each item of Equipment.

#### 10. DEFAULT AND REMEDIES:

(a) Lessor may in writing declare this Agreement in default if: (i) Lessee breaches its obligation to pay rent or any other sum when due and fails to cure the breach within ten (10) days; (ii) Lessee breaches any of its insurance

obligations under Section 9; (iii) Lessee breaches any of its other obligations and fails to cure that breach within thirty (30) days after written notice from Lessor; (iv) any representation or warranty made by Lessee in connection with this Agreement shall be false or misleading in any material respect; (v) Lessee or any guarantor or other obligor for the Lessee's obligations hereunder ("GUARANTOR") becomes insolvent or ceases to do business as a going concern; (vi) any Equipment is illegally used; (vii) if Lessee or any Guarantor is a natural person, any death or incompetency of Lessee or such Guarantor; (viii) a petition is filed by or against Lessee or any Guarantor under any bankruptcy or insolvency laws and in the event of an involuntary petition, the petition is not dismissed, within forty-five (45) days of the filing date; (ix) Lessee default under any other material obligation for (A) borrowed money, (B) the deferred purchase price of property, or (C) payments due under the lease agreement; (x) there is any dissolution, termination or existence, merger, consolidation or change in controlling ownership of Lessee or any Guarantor, but not to include an initial public offering, or any other stock offering, preferred to common, in which the primary purpose is to raise cash equity; or (xi) there is a material adverse change in the Lessee's financial condition. The default declaration shall apply to all Schedules unless specifically excepted by Lessor.

(b) After a default, at the request of Lessor, Lessee shall comply with the provisions of Section 9(a) and the following provisions shall apply also. Lessee hereby authorizes Lessor to

5

peacefully enter any premises where any Equipment may be and take possession of the Equipment. Lessee shall immediately pay to Lessor without further demand as liquidated damages for loss of a bargain and not as a penalty, the Stipulated Loss Value of the Equipment (calculated as of the rent payment date prior to the declaration of default), and all rents and other sums then due under this Agreement and all Schedules. Lessor may terminate this Agreement as to any or all of the Equipment. A termination shall occur only upon written notice by Lessor to Lessee and only as to the units of Equipment specified in any such notice. Lessor may, but shall not be required to, sell Equipment at private or public sale, in bulk or in parcels, with or without notice, and without having the Equipment present at the place of sale. Lessor may also, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the Equipment. Lessor may use Lessee's premises for a reasonable period of time for any or all of the purposes stated above without liability for rent, costs, damages or otherwise. The proceeds of sale, lease or other disposition, if any, shall be applied in the following order of priorities: (i) to pay all of Lessor's costs, charges and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of Equipment; then (ii) to the extent not previously paid by Lessee, to pay Lessor all sums due from Lessee under this Agreement; then (iii) to reimburse to Lessee any sums previously paid by Lessee as liquidated damages; and then (iv) to Lessee, if there exists any surplus. Lessee shall immediately pay any deficiency in (i) and (ii) above.

(c) The foregoing remedies are cumulative, and any or all thereof may be exercised instead of or in addition to each other or any remedies at law, in equity, or under statute. Lessee waives notice of sale or other disposition (and the time and place thereof), and the manner and place of any advertising. Lessee shall pay Lessor's actual attorney's fees incurred in connection with the enforcement, assertion, defense or preservation of Lessor's rights and remedies under this Agreement, or if prohibited by law, such lesser sum as may be permitted. Waiver of any default shall not be a waiver of any other or subsequent default.

(d) Any default under the terms of this or any other agreement between Lessor and Lessee may be declared by Lessor a default under this and any such other agreement.

11. ASSIGNMENT: LESSEE SHALL NOT SELL, TRANSFER, ASSIGN, ENCUMBER OR SUBLET ANY EQUIPMENT OR THE INTEREST OF LESSEE IN THE EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. Lessor may, without the consent of Lessee, assign this Agreement, any Schedule or the right to enter into a Schedule. Lessee agrees

that is Lessee receives written notice of an assignment from Lessor, Lessee will pay all rent and all other amounts payable under any assigned Schedule to such assignee or as instructed by Lessor. Lessee also agrees to confirm in writing receipt of the notice of assignment as may be reasonably requested by assignee. Lessee hereby waives and agrees not to assert against any such assignee any defense, set-off, recoupment claim or counterclaim which Lessee has or may at any time have against Lessor for any reason whatsoever.

12. NET LEASE: Lessee is unconditionally obligated to pay all rent and other amounts due for the entire lease term no matter what happens, even if the Equipment is damaged or destroyed, if it is defective or if Lessee no longer can use it. Lessee is not entitled to reduce or set-off against rent or other amounts due to Lessor or to anyone to whom Lessor assigns this Agreement or any Schedule whether Lessee's claim arises out of this Agreement, any Schedule, any

6

statement by Lessor, Lessor's liability of any manufacturers liability, strict liability, negligence or otherwise.

13. INDEMNIFICATION:

(a) Lessee hereby agrees to indemnify Lessor, its agents, employees, successors and assigns (on an after tax basis) from and against any and all losses, damages, penalties, injuries, claims, actions and suits, including legal expenses, of whatsoever kind and nature arising out of or relating to the Equipment or this Agreement, except to the extent the losses, damages, penalties, injuries, claims, actions, suits or expenses result from Lessor's gross negligence or willful misconduct ("CLAIMS"). This indemnity shall include, but is not limited to, Lessor's strict liability in tort and Claims, arising out of (i) the selection, manufacture, purchase, acceptance or rejection of Equipment, the ownership of Equipment during the term of this Agreement, and the delivery, lease, possession, maintenance, uses, condition, return or operation of Equipment (including, without limitation, latent and other defects, whether or not discoverable by Lessor or Lessee and any claim for patent, trademark or copyright infringement or environmental damage) or (ii) the condition of Equipment sold or disposed of after use by Lessee, any sublessee or employees of Lessee. Lessee shall, upon request, defend any actions based on, or arising out of, any of the foregoing.

(b) All of Lessor's rights, privileges and indemnities contained in this Section 13 shall survive the expiration or other termination of this Agreement. The rights, privileges and indemnities contained herein are expressly made for the benefit of, and shall be enforceable by Lessor, its successors and assigns.

14. DISCLAIMER: LESSEE ACKNOWLEDGES THAT IT HAS SELECTED THE EQUIPMENT WITHOUT ANY ASSISTANCE FROM LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR DOES NOT MAKE, HAS NOT MADE, NOR SHALL BE DEEMED TO MAKE OR HAVE MADE, ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO THE EQUIPMENT LEASED UNDER THIS AGREEMENT OR ANY COMPONENT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, MERCHANTABILITY, FITNESS FOR ANY PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT, OR TITLE. All such risks, as between Lessor and Lessee, are to be borne by Lessee. Without limiting the foregoing, Lessor shall have no responsibility or liability to Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Equipment, any inadequacy thereof, any deficiency or defect (latent or otherwise) of the Equipment, or any other circumstance in connection with the Equipment; (ii) the use, operation or performance of any Equipment or any risks relating to it, (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Equipment. If, and so long as, no default exists under this Agreement, Lessee shall be, and hereby is, authorized during the term of this Agreement to assert and enforce, whatever claims and rights Lessor may have against any Supplier of the Equipment at Lessee's sole cost and

expense, in the name of and for the account of Lessor and/or Lessee, as their interests may appear.

15. REPRESENTATIONS AND WARRANTIES OF LESSEE: Lessee makes each of the following representations and warranties to Lessor on the date hereof and on the date of execution of each Schedule:

(a) Lessee has adequate power and capacity to enter into, and perform under, this Agreement and all related documents (together, the "DOCUMENTS"). Lessee is duly qualified to do business wherever necessary to carry on its present business and operations, including the jurisdiction(s) where the Equipment is or is to be located.

(b) The Documents have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding agreements, enforceable in accordance with their terms, except to the extent that the enforcement of remedies may be limited under applicable bankruptcy and insolvency laws.

(c) No approval, consent or withholding of objections is required from any governmental authority or entity with respect to the entry into or performance by Lessee of the Documents except such as have already been obtained.

(d) The entry into and performance by Lessee of the Documents will not: (i) violate any judgment, order, law or regulation applicable to Lessee or any provision of Lessee's Certificate of Incorporation or bylaws; or (ii) result in any breach of, constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance upon any Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument (other than this Agreement) to which Lessee is a party,

(e) There are no suits or proceedings pending or threatened in court or before any commission, board or other administrative agency against or affecting Lessee, which if decided against Lessee will have a material adverse effect on the ability of Lessee to fulfill its obligations under this Agreement.

(f) The Equipment accepted under any Certificate of Acceptance is and will remain tangible personal property.

(g) Each financial statement delivered to Lessor has been prepared in accordance with generally accepted accounting principles consistently applied. Since the date of the most recent financial statement, there has been no material adverse change.

(h) Lessee's exact legal name is as set forth in the first sentence of this Agreement and Lessee is and will be at all times validly existing and in good standing under the laws of the State of its incorporation (specified in the first sentence of this Agreement).

(i) The Equipment will at all times be used for commercial or business purposes.

(j) Lessee is and will remain in full compliance with all laws and regulations applicable to it including, without limitation, (i) ensuring that no person who owns a controlling interest in or

otherwise controls Lessee is or shall be (Y) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or (Z) a person designated under Section 1(b), (c) or (d) of

Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders, and (ii) compliance with all applicable Bank Secrecy Act ("BSA") laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations.

16. OWNERSHIP FOR TAX PURPOSES, GRANT OF SECURITY INTEREST; USURY SAVINGS:

(a) For income tax purposes, the parties hereto agree that it is their mutual intention that Lessee shall be considered the owner of the Equipment. Accordingly, Lessor agrees (i) to treat Lessee as the owner of the Equipment on Its federal income tax return, (ii) not to take actions or positions inconsistent with such treatment on or with respect to its federal income tax return, and (iii) not to claim any tax benefits available to an owner of the Equipment on or with respect to its federal income tax return. The foregoing undertakings by Lessor shall not be violated by Lessor's taking a tax position inconsistent with the foregoing sentence to the extent such a position is required by law or is taken through inadvertence so long as such inadvertent tax position is reversed by Lessor promptly upon its discovery, Lessor shall in no event be liable to Lessee if Lessee fails to secure any of the tax benefits available to the owner of the Equipment.

(b) Lessee hereby grants to Lessor a first security interest in the Equipment, together with all additions, attachments, accessions, accessories and accessions thereto whether or not furnished by the Supplier of the Equipment and any and all substitutions, replacements or exchanges therefor, and any and all insurance and/or other proceeds of the property in and against which a security interest is granted hereunder. This security interest is given to secure the payment and performance of all debts, obligations and liabilities of any kind whatsoever of Lessee to Lessor, now existing or arising in the future under this Agreement or any Schedules attached hereto, and any renewals, extensions and modifications of such debts, obligations and liabilities.

(c) It is the intention of the parties hereto to comply with any applicable usury laws to the extent that any Schedule is determined to be subject to such laws; accordingly, it is agreed that, notwithstanding any provision to the contrary in any Schedule or this Agreement, in no event shall any Schedule require the payment or permit the collection of interest in excess of the maximum amount permitted by applicable law. If any such excess interest is contracted for, charged or received under any Schedule or this Agreement, or in the event that all of the principal balance shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under any Schedule or this Agreement shall exceed the maximum amount of interest permitted by applicable law, then in such event (i) the provisions of this paragraph shall govern and control, (ii) neither Lessee nor any other person or entity now or hereafter liable for the payment hereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by applicable law, (iii) any such excess which may have been collected shall be either applied as a credit against the then unpaid principal balance or refunded to Lessee, at the option of' the Lessor, and (iv) the effective rate of interest shall be automatically reduced to the maximum lawful contract rate

allowed under applicable law as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under any Schedule or this Agreement which are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by applicable law, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the indebtedness evidenced hereby, all interest at any time contracted for, charged or received from Lessee or otherwise by Lessor in connection with such indebtedness; provided, however, that if any applicable state law is amended or the law of the United States of America preempts any applicable state law, so that it becomes lawful for Lessor to receive a greater interest per annum rate than is presently allowed, the Lessee agrees that, on the effective

date of such amendment or preemption, as the case may be, the lawful maximum hereunder shall be increased to the maximum interest per annum rate allowed by the amended state law or the law of the United States of America.

17. EARLY TERMINATION:

(a) On or after the First Termination Date (specified in the applicable Schedule), Lessee may, so long as no default exists hereunder, terminate this Agreement as to all (but not less than alt) of the Equipment on such Schedule as of a rent payment date ("TERMINATION DATE"). Lessee must give Lessor at least ninety (90) days prior written notice of the termination.

(b) Lessee shall, and Lessor may, solicit cash bids for the Equipment on an AS IS, WHERE IS BASIS without recourse to or warranty from Lessor, express or implied ("AS IS BASIS"). Prior to the Termination Date, Lessee shall (i) certify to Lessor any bids received by Lessee and (ii) pay to Lessor (A) the Termination Value (calculated as of the rent due on the Termination Date) for the Equipment, and (8) all rent and other sums due and unpaid as of the Termination Date.

(c) If all amounts due hereunder have been paid on the Termination Date, Lessor shall (i) sell the Equipment on an AS IS BASIS for cash to the highest bidder and (ii) refund the proceeds of such sale (net of any related expenses) to Lessee up to the amount of the Termination Value. If such sale is not consummated, no termination shall occur and Lessor shall refund the Termination Value (less any expenses incurred by Lessor) to Lessee.

(d) Notwithstanding the foregoing, Lessor may elect by written notice, at any time prior to the Termination Date, not to sell the Equipment. In that event, on the Termination Date Lessee shall (i) return the Equipment (in accordance with Section 9) and (ii) pay to Lessor all amounts required under Section 17(b) less the amount of the highest bid certified by Lessee to Lessor.

18. EARLY PURCHASE OPTION:

(a) Lessee may purchase on an AS IS BASIS all (but not less than all) of the Equipment on any Schedule on any Rent Payment Date after the First Termination Date specified in the applicable Schedule but prior to the last Rent Payment Date of such Schedule (the "EARLY PURCHASE DATE"), for a price equal to (i) the Termination Value (calculated as of the Early Purchase Date) for the Equipment, and (ii) all rent and other sums due and unpaid as of the Early

10

Purchase Date (the "EARLY OPTION PRICE"), plus all applicable sales taxes. Lessee must notify Lessor of its intent to purchase the Equipment in writing at least thirty (30) days, but not more than two hundred seventy (270) days, prior to the Early Purchase Date. If Lessee is in default or if the Schedule or this Agreement has already been terminated, Lessee may not purchase the Equipment. (The purchase option granted by this subsection shall be referred to herein as the "EARLY PURCHASE OPTION").

(b) If Lessee exercises its Early Purchase Option, then on the Early Purchase Date, Lessee shall pay to Lessor any rent and other sums due and unpaid on the Early Purchase Date and Lessee shall pay the Early Option Price, plus all applicable sales taxes, to Lessor in cash.

19. END OF LEASE PURCHASE OPTION: Lessee may, at lease expiration, purchase all (but not less than all) of the Equipment on any Schedule on an AS IS BASIS for cash equal to the amount indicated on such Schedule (the "OPTION PAYMENT"), plus all applicable sales taxes. The Option Payment, plus all applicable sales taxes, shall be due and payable in immediately available funds on the expiration date of such Schedule. Lessee must notify Lessor of its intent to purchase the Equipment in writing at least one hundred eighty (180) days prior to the expiration date of the Schedule. If Lessee is in default, or if the Schedule or this Agreement has already been terminated, Lessee may not purchase the Equipment.



20. MISCELLANEOUS:

(a) LESSEE AND LESSOR UNCONDITIONALLY WAIVE THEIR RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN LESSEE AND LESSOR RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN LESSEE AND LESSOR. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. THIS WAIVER IS IRREVOCABLE. THIS WAIVER MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING. THE WAIVER ALSO SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(b) Any cancellation or termination by Lessor of this Agreement, any Schedule, supplement or amendment hereto, or the lease of any Equipment hereunder shall not release Lessee from any then outstanding obligations to Lessor hereunder. All Equipment shall at all times remain personal property even though it may be attached to real property. The Equipment shall not become part of any other property by reason of any installation in, or attachment to, other real or personal property.

(c) Time is of the essence of this Agreement. Lessor's failure at any time to require strict performance by Lessee of any of the provisions hereof shall not waive or diminish Lessor's right at any other time to demand strict compliance with this Agreement Lessee agrees, upon Lessor's

11

request, to execute, or otherwise authenticate, any document, record or instrument necessary or expedient for filing, recording or perfecting the interest of Lessor or to carry out the intent of this Agreement. In addition, Lessee hereby authorizes Lessor to file a financing statement and amendments thereto describing the Equipment described in any and all Schedules now and hereafter executed pursuant hereto and adding any other collateral described therein and containing any other information required by the applicable Uniform Commercial Code. Lessee irrevocably grants to Lessor the power to sign Lessee's name and generally to act on behalf of Lessee to execute and file financing statements and other documents pertaining to any or all of the Equipment. Lessee hereby ratifies its prior authorization for Lessor to file financing statements and amendments thereto describing the Equipment and containing any other information required by any applicable law (including without limitation the Uniform Commercial Code) if filed prior to the date hereof. All notices required to be given hereunder shall be deemed adequately given if sent by registered or certified mail to the addressee at its address stated herein, or at such other place as such addressee may have specified in writing. This Agreement and any Schedule and Annexes thereto constitute the entire agreement of the parties with respect to the subject matter hereof. NO VARIATION OR MODIFICATION OF THIS AGREEMENT OR ANY WAIVER OF ANY OF ITS PROVISIONS OR CONDITIONS, SHALL BE VALID UNLESS IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PARTIES HERETO.

(d) If Lessee does not comply with any provision of this Agreement, Lessor shall have the right, but shall not be obligated, to effect such compliance, in whole or in part. All reasonable amounts spent and obligations incurred or assumed by Lessor in effecting such compliance shall constitute additional rent due to Lessor. Lessee shall pay the additional rent within ten (10) days after the date Lessor sends notice to Lessee requesting payment Lessor's effecting such compliance shall not be a waiver of Lessee's default.

(e) Any rent or other amount not paid to Lessor when due shall bear interest, from the due date until paid, at the lesser of eighteen percent (18%) per annum or the maximum rate allowed by law. Any provisions in this Agreement and any Schedule that are in conflict with any statute, law or applicable rule shall be deemed omitted, modified or altered to conform thereto. Notwithstanding anything to the contrary contained in this Agreement or any Schedule, in no event shall

this Agreement or any Schedule require the payment or permit the collection of amounts in excess of the maximum permitted by applicable law.

(f) Lessee hereby irrevocably authorizes Lessor to adjust the Capitalized Lessor's Cost up or down by no more than ten percent [10%] within each Schedule to account for equipment change orders, equipment returns, invoicing errors, and similar matters. Lessee acknowledges and agrees that the rent shall be adjusted as a result of the change in the Capitalized Lessor's Cost. Lessor shall send Lessee a written notice stating the final Capitalized Lessor's Cost, if it has changed.

(g) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CONNECTICUT (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE EQUIPMENT.

12

(h) Any cancellation or termination by Lessor, pursuant to the provisions of this Agreement, any Schedule, supplement or amendment hereto, of the lease of any Equipment hereunder, shall not release Lessee from any then outstanding obligations to Lessor hereunder.

(i) To the extent that any Schedule would constitute chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest therein may be created through the transfer or possession of this Agreement in and of itself without the transfer or possession of the original of a Schedule executed pursuant to this Agreement and incorporating this Agreement by reference; and no security interest in this Agreement and a Schedule may be created by the transfer or possession of any counterpart of the Schedule other than the original thereof, which shall be identified as the document marked Original and all other counterparts shall be marked Duplicate.

(j) Each party hereto agrees to keep confidential, the terms and provisions of the Documents and the transactions contemplated hereby and thereby (collectively, the "TRANSACTIONS"), except that each party may make disclosure to the extent required by law and Lessee may make confidential disclosure to its significant investors, potential business partners and/or potential investors. Notwithstanding the foregoing, the obligations of confidentiality contained herein, as they relate to the Transactions, shall not apply to the federal tax structure or federal tax treatment of the Transactions, and each party hereto (and any employee, representative, or agent of any party hereto) may disclose to any and all persons, without limitation of any kind, the federal tax structure and federal tax treatment of the Transactions. The preceding sentence is intended to cause each Transaction to be treated as not having been offered under conditions of confidentiality for purposes of Section 1.6011-4(b)(3) (or any successor provision) of the Treasury Regulations promulgated under Section 6011 of the Internal Revenue Code of 1986, as amended, and shall be construed in a manner consistent with such purpose. In addition, each party hereto acknowledges that it has no proprietary or exclusive rights to the federal tax structure of the Transactions or any federal tax matter or federal tax idea related to the Transactions.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

LESSOR:

LESSEE:

GENERAL ELECTRIC CAPITAL CORPORATION

SYNTA PHARMACEUTICALS CORP.

By: /s/ JOHN EDEL

By: /s/ KEITH EHRLICH

Name: John Edel

Name: Keith Ehrlich

-----  
Title: SVP  
-----

-----  
Title: VP of Finance and Administration  
-----

13

EQUIPMENT CONCENTRATION RIDER

SYNTA PHARMACEUTICALS CORP. ("Customer"), on or before October 19, 2005, shall cause the composition and mix of Equipment financed after November 10, 2004 under the Master Lease Agreement dated as of November 10, 2004 between Customer and General Electric Capital Corporation to conform to and meet the following concentration requirements (hereinafter "Concentration Requirements") for each class of Equipment (hereinafter "Equipment Class") as identified and set forth below. Customer herein represents and warrants that it shall maintain each such Equipment Class and its respective Concentration Requirement from and after such above referenced date and continuing thereafter to the end of the term:

EQUIPMENT CLASS -----	CONCENTRATION REQUIREMENT -----
Laboratory & scientific equipment:	Minimum of 60%
General Office equipment, Computers & similar:	Maximum of 15%
Soft costs (leaseholds, software, & similar):	Maximum of 25%

Accepted and Agreed:

SYNTA PHARMACEUTICALS CORP.

By: /s/ KEITH EHRLICH  
-----

Title: VP of Finance and Administration  
-----

Date: 11/11/04  
-----

EQUIPMENT SCHEDULE  
(QUASI LEASE - FIXED RATE)  
SCHEDULE NO. 001  
DATED THIS 11/23/04  
TO MASTER LEASE AGREEMENT  
DATED AS OF NOVEMBER 10, 2004

LESSOR & MAILING ADDRESS:  
GENERAL ELECTRIC CAPITAL CORPORATION  
83 WOOSTER HEIGHTS RD. 5TH FLOOR  
DANBURY, CT 06810

LESSEE & MAILING ADDRESS:  
SYNTA PHARMACEUTICALS CORP.  
45 HARTWELL AVENUE  
LEXINGTON, MA 02421

This Schedule is executed pursuant to, and incorporates by reference the terms and conditions of, and capitalized terms not defined herein shall have the meanings assigned to them in, the Master Lease Agreement identified above ("Agreement", said Agreement and this Schedule being collectively referred to as "Lease"). This Schedule, incorporating by reference the Agreement, constitutes a separate instrument of lease.

A. EQUIPMENT: Subject to the terms and conditions of the Lease. Lessor agrees to lease to Lessee the Equipment described below (the "Equipment").

NUMBER	CAPITALIZED		
LESSOR'S COST	MANUFACTURER	SERIAL NUMBERS	YEAR/MODEL AND TYNE OF EQUIPMENT
-----			

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

B. FINANCIAL TERMS

1. Advance Rent (if any): \$32,496.60.
2. Capitalized Lessor's Cost: \$1,025,044.09.
3. Basic Term (No. of Months): THIRTY SIX (36) Months.
4. Basic Term Lease Rate Factor: 3.170264.
5. Basic Term Commencement Date: 12/01/04
6. Lessee Federal Tax ID No.: 04-3508648.
7. Last Delivery Date: 11/23/04
8. Daily Lease Rate Factor: .1057.
9. Interest Rate: 9.32% per annum.
10. Option Payment: \$1.00
11. First Termination Date: N/A (-) months after the Basic Term Commencement Date.
12. Interim Rent: For the period from and including the Lease Commencement Date to the Basic Term Commencement Date ("INTERIM PERIOD"), Lessee shall pay as rent (" INTERIM RENT") for each unit of Equipment, the product of the Daily Lease Rate Factor times the Capitalized Lessor's Cost of such unit times the number of days in the Interim Period. Interim Rent shall be due on Basic Term Commencement Date.
13. Basic Term Rent. Commencing on 12/01/04 and on the same day of each month thereafter (each, a "RENT PAYMENT DATE") during the Basic Term, Lessee shall pay as rent ("BASIC TERM RENT") the product of the Basic Term Lease Rate Factor times the Capitalized Lessor's Cost of all Equipment on this Schedule.
14. Lessee agrees and acknowledges that the Capitalized Lessor's Cost of the Equipment as stated on the Schedule is equal to the fair market value of the Equipment on the date hereof.

C. INTEREST RATE: Interest shall accrue from the Lease Commencement Date through and including the date of termination of the Lease.

15

D. PROPERTY TAX

PROPERTY TAX NOT APPLICABLE ON EQUIPMENT LOCATED IN MASSACHUSETTS.

Lessor may notify Lessee (and Lessee agrees to follow such notification) regarding any changes in property tax reporting and payment responsibilities.

E. ARTICLE 2A NOTICE

IN ACCORDANCE WITH THE REQUIREMENTS OF ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE AS ADOPTED IN THE APPLICABLE STATE, LESSOR HEREBY MAKES THE FOLLOWING DISCLOSURES TO LESSEE PRIOR TO EXECUTION OF THE LEASE, (A) THE PERSON(S) SUPPLYING THE EQUIPMENT IS VARIOUS (THE "SUPPLIER(S)"), (B) LESSEE IS ENTITLED TO THE PROMISES AND WARRANTIES, INCLUDING THOSE OF ANY THIRD PARTY, PROVIDED TO THE LESSOR BY SUPPLIER(S), WHICH IS SUPPLYING THE EQUIPMENT IN CONNECTION WITH

OR AS PART OF THE CONTRACT BY WHICH LESSOR ACQUIRED THE EQUIPMENT AND (C) WITH RESPECT TO SUCH EQUIPMENT, LESSEE MAY COMMUNICATE WITH SUPPLIER(S) AND RECEIVE AN ACCURATE AND COMPLETE STATEMENT OF SUCH PROMISES AND WARRANTIES, INCLUDING ANY DISCLAIMERS AND LIMITATIONS OF THEM OR OF REMEDIES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE HEREBY WAIVES ANY AND ALL RIGHT'S AND REMEDIES CONFERRED UPON A LESSEE IN ARTICLE 2A AND ANY RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE WHICH MAY LIMIT OR MODIFY ANY OF LESSOR'S RIGHTS OR REMEDIES UNDER THE DEFAULT AND REMEDIES SECTION OF THE AGREEMENT.

F. STIPULATED LOSS AND TERMINATION VALUE TABLE\*

Rental Basic	Termination Value Percentage	Stipulated Loss Value Percentage	Rental	Termination Value Percentage	Stipulated Loss Value Percentage
1	99.830	103.748	19	53.306	55.803
2	97.412	101.251	20	50.526	52.945
3	94.975	98.735	21	47.725	50.064
4	92.519	96.200	22	44.902	47.163
5	90.044	93.646	23	42.057	44.239
6	87.549	91.073	24	39.190	41.293
7	85.036	88.481	25	36.301	38.325
8	82.503	85.868	26	33.390	35.334
9	79.950	83.237	27	30.455	32.321
10	77.377	80.585	28	27.498	29.285
11	74.785	77.914	29	24.518	26.226
12	72.172	75.222	30	21.515	23.144
13	69.539	72.510	31	18.489	20.039
14	66.885	69.778	32	15.439	16.910
15	64.211	67.024	33	12.365	13.757
16	61.516	64.251	34	9.268	10.581
17	58.801	61.456	35	6.146	7.380
18	56.064	58.640	36	3.000	4.155

16

\*The Stipulated Loss Value or Termination Value for any unit of Equipment shall be the Capitalized Lessor's Cost of such unit multiplied by the appropriate percentage derived from the above table. In the event that the Lease is for any reason extended, then the last percentage figure shown above shall control throughout any such extended term.

G. PAYMENT AUTHORIZATION

You are hereby irrevocably authorized and directed to deliver and apply the proceeds due under this Schedule as follows:

COMPANY NAME	ADDRESS	AMOUNT
Synta Pharmaceuticals Corp.	45 Hartwell Ave. Lexington. MA	\$ 1,002,924.52
GE (Advance Rental)	83 Wooster Heights Rd, Danbury, CT	\$ 22,119.57*

\*\$12,500 from your Good Faith Deposit will be applied as follows:  
 \$2,122.97 (Interim Interest)  
 \$10,377.03 (Balance of Advance Rental)

17

This authorization and direction is given pursuant to the same authority authorizing the above-mentioned financing.

PURSUANT TO THE PROVISIONS OF THE LEASE, AS IT RELATES TO THIS SCHEDULE, LESSEE HEREBY CERTIFIES AND WARRANTS THAT (i) ALL EQUIPMENT LISTED ABOVE IS IN GOOD CONDITION AND APPEARANCE, HAS BEEN DELIVERED AND INSTALLED (IF APPLICABLE) AS OF THE DATE STATED ABOVE AND IN WORKING ORDER, AND COPIES OF THE BILL(S) OF LADING OR OTHER DOCUMENTATION ACCEPTABLE TO LESSOR WHICH SHOW THE DATE OF DELIVERY ARE ATTACHED HERETO; (ii) LESSEE HAS INSPECTED THE EQUIPMENT, AND ALL SUCH TESTING AS IT DEEMS NECESSARY HAS BEEN PERFORMED BY LESSEE, SUPPLIER OR THE MANUFACTURER; AND (iii) LESSEE ACCEPTS THE EQUIPMENT FOR ALL PURPOSES OF THE LEASE AND ALL ATTENDANT DOCUMENTS.

LESSEE DOES FURTHER CERTIFY THAT AS OF THE DATE HEREOF (i) LESSEE IS NOT IN DEFAULT UNDER THE LEASE; AND (ii) THE REPRESENTATIONS AND WARRANTIES MADE BY LESSEE PURSUANT TO OR UNDER THE LEASE ARE TRUE AND CORRECT ON THE DATE HEREOF.

Except as expressly modified hereby, all terms and provisions of the Agreement shall remain in full force and effect. This Schedule is not binding or effective with respect to the Agreement or Equipment until executed on behalf of Lessor and Lessee by authorized representatives of Lessor and Lessee, respectively.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Schedule to be executed by their duly authorized representatives as of the date first above written.

LESSOR:

LESSEE:

GENERAL ELECTRIC CAPITAL CORPORATION

SYNTA PHARMACEUTICALS CORP.

By: /s/ JOHN EDEL

By: /s/ KEITH EHRLICH

Name: John Edel

Name: Keith Ehrlich

Title: SVP

Title: VP of Finance and Administration

18

EQUIPMENT SCHEDULE  
(Quasi Lease - Fixed Rate)  
SCHEDULE NO. 002  
DATED THIS 11/23/04  
TO MASTER LEASE AGREEMENT  
DATED AS OF NOVEMBER 10, 2004

LESSOR & MAILING ADDRESS:  
GENERAL ELECTRIC CAPITAL CORPORATION  
83 WOOSTER HEIGHTS RD. 5TH FLOOR  
DANBURY, CT 06810

LESSEE & MAILING ADDRESS:  
SYNTA PHARMACEUTICALS CORP.  
45 HARTWELL AVENUE  
LEXINGTON, MA 02421

This Schedule is executed pursuant to, and incorporates by reference the terms and conditions of, and capitalized terms not defined herein shall have the meanings assigned to them in, the Master Lease Agreement identified above ("AGREEMENT", said Agreement and this Schedule being collectively referred to as "LEASE"). This Schedule, incorporating by reference the Agreement, constitutes a separate instrument of lease.

A. EQUIPMENT: Subject to the terms and conditions of the Lease, Lessor agrees

to lease to Lessee the Equipment described below (the "EQUIPMENT").

NUMBER OF UNITS	CAPITALIZED LESSOR'S COST	MANUFACTURER	SERIAL NUMBERS	YEAR/MODEL AND TYPE OF EQUIPMENT
--------------------	------------------------------	--------------	----------------	----------------------------------

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

B. FINANCIAL TERMS

1. Advance Rent (if any): \$7,288.65.
2. Capitalized Lessor's Cost: \$292,307.59.
3. Basic Term (No. of Months): FORTY EIGHT (48) Months.
4. Basic Term Lease Rate Factor: 2.493487.
5. Basic Term Commencement Date: 12/01/04.
6. Lessee Federal Tax ID No: 04-3508648.
7. Last Delivery Date: 11/23/04.
8. Daily Lease Rate Factor: .0831.
9. Interest Rate: 9.52% per annum.
10. Option Payment: \$1.00
11. First Termination Date: N/A(-) months after the Basic Term Commencement Date.
12. Interim Rent: For the period from and including the Lease Commencement Date to the Basic Term Commencement Date ("INTERIM PERIOD"), Lessee shall pay as rent ("INTERIM RENT") for each unit of Equipment, the product of the Daily Lease Rate Factor times the Capitalized Lessor's Cost of such unit times the number of days in the Interim Period. Interim Rent shall be due on Basic Term Commencement Date.
13. Basic Term Rent. Commencing on 12/01/04 and on the same day of each month thereafter (each, a "RENT PAYMENT DATE") during the Basic Term, Lessee shall pay as rent ("BASIC TERM RENT") the product of the Basic Term Lease Rate Factor times the Capitalized Lessor's Cost of all Equipment on this Schedule.
14. Lessee agrees and acknowledges that the Capitalized Lessor's Cost of the Equipment as stated on the Schedule is equal to the fair market value of the Equipment on the date hereof.

C. INTEREST RATE: Interest shall accrue from the Lease Commencement Date through and including the date of termination of the Lease.

D. PROPERTY TAX

PROPERTY TAX NOT APPLICABLE ON EQUIPMENT LOCATED IN MASSACHUSETTS.

Lessor may notify Lessee (and Lessee agrees to follow such notification) regarding any changes in property tax reporting and payment responsibilities.

E. ARTICLE 2A NOTICE

IN ACCORDANCE WITH THE REQUIREMENTS OF ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE AS ADOPTED IN THE APPLICABLE STATE, LESSOR HEREBY MAKES THE FOLLOWING DISCLOSURES TO LESSEE PRIOR TO EXECUTION OF THE LEASE, (A) THE PERSON(S) SUPPLYING THE EQUIPMENT IS VARIOUS (THE "SUPPLIER(S)"), (B) LESSEE IS ENTITLED TO THE PROMISES AND WARRANTIES, INCLUDING THOSE OF ANY THIRD PARTY, PROVIDED TO THE LESSOR BY SUPPLIER(S), WHICH IS SUPPLYING THE EQUIPMENT IN CONNECTION WITH OR AS PART OF THE CONTRACT BY WHICH LESSOR ACQUIRED THE EQUIPMENT AND (C) WITH RESPECT TO SUCH EQUIPMENT, LESSEE MAY COMMUNICATE WITH SUPPLIER(S) AND RECEIVE AN ACCURATE AND COMPLETE STATEMENT OF SUCH PROMISES AND WARRANTIES, INCLUDING ANY DISCLAIMERS AND LIMITATIONS OF THEM OR OF REMEDIES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE HEREBY WAIVES ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE IN

ARTICLE 2A AND ANY RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE WHICH MAY LIMIT OR MODIFY ANY OF LESSOR'S RIGHTS OR REMEDIES UNDER THE DEFAULT AND REMEDIES SECTION OF THE AGREEMENT.

F. STIPULATED LOSS AND TERMINATION VALUE TABLE\*

Rental Basic	Termination Value Percentage	Stipulated Loss Value Percentage	Rental	Termination Value Percentage	Stipulated Loss Value Percentage
1	100.507	104.445	25	55.234	57.732
2	98.787	102.665	26	53.155	55.593
3	97.053	100.871	27	51.059	53.437
4	95.306	99.064	28	48.947	51.265
5	93.545	97.243	29	46.818	49.076
6	91.769	95.407	30	44.672	46.870
7	89.980	93.558	31	42.509	44.647
8	88.177	91.695	32	40.329	42.407
9	86.359	89.817	33	38.132	40.150
10	84.527	87.925	34	35.917	37.875
11	82.680	86.018	35	33.685	35.583
12	80.819	84.097	36	31.435	33.273
13	78.943	82.161	37	29.167	30.945
14	77.052	80.210	38	26.881	28.599
15	75.146	78.244	39	24.577	26.235
16	73.224	76.262	40	22.254	23.852
17	71.288	74.266	41	19.914	21.452
18	69.336	74.254	42	17.554	19.032
19	67.369	70.227	43	15.176	16.594
20	65.386	68.184	44	12.780	14.138
21	63.386	66.126	45	10.364	11.662
22	61.373	64.051	46	7.929	9.167
23	59.343	61.961	47	5.474	6.652
24	57.297	59.855	48	3.000	4.118

\* The Stipulated Loss Value or Termination Value for any unit of Equipment shall be the Capitalized Lessor's Cost of such unit multiplied by the appropriate percentage derived from the above table. In the event that the Lease is for any reason extended, then the last percentage figure shown above shall control throughout any such extended term.

G. PAYMENT AUTHORIZATION

You are hereby irrevocably authorized and directed to deliver and apply the proceeds due under this Schedule as follows:

COMPANY NAME	ADDRESS	AMOUNT
Synta Pharmaceuticals Corp.	45 Hartwell Ave. Lexington, MA	\$ 284,400.55
GE (Interim Interest)	83 Wooster Heights Rd, Danbury, CT	\$ 618.39
GE (Advance Rental)	83 Wooster Heights Rd, Danbury, CT	\$ 7,288.65

This authorization and direction is given pursuant to the same authority authorizing the above-mentioned financing.

PURSUANT TO THE PROVISIONS OF THE LEASE, AS IT RELATES TO THIS SCHEDULE, LESSEE HEREBY CERTIFIES AND WARRANTS THAT (i) ALL EQUIPMENT LISTED ABOVE IS IN GOOD CONDITION AND APPEARANCE, HAS BEEN DELIVERED AND INSTALLED (IF APPLICABLE) AS OF THE DATE STATED ABOVE AND IN WORKING ORDER, AND COPIES OF THE BILL(S) OF LADING



OR OTHER DOCUMENTATION ACCEPTABLE TO LESSOR WHICH SHOW THE DATE OF DELIVERY ARE ATTACHED HERETO; (ii) LESSEE HAS INSPECTED THE EQUIPMENT, AND ALL SUCH TESTING AS IT DEEMS NECESSARY HAS BEEN PERFORMED BY LESSEE, SUPPLIER OR THE MANUFACTURER; AND (iii) LESSEE ACCEPTS THE EQUIPMENT FOR ALL PURPOSES OF THE LEASE AND ALL ATTENDANT DOCUMENTS.

LESSEE DOES FURTHER CERTIFY THAT AS OF THE DATE HEREOF (i) LESSEE IS NOT IN DEFAULT UNDER THE LEASE; AND (ii) THE REPRESENTATIONS AND WARRANTIES MADE BY LESSEE PURSUANT TO OR UNDER THE LEASE ARE TRUE AND CORRECT ON THE DATE HEREOF.

Except as expressly modified hereby, all terms and provisions of the Agreement shall remain in full force and effect. This Schedule is not binding or effective with respect to the Agreement or Equipment until executed on behalf of Lessor and Lessee by authorized representatives of Lessor and Lessee, respectively.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Schedule to be executed by their duly authorized representatives as of the date first above written.

LESSOR  
GENERAL ELECTRIC CAPITAL CORPORATION

LESSEE:  
SYNTA PHARMACEUTICALS CORP.

By: /s/ John Edel

By: /s/ Keith Ehrlich

Name: JOHN EDEL

Name: KEITH EHRLICH

TITLE: SVP

Title: V.P. Finance & Administration

EXHIBIT A, ACCOUNT # 4158939-001

COMPANY NAME: SYNTA PHARMACEUTICALS CORP.  
EQUIPMENT LOCATION: A:- 45 Hartwell Ave, Lexington, MA 02421-3102.  
B:- 6A, PRESTON COURT, BEDFORD, MA-07130  
C:- 125 Hartwell Ave, Lexington, MA 02421-3102.

INV. ITEM	SUPPLIER #	INVOICE	INV. DATE	DESCRIPTION	QTY	SERIAL #	[ILLEGIBLE]
PC CONNECTION	35892386	11/18/03		IBM Thinkpad Labtop and LCD screen with attachments		1S2379D3UKPA1520	
	36245703	11/18/03		Freight			
		02/12/04		IBM Thinkpad laptop with attachments	1	1S2378DHU99D3135	
	36309791	02/12/04		Freight			
		03/01/04		IBM Thinkpad laptop with attachments	1	1S2885FWU99D8840	
	36387290	03/01/04		Freight			
		03/19/04		Catalyst 4000 w/port and other attachments	1		
	36537182	03/19/04		Freight			
		04/22/04		IBM Thinkpad computer	1	1S237372U99M2B5	
	36537165	04/22/04		Freight			
		04/22/04		3 IBM Thinkpad computers with attachments	1	1S237372UKP2G6TM/1S2885	
	36566609	04/22/04		Freight			
		04/30/04		IBM Thinkpad computer with remote navigator	1	1S237372U994L2LO	
	36581784	04/30/04		Freight			
		05/05/04		2 IBM Thinkpad computers with attachments	2	1S237372U994MOT7, 0W4	
	36872064	05/05/04		Freight			
		07/21/04		3 IBM Thinkpad computers with attachments	3	1S23738DHU99BV848, BV62	
	36667358	07/21/04		Freight			
		05/28/04		2 IBM Thinkpad computers	2	1S23738DHU99BD703, 705	
	36795030	05/28/04		Freight			
		06/30/04		IBM Thinkpad computer	1	1S2885FWU99D9434	
	36845874	06/30/04		Freight			
		07/14/04		Powerlite ANSI LUMENS - V11H158020			
	36848861	07/14/04		Freight			
		07/14/04		2 IBM Thinkpad computers with attachments	2	1S237BDHU99B1777, 7B0	
	36902567	07/14/04		Freight			
		07/29/04		HP Laserjet and Epson Inkjet printers	1		

	37004807	08/26/04	Freight		
		08/26/04	Proliant DL 360 server	1	M014LGP335
	37055656	09/10/04	Freight		
		09/10/04	IBM Thinkpad computer with attachments		1S2378DGU99C6032
	37097975	09/22/04	Freight		
		09/22/04	IBM Thinkpad computer with attachments		1S2379EU99RBNMG
		09/22/04	Freight		
CRC R\PRESS	16102-B1	11/25/03	Dictionary of natural products (CD-ROM)		
UNICOM	315494	12/09/03	Implementation of Internal Network Security - 50% commencement		
	75297	12/12/03	Proliant DL320 G2, memory servers		M02FKVJ61PSS
		12/12/03	Tax		
	75327	12/15/03	server software		
		12/15/03	Tax		
	315680	12/30/03	Implementation of Internal Network Security - 50% completion		
	81598	06/28/04	[ILLEGIBLE] LaserJet 4650dn printer	1	PCAD00129
		06/28/04	Tax		
	82326	07/21/04	LaserJet 4300DTN printer	1	CNGY205694
		07/21/04	Freight		
	83743	08/30/04	LaserJet 4200N printer	1	USGNM500035
		08/30/04	Tax		
	84399	09/20/04	Xeon 3.06 GHZ Processor	1	
		09/20/04	Tax		
	84439	09/21/04	Proliant DL36 with attachments	1	
		09/21/04	Tax		
	84473	09/22/04	40/80 GB HDD	1	
		09/22/04	Tax		
	84475	09/22/04	40/80 GB HDD	11	
		09/22/04	Tax		
	84507	09/23/04	Softwares and Software license (Excel, Windows) etc	3	
		09/23/04	Tax		
	84571	09/27/04	BACKUP excel for windows	1	
		09/27/04	Tax		
	84573	09/27/04	1024 MB RAM	1	
		09/27/04	Tax		
INSIGHT DIRECT USA	A2361878	01/23/04	IBM Thinkpad laptop with attachments	1	1S2885PWU99D8382
	93677733	02/09/04	IBM Thinkpad laptop - Tax	1	1S2378DHU99D3627
	93970572	03/31/04	3 IBM Thinkpad computers with attachments	3	1S2378DHU998G052,080 an
	94231367	05/14/04	IBM Thinkpad computer	1	1S2885PWU99D9445

INV. ITEM	SUPPLIER #	INVOICE	INV. DATE	DESCRIPTION	AMT. FINANCED	VENDOR TOTAL	CK #
PC CONNECTION	35892386	11/18/03		IBM Thinkpad Labtop and LCD screen with attachments	\$ 2,544.74		55616
		11/18/03		Freight	\$ 35.83		
	36245703	02/12/04		IBM Thinkpad laptop with attachments	\$ 1,924.06		58812
		02/12/04		Freight	\$ 18.41		
	36309791	03/01/04		IBM Thinkpad laptop with attachments	\$ 2,574.35		58960
		03/01/04		Freight	\$ 49.32		
	36387290	03/19/04		Catalyst 4000 w/port and other attachments	\$ 6,636.95		57007
		03/19/04		Freight	\$ 69.09		
	36537182	04/22/04		IBM Thinkpad computer	\$ 1,951.15		57749
		04/22/04		Freight	\$ 16.35		
	36537165	04/22/04		3 IBM Thinkpad computers with attachments	\$ 6,742.93		57749
		04/22/04		Freight	\$ 36.83		
	36566609	04/30/04		IBM Thinkpad computer with remote navigator	\$ 1,854.90		57749
		04/30/04		Freight	\$ 12.92		
	36581784	05/05/04		2 IBM Thinkpad computers with attachments	\$ 5,335.72		57643
		05/05/04		Freight	\$ 178.11		
	36872064	07/21/04		3 IBM Thinkpad computers with attachments	\$ 5,673.80		58833
		07/21/04		Freight	\$ 36.64		
	36667358	05/28/04		2 IBM Thinkpad computers	\$ 3,739.33		58001
		05/28/04		Freight	\$ 63.27		
	36795030	06/30/04		IBM Thinkpad computer	\$ 3,751.24		58400
		06/30/04		Freight	\$ 54.09		
	36845874	07/14/04		Powerlite ANSI LUMENS - V11H158020	\$ 3,033.50		58833
		07/14/04		Freight	\$ 49.35		
	36848861	07/14/04		2 IBM Thinkpad computers with attachments	\$ 3,666.25		58833
		07/14/04		Freight	\$ 23.88		
	36902567	07/29/04		HP LaserJet and Epson Inkjet printers	\$ 2,147.21		59028
		07/29/04		Freight	\$ 69.00		
	37004807	08/26/04		Proliant DL 360 server	\$ 3,004.05		59434
		08/26/04		Freight	\$ 143.29		
	37055656	09/10/04		IBM Thinkpad computer with attachments	\$ 4,627.30		59746
		09/10/04		Freight	\$ 73.74		
	37097975	09/22/04		IBM Thinkpad computer with attachments	\$ 2,519.85		59885
		09/22/04		Freight	\$ 119.92		
CRC R\PRESS	16102-B1	11/25/03		Dictionary of natural products (CD-ROM)	\$ 6,630.00		55701
UNICOM	315494	12/09/03		Implementation of Internal Network Security - 50% commencement	\$ 6,250.00		56277
	75297	12/12/03		Proliant DL320 G2, memory servers	\$ 1,744.00		56277
		12/12/03		Tax	\$ 87.20		
	75327	12/15/03		server software	\$ 691.00		56277

315680	12/15/03	Tax	\$	34.55	
	12/30/03	Implementation of Internal Network Security - 50% completion	\$	6,250.00	56277
81598	06/28/04	[ILLEGIBLE] LaserJet 4650dn printer	\$	2,234.65	58419
	06/28/04	Tax	\$	111.74	
82326	07/21/04	LaserJet 4300DTN printer	\$	2,412.97	58938
	07/21/04	Freight	\$	120.65	
83743	08/30/04	Laserjet 4200N printer	\$	1,450.88	59467
	08/30/04	Tax	\$	72.54	
84399	09/20/04	Xeon 3.06 GHZ Processor	\$	869.48	59770
	09/20/04	Tax	\$	43.47	59920
84439	09/21/04	Proliant DL36 with attachments	\$	4,901.18	
	09/21/04	Tax	\$	218.75	
84473	09/22/04	40/80 GB HDD	\$	30.99	
	09/22/04	Tax	\$	1.55	
84475	09/22/04	40/80 GB HDD	\$	340.88	
	09/22/04	Tax	\$	17.04	
84507	09/23/04	Softwares and Software license (Excel, Windows) etc	\$	1,579.48	
	09/23/04	Tax	\$	78.97	
84571	09/27/04	BACKUP excel for windows	\$	1,207.80	
	09/27/04	Tax	\$	60.39	
84573	09/27/04	1024 MB RAM	\$	455.83	
	09/27/04	Tax	\$	22.79	

INSIGHT DIRECT USA	A2361878	01/23/04	IBM Thinkpad laptop with attachments	\$	2,532.60	56235
	93677733	02/09/04	IBM Thinkpad laptop -	\$	1,890.09	58797
		02/09/04	Tax	\$	93.20	
	93970572	03/31/04	3 IBM Thinkpad computers with attachments	\$	6,250.62	57212
	94231367	05/14/04	IBM Thinkpad computer	\$	2,311.00	57732

INV. ITEM	SUPPLIER #	INVOICE	INV. DATE	DESCRIPTION	PROOF OF PAYMENT	CK AMT.	EQUIP CODE	LOCATION
PC CONNECTION		35892386	11/18/03	IBM Thinkpad Labtop and LCD screen with attachments	Yes	\$ 2,580.57	COMP SOFT	45 Hartwell
			11/18/03	Freight				
		36245703	02/12/04	IBM Thinkpad laptop with attachments	Yes	\$ 1,942.97	COMP SOFT	45 Hartwell
			02/12/04	Freight				
		36309791	03/01/04	IBM Thinkpad laptop with attachments	Yes	\$ 2,623.67	COMP SOFT	125 Hartwell
			03/01/04	Freight				
		36387290	03/19/04	Catalyst 4000 w/port and other attachments	Yes	\$ 8,896.44	COMP SOFT	45 Hartwell
			03/19/04	Freight				
		36537182	04/22/04	IBM Thinkpad computer	Yes	\$ 11,282.20	COMP SOFT	45 Hartwell
			04/22/04	Freight				
		36537165	04/22/04	3 IBM Thinkpad computers with attachments	Yes	\$ 11,282.20	COMP SOFT	125 Hartwell
			04/22/04	Freight				
		36566609	04/30/04	IBM Thinkpad computer with remote navigator	Yes	\$ 11,282.20	COMP SOFT	45 Hartwell
			04/30/04	Freight				
		36581784	05/05/04	2 IBM Thinkpad computers with attachments	Yes	\$ 5,539.14	COMP SOFT	45 Hartwell
			05/05/04	Freight				
		36872064	07/21/04	3 IBM Thinkpad computers with attachments	Yes	\$ 16,376.22	COMP SOFT	125 Hartwell
			07/21/04	Freight				
		36667358	05/28/04	2 IBM Thinkpad computers	Yes	\$ 3,802.00	COMP SOFT	125 Hartwell
			05/28/04	Freight				
		36795030	06/30/04	IBM Thinkpad computer	Yes	\$ 5,327.03	COMP SOFT	125 Hartwell
			06/30/04	Freight				
		36845874	07/14/04	Powerlite ANSI LUMENS - V11H158020	Yes	\$ 16,376.22	OFC SOFT	45 Hartwell
			07/14/04	Freight				
		36848861	07/14/04	2 IBM Thinkpad computers with attachments	Yes	\$ 16,376.22	OFC SOFT	125 Hartwell
			07/14/04	Freight				
		36902567	07/29/04	HP Laserjet and Epson Inkjet printers	Yes	\$ 2,216.21	OFC SOFT	125 Hartwell
			07/29/04	Freight				
		37004807	08/26/04	Proliant DL 360 server	Yes	\$ 5,187.59	COMP SOFT	125 Hartwell
			08/26/04	Freight				
		37055656	09/10/04	IBM Thinkpad computer with attachments	Yes	\$ 4,837.85	COMP SOFT	125 Hartwell
			09/10/04	Freight				
		37097975	09/22/04	IBM Thinkpad computer with attachments	Yes	\$ 4,366.75	COMP SOFT	125 Hartwell
			09/22/04	Freight				
CRC R\PRESS		16102-B1	11/25/03	Dictionary of natural products (CD-ROM)	Yes	\$ 6,630.00	SOFT	45 Hartwell
UNICOM		315494	12/09/03	Implementation of Internal Network Security - 50% commencement	Yes	\$ 15,056.75	SOFT	45 Hartwell
		75297	12/12/03	Proliant DL320 G2, memory servers	Yes	\$ 15,056.75	COMP SOFT	45 Hartwell
			12/12/03	Tax				
		75327	12/15/03	server software	Yes	\$ 15,056.75	SOFT	45 Hartwell
			12/15/03	Tax				
		315680	12/30/03	Implementation of Internal Network Security - 50% completion	Yes	\$ 15,056.75	SOFT	45 Hartwell
		81598	06/28/04	[ILLEGIBLE] LaserJet 4650dn printer	Yes	\$ 2,346.59	COMP SOFT	45 Hartwell
			06/28/04	Tax				
		82326	07/21/04	LaserJet 4300DTN printer	Yes	\$ 2,533.62	OFC SOFT	45 Hartwell
			07/21/04	Freight				
		83743	08/30/04	Laserjet 4200N printer	Yes	\$ 1,523.42	OFC SOFT	125 Hartwell
			08/30/04	Tax				
		84399	09/20/04	Xeon 3.06 GHZ Processor	Yes	\$ 2,799.95	COMP	6A Bedford
			09/20/04	Tax	Yes	\$ 9,040.66	SOFT	
		84439	09/21/04	Proliant DL36 with attachments			COMP	6A Bedford
			09/21/04	Tax			SOFT	
		84473	09/22/04	40/80 GB HDD			COMP	6A Bedford
			09/22/04	Tax			SOFT	
		84475	09/22/04	40/80 GB HDD			COMP	6A Bedford
			09/22/04	Tax			SOFT	

84507	09/23/04	Softwares and Software license (Excel, Windows) etc					
	09/23/04	Tax			SOFT	6A Bedford	
84571	09/27/04	BACKUP excel for windows			SOFT		
	09/27/04	Tax			SOFT	6A Bedford	
84573	09/27/04	1024 MB RAM			SOFT		
	09/27/04	Tax			COMP	6A Bedford	
					SOFT		
INSIGHT DIRECT USA	A2361878	01/23/04	IBM Thinkpad laptop with attachments				
	93677733	02/09/04	IBM Thinkpad laptop -	Yes	\$ 2,532.60	COMP	45 Hartwell
		02/09/04	Tax	Yes	\$ 1,983.29	COMP	45 Hartwell
	93970572	03/31/04	3 IBM Thinkpad computers with attachments	Yes	\$ 6,250.62	COMP	45 Hartwell
	94231367	05/14/04	IBM Thinkpad computer	Yes	\$ 2,450.72	COMP	45 Hartwell

INITIALS:-

-----

EXHIBIT A, ACCOUNT # 4158939-001

COMPANY NAME: SYNTA PHARMACEUTICALS CORP.  
EQUIPMENT LOCATION: A:- 45 Hartwell Ave, Lexington, MA 02421-3102  
B:- 6A, PRESTON COURT, BEDFORD, MA - 01730  
C:- 125 Hartwell Ave, Lexington, MA 02421-3102

INV. ITEM	SUPPLIER	INVOICE #	INV. DATE	DESCRIPTION	QTY	SERIAL #	[ILLEGIBLE]
			05/14/04	Tax			
			05/14/04	Freight			
		94292203	05/25/04	2 IBM Thinkpad computers	2	1S23734CU994H0G6, KO	
			05/25/04	Tax			
			05/25/04	Freight			
		94475527	06/29/04	2 IBM Thinkpad computers	2	1S2379D6U99C6297, C6418	
			06/29/04	Tax			
			06/29/04	Freight			
		94587327	07/21/04	HP color Laserjet 4650 printer	1	SJPDAB04816	
			07/21/04	Tax			
			07/21/04	Freight			
		94731094	08/17/04	2 IBM Thinkpad computers with attachments	2	1S2373KU4993LYMV, LYNH	
			08/17/04	Tax			
			08/17/04	Freight			
AGILENT TECHNOLOGIES		100920463	11/04/03	HPLC system with attachments	1		
			11/04/03	HPLC software license + software revision upgrade and module license			
		101028762	02/17/04	HPLC system with attachments	1	DE4052579/JPI3213479	
		101064581	03/22/04	Chemistation installation			
		101242774	09/11/04	HPLC System with attachments			
		101254428	09/22/04	Agilent Pump with attachments			
VWR INTERNATIONAL, INC.		16744077	11/17/03	microfuge 22R 120V	1		
		17145830	01/05/04	OPYS MR MCPLT RDR	1		
		17366381	01/27/04	Microplate Washer			
		19676184	08/26/04	Buchi vacuum pump V-500			
		18822256	06/08/04	vwr freezer gen upright 20.7cf with attachments	1		
PERKIN ELMER		5300457708	11/27/03	automatic injector for Victor 2 plate	1	299811374	
			11/27/03	Tax			
		5300484289	01/03/04	automatic injector for Victor 2 plate	1	299811397	
			01/03/04	Tax			
VENTANA		2259452	12/02/03	NexES discovery staining module	1		
IONOPTIX CORPORATION		23132	12/09/03	hyperswitch light source and CCD camera	1		
			12/09/03	Ion Wizaed - data display / analysis software			
ALA SCIENTIFIC INSTRUMENTS		6459	12/19/03	EPC-10 system - Sutter MP 285 robotic machine	1		
			12/19/03	Freight			
MOLECULAR DEVICES CORP.		275429	12/22/03	Flexstation II 384 Instrument w/laptop	1	FXX01574	
			12/22/03	Freight			
		281525	04/14/04	Flexstation 384	1	FL3840131	
			04/14/04	Installation and training			
KODAK EASTMAN COMPANY		106516070	12/30/03	Image Station	1	1549674	
			12/30/03	Freight and Tax			
VARIAN		1891234	02/06/04	NMR Probe M300	2	S010009	
		1891245	02/06/04	NMR Probe - installation			
		9008960	04/21/04	NMR probe	1		

PERSONAL CHEMISTRY	1696	03/01/04	Emrys Optimizer Exp	1
DUPLITRON	117355	03/17/04	Panel Board	1

INV. ITEM	SUPPLIER	INVOICE #	INV. DATE	DESCRIPTION	AMT. FINANCED	VENDOR TOTAL	CK #
			05/14/04	Tax	\$ 115.55		
			05/14/04	Freight	\$ 24.17		
		94292203	05/25/04	2 IBM Thinkpad computers	\$ 3,199.98		57883
			05/25/04	Tax	\$ 160.00		
			05/25/04	Freight	\$ 8.68		
		94475527	06/29/04	2 IBM Thinkpad computers	\$ 2,837.66		58582
			06/29/04	Tax	\$ 141.88		
			06/29/04	Freight	\$ 9.80		
		94587327	07/21/04	HP color Laserjet 4650 printer	\$ 2,361.30		58764
			07/21/04	Tax	\$ 118.07		
			07/21/04	Freight	\$ 97.19		
		94731094	08/17/04	2 IBM Thinkpad computers with attachments	\$ 3,398.00		59398
			08/17/04	Tax	\$ 169.90		
			08/17/04	Freight	\$ 10.26		
Agilent Technologies		100920463	11/04/03	HPLC system with attachments	\$ 37,958.40		55583
			11/04/03	HPLC software license + software revision upgrade and module license	\$ 4,524.30		
		101028762	02/17/04	HPLC system with attachments	\$ 68,024.75		56864
		101064581	03/22/04	Chemistation installation	\$ 2,737.90		56966
		101242774	09/11/04	HPLC System with attachments	\$ 64,823.40		59500
		101254428	09/22/04	Agilent Pump with attachments	\$ 12,098.70		59790
VWR INTERNATIONAL, INC.		16744077	11/17/03	microfuge 22R 120V	\$ 4,505.00		55623
		17145830	01/05/04	OPYS MR MCPLT RDR	\$ 4,505.90		56282
		17366381	01/27/04	Microplate Washer	\$ 5,571.90		56879
		19676184	08/26/04	Buchi vacuum pump V-500	\$ 1,196.25		59607
		18822256	06/08/04	vwr freezer gen upright 20.7 cf with attachments	\$ 1,464.01		58136
PERKIN ELMER		5300457708	11/27/03	automatic injector for Victor 2 plate	\$ 6,200.00		55702
			11/27/03	Tax	\$ 310.00		
		5300484289	01/03/04	automatic injector for Victor 2 plate	\$ 6,200.00		56814
			01/03/04	Tax	\$ 310.00		
VENTANA		2259452	12/02/03	NexES discovery staining module	\$ 95,000.00		55704
IONOPTIX CORPORATION		23132	12/09/03	hyperswitch light source and CCD camera	\$ 40,300.00		56182
			12/09/03	Ion Wizaed - data display / analysis software	\$ 2,000.00		
ALA SCIENTIFIC INSTRUMENTS		6459	12/19/03	EPC-10 system - Sutter MP 285 robotic machine	\$ 14,000.00		56190
			12/19/03	Freight	\$ 125.00		
MOLECULAR DEVICES CORP.		275429	12/22/03	Flexstation II 384 Instrument w/laptop	\$ 74,000.00		56248
			12/22/03	Freight	\$ 125.00		
		281525	04/14/04	Flexstation 384	\$ 180,000.00		57828
			04/14/04	Installation and training	\$ 5,500.00		
KODAK EASTMAN COMPANY		106516070	12/30/03	Image Station	\$ 15,000.00		56240
			12/30/03	Freight and Tax	\$ 802.97		
VARIAN		1891234	02/06/04	NMR Probe M300	\$ 26,371.88		56878
		1891245	02/06/04	NMR Probe - installation	\$ 2,728.12		56878
		9008960	04/21/04	NMR probe	\$ 13,090.00		57458
PERSONAL CHEMISTRY		1696	03/01/04	Emrys Optimizer Exp	\$ 61,200.00		56961
DUPLITRON		117355	03/17/04	Panel Board	\$ 1,779.75		56955

INV. ITEM	SUPPLIER	INVOICE #	INV. DATE	DESCRIPTION	PROOF OF PAYMENT	CK AMT.	EQUIP CODE	LOCATION
			05/14/04	Tax			SOFT	
			05/14/04	Freight			SOFT	
		94292203	05/25/04	2 IBM Thinkpad computers	Yes	\$ 5,284.35	COMP	125 Hartwell
			05/25/04	Tax			SOFT	
			05/25/04	Freight			SOFT	
		94475527	06/29/04	2 IBM Thinkpad computers	Yes	\$ 3,718.87	COMP	125 Hartwell
			06/29/04	Tax			SOFT	
			06/29/04	Freight			SOFT	
		94587327	07/21/04	HP color Laserjet 4650 printer	Yes	\$ 2,576.56	OFC	45 Hartwell
			07/21/04	Tax			SOFT	
			07/21/04	Freight			SOFT	
		94731094	08/17/04	2 IBM Thinkpad computers with attachments	Yes	\$ 3,621.12	COMP	125 Hartwell
			08/17/04	Tax			SOFT	
			08/17/04	Freight			SOFT	
AGILENT TECHNOLOGIES		100920463	11/04/03	HPLC system with attachments	Yes	\$ 42,482.70	LAB	45 Hartwell
			11/04/03	HPLC software license + software revision upgrade and module licence			SOFT	
		101028762	02/17/04	HPLC system with attachments	Yes	\$ 69,177.76	LAB	45 Hartwell
		101064581	03/22/04	Chemistation installation	Yes	\$ 7,317.68	SOFT	45 Hartwell

	101242774	09/11/04	HPLC System with attachments	Yes	\$	67,644.00	LAB	45 Hartwell
	101254428	09/22/04	Agilent Pump with attachments	Yes	\$	16,010.63	LAB	45 Hartwell
VWR INTERNATIONAL, INC.	16744077	11/17/03	microfuge 22R 120V	Yes	\$	6,402.12	LAB	45 Hartwell
	17145830	01/05/04	OPYS MR MCPLT RDR	Yes	\$	9,714.47	LAB	45 Hartwell
	17366381	01/27/04	Microplate Washer	Yes	\$	15,875.47	LAB	45 Hartwell
	19676184	08/26/04	Buchi vacuum pump V-500	Yes	\$	69,368.00	LAB	45 Hartwell
	18822256	06/08/04	vwr freezer gen upright 20.7 cf with attachments	Yes	\$	9,288.50	LAB	45 Hartwell
PERKIN ELMER	5300457708	11/27/03	automatic injector for Victor 2 plate	Yes	\$	6,510.00	LAB	45 Hartwell
		11/27/03	Tax				SOFT	
	5300484289	01/03/04	automatic injector for Victor 2 plate	Yes	\$	6,510.00	LAB	45 Hartwell
		01/03/04	Tax				SOFT	
VENTANA	2259452	12/02/03	NexES discovery staining module	Yes	\$	95,000.00	LAB	45 Hartwell
IONOPTIX CORPORATION	23132	12/09/03	hyperswitch light source and CCD camera	Yes	\$	42,300.00	LAB	45 Hartwell
		12/09/03	Ion Wizaed - data display / analysis software				SOFT	
ALA SCIENTIFIC INSTRUMENTS	6459	12/19/03	EPC-10 system - Sutter MP 285 robotic machine	Yes	\$	14,125.00	LAB	45 Hartwell
		12/19/03	Freight				SOFT	
MOLECULAR DEVICES CORP.	275429	12/22/03	Flexstation II 384 Instrument w/laptop	Yes	\$	74,388.50	LAB	45 Hartwell
		12/22/03	Freight				SOFT	
	281525	04/14/04	Flexstation 384	Yes	\$	185,500.00	LAB	6A Bedford
		04/14/04	Installation and training				SOFT	
KODAK EASTMAN COMPANY	106516070	12/30/03	Image Station	Yes	\$	15,802.97	LAB	6A Bedford
		12/30/03	Freight and Tax				SOFT	
VARIAN	1891234	02/06/04	NMR Probe M300	Yes	\$	29,100.00	LAB	45 Hartwell
	1891245	02/06/04	NMR Probe - installation	Yes	\$	29,100.00	SOFT	45 Hartwell
	9008960	04/21/04	NMR probe	Yes	\$	13,090.00	LAB	45 Hartwell
PERSONAL CHEMISTRY	1696	03/01/04	Emrys Optimizer Exp	Yes	\$	61,200.00	LAB	45 Hartwell
DUPLITRON	117355	03/17/04	Panel Board	Yes	\$	1,799.75	LAB	45 Hartwell

INITIALS:-

-----

EXHIBIT A, ACCOUNT # 4158939-001

COMPANY NAME: SYNTA PHARMACEUTICALS CORP.  
EQUIPMENT LOCATION: A:- 45 Hartwell Ave, Lexington, MA 02421-3102.  
B:- 6A, PRESTON COURT, BEDFORD, MA - 01730  
C:- 125 Hartwell Ave, Lexington, MA 02421-3102.

INV. ITEM	SUPPLIER	INVOICE #	INV. DATE	DESCRIPTION	QTY	SERIAL #	[ILLEGIBLE]	AMT. FINANCED
	MICRO VIDEO INSTRUMENT	00040763	03/29/04	CFI Plan Fluor 60x				\$ 2,018.75
				Freight				\$ 15.75
		00041172	04/29/04	X-cite power supply lamp	1			\$ 4,745.25
			04/29/04	Freight				\$ 25.63
		00042403	08/18/04	Microscope Upgrade with attachments				\$ 55,521.55
				SOFTWARE				\$ 2,300.00
				Freight				\$ 55.94
	ISCO INC	383957-00	03/31/04	Combiflash SQ 16X 16 Column 1				\$ 45,039.00
		383960-00	03/31/04	Lab equipment foxy 200 with attachments	1			\$ 8,377.00
	AFFYMETRIX, INC	RI 83668	03/31/04	Training Kit GC & Scanner upgrade GCS3000 with attachments				\$ 140,000.00
	FISHER SCIENTIFIC	5683007	04/26/04	World precision evom epithelial voltohmeter	1			\$ 1,674.00
	EASTERN SCIENTIFIC	184	04/27/04	Leybold vacuum pump with attachments	1			\$ 3,010.00
			04/27/04	Installation				\$ 75.00
	INTELEC MARKETING	15958	04/30/04	Workstation ofc	MANY			\$ 2,975.68
			04/30/04	Freight				\$ 337.00
	REC SUPPLY	1035	05/05/04	SGI Octane2 2X600MHz				\$ 13,758.00
	UNITED BUSINESS TEL	11362	07/09/04	125 Hartwell Phone System (Telephone Sets)	125			\$ 4,050.00
				Tax				\$ 202.50
		11363	07/09/04	Hartwell Phone System / Installation and Testing				\$ 13,000.00
		11364	07/09/04	Hartwell Phone System / Installation and Testing (3rd cabinet at local site and one digital line card) fibre extended board				\$ 2,000.00
	NEW ENGLAND LAB	3650-1	04/12/04	8' fume hood and casework - 10% deposit				\$ 1,310.00
		3650-2	05/21/04	8' fume hood and casework - 90% balance upon completion				\$ 11,790.00
	SHONS REFRIGERATION	52348	06/02/04	80 m Freezer 115V	1			\$ 8,442.00
	BIO-RAD	3161309	06/14/04	icyclicr well mod m\demo;	1	LX10003276101		\$ 4,500.00

LUNAIRE LIMITED	1053708	06/14/04	iq optical system		LXYO331002	\$	27,000.00
		06/14/04	bio plex		582BRO11178	\$	43,000.00
		07/02/04	Stability Chamber - CE0917W-A-B #31043	1	31043	\$	10,117.00
		07/02/04	Steel Surcharge and DPDT CONTACTS			\$	563.00
BIOMATIC	2004-176	07/30/04	OQ/PV of aglient series 1100 binary pump, Model G1312			\$	1,895.00
BIOLOGICAL OPTICAL TECH	04-10935	07/30/04	Maintence			\$	995.00
		08/03/04	Objective Heater Controller	3		\$	2,825.00
		08/03/04	Freight			\$	14.00
LAB PRODUCTS	IP081704	08/17/04	Waste management system with 1 attachments		59020	\$	8,878.25
NOVTEK	1514		Freight and Handling			\$	1,151.78
		08/30/04	Air stream Incubator			\$	1,980.00
BIOPTCHS	04-11047	08/30/04	Freight			\$	18.95
		09/03/04	Della dish controller with attachments			\$	3,725.00
NORTHEAST AUTOMATION	11837	09/13/04	Jun-Air compressor			\$	7,020.48
		09/13/04	Freight			\$	195.52
ZANDER MEDICAL SUPPLIES	942504	09/14/04	Incubator with attachments			\$	3,511.70
			Freight			\$	95.11
FUNDING TOTAL						\$	1,317,351.68

ITEM	SUPPLIER	INVOICE #	INV. DATE	DESCRIPTION	VENDOR TOTAL	PROOF OF PAYMENT	CK AMT.	EQUIP CODE
-----	-----	-----	-----	-----	-----	-----	-----	-----
MICRO VIDEO INSTRUMENT		00040763	03/29/04	CFI Plan Fluor 60x	57229	Yes	\$ 2,402.35	LAB
				Freight				SOFT
		00041172	04/29/04	X-cite power supply lamp	57746	Yes	\$ 4,770.88	LAB
			04/29/04	Freight				SOFT
		00042403	08/18/04	Microscope Upgrade with attachments	59348	Yes	\$ 57,877.49	LAB
				SOFTWARE				SOFT
				Freight				SOFT
ISCO INC		383957-00	03/31/04	Combiflash SQ 16X 16 Column	57214	Yes	\$ 53,650.95	LAB
		383960-00	03/31/04	Lab equipment foxy 200 with attachments	57214	Yes	\$ 53,650.95	LAB
AFFYMETRIX, INC	RI 83668	03/31/04	Training Kit GC & Scanner upgrade GCS3000 with attachments	57160	Yes	\$ 140,000.00	LAB	
FISHER SCIENTIFIC	5683007	04/26/04	World precision evom epithelial voltohmmeter	57725	Yes	\$ 2,911.62	LAB	
EASTERN SCIENTIFIC	184	04/27/04	Leybold vacuum pump with attachments	57722	Yes	\$ 3,085.00	LAB	
		04/27/04	Installation					SOFT
INTELEC MARKETING	15958	04/30/04	Workstation ofc	58546	Yes	\$ 3,312.68	OFC	
		04/30/04	Freight					SOFT
REC SUPPLY	1035	05/05/04	SGI Octane2 2X600MHz	57906	Yes	\$ 13,896.00	COMP	
UNITED BUSINESS TEL	11362	07/09/04	125 Hartwell Phone System (Telephone Sets)	58610	Yes	\$ 19,252.50	OFC	
			Tax					SOFT
	11363	07/09/04	Hartwell Phone System / Installation and Testing	58610	Yes	\$ 19,252.50	SOFT	
	11364	07/09/04	Hartwell Phone System / Installation and Testing (3rd cabinet at local site and one digital line card) fibre extended board	58610	Yes	\$ 19,252.50	OFC	
NEW ENGLAND LAB		3650-1	04/12/04	8' fume hood and casework - 10% deposit	57340	Yes	\$ 6,022.40	LAB
		3650-2	05/21/04	8' fume hood and casework - 90% balance upon completion	57899	Yes	\$ 11,790.00	LAB
SHONS REFRIGERATION	52348		06/02/04	80 m Freezer 115V	57909	Yes	\$ 8,442.00	LAB
		BIO-RAD	3161309	06/14/04	icycler well mod m\demo;	58156	Yes	\$ 75,692.96
			06/14/04	iq optical system				LAB
			06/14/04	bio plex				LAB
LUNAIRE LIMITED	1053708	07/02/04	Stability Chamber - CE0917W-A-B#31043	58901	Yes	\$ 10,979.82	LAB	
		07/02/04	Steel Surcharge and DPDT CONTACTS					SOFT
BIOMATIC	2004-176	07/30/04	OQ/PV of agilent series 1100 binary pump, Model G1312	59176	Yes	\$ 2,890.00	LAB	
		07/30/04	Maintence					SOFT
BIOLOGICAL OPTICAL TECH	04-10935	08/03/04	Objective Heater Controller	59099	Yes	\$ 2,839.00	LAB	
		08/03/04	Freight					SOFT
LAB PRODUCTS	IP081704	08/17/04	Waste management system with attachments	59412	Yes	\$ 10,030.03	LAB	
			Freight and Handling					SOFT
NOVTEK	1514	08/30/04	Air stream Incubator	59430	Yes	\$ 1,996.96	LAB	
		08/30/04	Freight					SOFT
BIOPTECHS	04-11047	09/03/04	Della dish controller with attachments	59666	Yes	\$ 12,600.00	LAB	
NORTHEAST AUTOMATION	11837	09/13/04	Jun-Air compressor	59570	Yes	\$ 7,216.00	LAB	
		09/13/04	Freight					SOFT
ZANDER MEDICAL SUPPLIES	942504	09/14/04	Incubator with attachments	59613	Yes	\$ 3,606.61	LAB	
			Freight					SOFT

INV. ITEM	SUPPLIER	INVOICE #	INV. DATE	DESCRIPTION	LOCATION
-----					
MICRO VIDEO INSTRUMENT		00040763	03/29/04	CFI Plan Fluor 60x	6A Bedford
				Freight	
		00041172	04/29/04	X-cite power supply lamp	6a Bedford
			04/29/04	Freight	
		00042403	08/18/04	Microscope Upgrade with	45 Hartwell
				attachments	
ISCO INC				SOFTWARE	
				Freight	
		383957-00	03/31/04	Combiflash SQ 16X 16 Column	45 Hartwell
AFFYMETRIX, INC	RI 83668	383960-00	03/31/04	Lab equipment foxy 200 with	45 Hartwell
				attachments	
			03/31/04	Training Kit GC & Scanner	6A Bedford
FISHER SCIENTIFIC	5683007			upgrade GCS3000 with	
				attachments	
			04/26/04	World precision evom	45 Hartwell
EASTERN SCIENTIFIC	184			epithelial voltohmeter	
			04/27/04	Leybold vacuum pump with	45 Hartwell
				attachments	
INTELEC MARKETING	15958		04/27/04	Installation	
			04/30/04	Workstation ofc	45 Hartwell
			04/30/04	Freight	
REC SUPPLY	1035		05/05/04	SGI Octane2 2X600MHz	45 Hartwell
		11362	07/09/04	125 Hartwell Phone System	125 Hartwell

			(Telephone Sets)	
			Tax	
	11363	07/09/04	Hartwell Phone System /	125 Hartwell
			Installation and Testing	
	11364	07/09/04	Hartwell Phone System /	125 Hartwell
			Installation and Testing	
			(3rd cabinet at local site	
			and one digital line card)	
			fibre extended board	
NEW ENGLAND LAB	3650-1	04/12/04	8' fume hood and casework -	45 Hartwell
			10% deposit	
	3650-2	05/21/04	8' fume hood and casework -	45 Hartwell
			90% balance upon completion	
SHONS REFRIGERATION	52348	06/02/04	80 m Freezer 115V	45 Hartwell
BIO-RAD	3161309	06/14/04	icycler well mod m\demo;	45 Hartwell
		06/14/04	iq optical system	
		06/14/04	bio plex	
LUNAIRES LIMITED	1053708	07/02/04	Stability Chamber -	45 Hartwell
			CE0917W-A-B#31043	
		07/02/04	Steel Surcharge and DPDT	
			CONTACTS	
BIOMATIC	2004-176	07/30/04	OQ/PV of agilent series 1100	45 Hartwell
			binary pump, Model G1312	
		07/30/04	Maintenance	
BIOLOGICAL OPTICAL TECH	04-10935	08/03/04	Objective Heater Controller	45 Hartwell
		08/03/04	Freight	
LAB PRODUCTS	IP081704	08/17/04	Waste management system with	45 Hartwell
			attachments	
			Freight and Handling	
NOVTEK	1514	08/30/04	Air stream Incubator	45 Hartwell
		08/30/04	Freight	
BIOPTCHS	04-11047	09/03/04	Della dish controller with	45 Hartwell
			attachments	
NORTHEAST AUTOMATION	11837	09/13/04	Jun-Air compressor	45 Hartwell
		09/13/04	Freight	
ZANDER MEDICAL SUPPLIES	942504	09/14/04	Incubator with attachments	45 Hartwell
			Freight	

#### EQUIPMENT CODE LIST

LAB = Lab Equipment

COMP = Computer Hardware

OFC = Furniture, Telephone, Fax, Etc.

SOFT = [ILLEGIBLE], TOOLING/MOLDS, TAX, Freight, Extended Warranties, Service Contracts, Tenant Improvements, Etc.

Equip. Code	Total (Cat.)	% of Total
LAB	\$ 1,129,669.92	85.75%
COMP	\$ 103,301.79	7.84%
OFC	\$ 20,431.54	1.55%
SOFT	\$ 63,948.43	4.85%
Total	\$ 1,317.351.68	100.00%

Synta Pharmaceuticals Corp.

By: /s/ Keith Ehrlich

Name: Keith Ehrlich

Title: V.P. Finance; Administration

Healthcare Financial Services

William Stickle  
Vice President  
Life Science Finance

June 17, 2005

Mr. Keith Ehrlich  
Vice President, Finance and Administration  
Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

Dear Mr. Ehrlich:



As discussed, GE Capital Corporation (GE Capital) has approved an increase in Synta Pharmaceuticals Corp's ("Synta" or the "Lessee") capital lease facility. Provided there is no material adverse change in the Lessee's condition, the facility provides for up to an aggregate exposure to GE Capital of \$5.0 million. The expected mix of new equipment for the line is 40% lab and scientific equipment, 40% software and tenant improvements (predominantly tenant improvements) and 20% computer hardware and general office equipment. All terms and conditions as presently exist shall continue to apply, however, GE Capital shall provide financing on the tenant improvement portion of the facility with a four-year repayment term. All computer hardware, general office equipment and software shall have three-year repayment terms.

Because the approval amended the amount of the facility as compared to the April 13, 2005 proposal, GE Capital shall refund \$4,000 of the \$20,000 Good Faith Deposit Synta had previously remitted. Of the remaining \$16,000, 50% shall be applied to the first scheduled monthly payment (when advanced) and the remainder retained by GE Capital for underwriting, documentation, and application processing.

If you have any questions, please feel free to contact the undersigned at (203) 205-5216.

Sincerely,

/s/ William B. Stickle

William B. Stickle

ACCEPTED BY:

SYNTA PHARMACEUTICALS CORP.

Name:        /S/    KEITH EHRLICH  
-----  
Title:        VP FINANCE AND ADMINISTRATION  
-----  
Date:        6/25/2005  
-----

GE Healthcare Finance  
83 Wooster Heights Road                    T    203 205 5216  
5th Floor                                    F    203 205 2193  
Danbury, CT    06810

STOCK EXCHANGE AGREEMENT

This Stock Exchange Agreement (this "AGREEMENT") is made and entered into as of September 9, 2002 by and among CxSynta LLC, Keith R. Gollust, and Mountain Trail Investments, LLC (each a "SELLER" and collectively, "SELLERS"), Principia Associates, Inc., a Delaware corporation ("PRINCIPIA"), and Synta Pharmaceuticals Corp., a Delaware corporation ("SYNTA").

W I T N E S S E T H:

WHEREAS, Sellers own all of the outstanding Common Stock , \$.01 par value per share ("PRINCIPIA SHARES"), which shares represent all of the outstanding capital stock of Principia, and desire to exchange the Principia Shares for shares of the Common Stock , \$.0001 par value per share ("SYNTA SHARES"), of Synta and warrants for additional shares of Synta Shares;

WHEREAS, Principia is the owner of thirty seven million four hundred thousand (37,400,000) shares of the Common Stock, \$.01 par value per share (the "SBR SHARES"), of SBR Pharmaceuticals Corp., a Delaware corporation ("SBR"), which SBR Shares represent all of the shares of capital stock of SBR owned beneficially or of record by Principia; and

WHEREAS, Synta desires to receive, acquire and accept from Sellers, and Sellers desire to assign, transfer and deliver to Synta, the Principia Shares, upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I  
EXCHANGE AND PURCHASE OF SHARES

Section 1.1 EXCHANGE OF SHARES. At the Closing, subject to the terms and conditions of this Agreement, Sellers, as the legal and beneficial owners of the Principia Shares, shall transfer, assign convey and deliver, or cause to be transferred, conveyed and delivered, the Principia Shares to Synta, free and clear of all liens and encumbrances, and Synta shall accept the transfer and assignment of the Principia Shares.

Section 1.2 DELIVERY OF PRINCIPIA SHARES. At the Closing, Sellers shall deliver to Synta stock certificates representing the Principia Shares together with stock powers duly endorsed by Sellers in favor of Synta, and Principia shall promptly issue a new stock certificate representing the Principia Shares in the name of Synta or its designee upon delivery by Synta of the aforementioned stock certificates and stock powers to the transfer agent for Principia.

Section 1.3 ISSUANCE OF SYNTA SHARES. At the Closing, in consideration for the contribution of the Principia Shares to Synta as set forth in Section 1.1 and 1.2 hereof, Synta shall deliver to Sellers an aggregate of four million nine hundred thirty nine thousand five hundred eighty one (4,939,500) shares of Synta Shares, together with three year warrants for the purchase of an aggregate of nine hundred fifty nine thousand one hundred twenty-six (959,126)

shares of Synta Shares, in the form attached hereto as EXHIBIT A (collectively, the "SYNTA WARRANTS"). The number of shares of Synta Shares to be issued to each Seller and the number of shares of Synta shares subject to the Synta Warrant to be granted to each Seller is set forth on EXHIBIT B attached hereto.

ARTICLE II

## CLOSING

Section 2.1 CLOSING. The closing of the transactions contemplated hereby (the "CLOSING") shall take place at the offices of Nixon Peabody LLP, 101 Federal Street, Boston, MA 02110-1832, or at such other place as may be agreed to by Sellers and Synta, at 10:00 AM (Boston time) on or before September 20, 2002, or on such other date as may be agreed upon in writing by Sellers and Synta if subsequent to September 20, 2002 (the "CLOSING DATE").

## ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS

Each of the Sellers hereby severally represents and warrants to Synta as follows:

Section 3.1 TITLE TO SHARES. Such Seller owns of record and beneficially, free and clear of all encumbrances, and has good title to the number of Principia Shares as set forth on EXHIBIT B attached hereto. Such Seller is not a party to any agreement, trust or other arrangement that in any way restricts such Seller's ability to perform its obligations under this Agreement, including, without limitation, voting or transferring such Seller's Principia Shares.

Section 3.2 NO CONFLICT. The execution, delivery and performance of this Agreement by such Seller does not and will not (a) conflict with or violate any law or governmental order applicable to such Seller or any of such Seller's respective assets, properties or businesses or (b) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any encumbrance on any of the Principia Shares owned by such Seller pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which such Seller is a party or by which any of the Principia Shares owned by such Seller is bound or affected, which would adversely affect the ability of such Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement.

Section 3.3 GOVERNMENTAL CONSENTS AND APPROVALS. The execution, delivery and performance of this Agreement by such Seller does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any governmental authority.

Section 3.4 LITIGATION. No action, suit, investigation or proceeding by or against such Seller is pending or, to the knowledge of each Seller, threatened before any court, arbitrator or administrative agency, which could reasonably be expected to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated by this Agreement.

Section 3.5 SECURITIES ACT. The Synta Shares and Warrant issued by Synta to such Seller pursuant to this Agreement are being acquired by such Seller for investment only and not with a view to any public distribution thereof, and such Seller will not offer to sell or otherwise dispose of the Synta Shares or Warrant so acquired by him in violation of any of the registration requirements of the Securities Act of 1933, as amended, or any applicable state blue sky laws.

Section 3.6 NO BROKER. No broker, finder or investment banker is entitled to any brokerage, finders or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Sellers.

## ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PRINCIPIA

Principia hereby represents and warrants to Synta as follows:

Section 4.1 ORGANIZATION, GOOD STANDING AND AUTHORITY OF PRINCIPIA.

Principia is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware. Principia has full corporate power and authority to enter into this Agreement. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by the Board of Directors of Principia and no other proceedings or actions on the part of Principia are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement constitutes the valid and binding obligation of Principia, enforceable in accordance with its terms.

Section 4.2 CAPITAL STOCK OF PRINCIPIA. The authorized capital stock of

Principia consists of Two Million One Hundred (2,000,100) shares of Principia Shares. As of the date hereof, One Million Three Hundred Thousand (1,300,000) shares of Principia Shares are issued and outstanding, all of which are validly issued, fully paid and nonassessable. None of the issued and outstanding shares of Principia Shares were issued in violation of any preemptive rights. There are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the Principia Shares or obligating Principia to issue, sell or assign the Principia Shares, or any other interest in, Principia Shares. There are no outstanding contractual obligations of Principia to repurchase, redeem or otherwise acquire any shares of Principia Shares or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other person.

Section 4.3 FINANCIAL STATEMENTS. The unaudited balance sheet of

Principia as of August 31, 2002 and the related statement of income for the period then ended, complete and correct copies of which have been delivered to Synta, fairly present the financial position of Principia as at such date and the results of operations of Principia for the period then ended, in each case in accordance with U.S. generally accepted accounting principles ("GAAP") consistently applied for the period covered (subject to the normal year-end adjustments).

Section 4.4 NO MATERIAL ADVERSE CHANGE. Since August 31, 2002, there has

been no material adverse change in the properties, business, prospects, results of operations or financial condition of Principia.

Section 4.5 NO DEFAULT; NO CONFLICT WITH OTHER INSTRUMENTS. Principia is

not in default under or in violation of any provision of its Certificate of Incorporation or By-Laws. To its knowledge, based upon the representations made in the Stock Purchase Agreement, Principia is not in default under or in violation of any material indenture, mortgage, deed of trust, note, debenture, or any material agreement, lease, or other instrument or contract to which it is a party or by which it or any of its properties or assets is bound or any judgment, decree, order, statute, rule or regulation to which it is subject or by which it or any of its properties or assets is bound. To its knowledge, based upon the representations made in the Stock Purchase Agreement, the execution, delivery and performance of this Agreement, and the consummation by Principia of the transactions contemplated hereby do not and will not constitute a default under any of (a) the terms, conditions or provisions of the Certificate of Incorporation or By-Laws of Principia or (b) any material indenture, mortgage, deed of trust, note, debenture, agreement, lease or other material instrument or material contract or any such judgment, decree, order, statute, rule or regulation with respect to which Principia is a party or subject or result in the creation of any lien, charge or encumbrance on any of the properties or assets of Principia.

Section 4.6 SUBSIDIARIES; OWNERSHIP OF SBR SHARES. Principia has no

subsidiaries other than SBR. To its knowledge, Principia has good and marketable title to the SBR Shares free and clear of any and all restrictions, liens, charges, encumbrances, options and adverse claims or rights whatsoever, except as provided by applicable federal and state securities laws. To its knowledge,

based upon the representations made in the Stock Purchase Agreement, Principia owns ninety-eight and eight-tenths percent (98.80%) of the issued and outstanding capital stock of SBR and all the issued and outstanding shares of capital stock of SBR are duly authorized, validly issued, fully paid and nonassessable.

Section 4.7 ORGANIZATION, GOOD STANDING AND AUTHORITY OF SBR. Based upon the representations made in the Stock Purchase Agreement (as defined in Section 7.1 of this Agreement), SBR is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware and has the requisite power and authority to own all of its properties and assets and to carry on its business as it is now being conducted. Based upon the representations made in the Stock Purchase Agreement, SBR is duly qualified to do business and is in corporate good standing in each jurisdiction in which it owns or leases property or engages in any activity which would require it to qualify to do business as a foreign corporation, except such jurisdictions where the failure to so qualify would not have a material adverse effect on the business, condition (financial or otherwise), results of operations, rights, properties, assets or prospects of SBR.

Section 4.8 CERTIFICATE AND BY-LAWS, ETC., OF SBR. Based upon the representations made in the Stock Purchase Agreement, Principia has delivered to Synta true, accurate and complete copies of the Certificate of Incorporation and By-Laws of SBR and such Certificate of Incorporation and By-Laws are in full force and effect.

Section 4.9 NO DEFAULT; NO CONFLICT WITH OTHER INSTRUMENTS. To Principia's knowledge, based upon the representations made in the Stock Purchase Agreement, SBR is not,

and by reason of the consummation of the transactions contemplated by this Agreement will not be, in default under or in violation of any material indenture, mortgage, deed of trust, note, debenture, or any material agreement, lease, or other material instrument or material contract to which it is a party or by which it or any of its properties or assets is bound or any judgment, decree, order, statute, rule or regulation to which it is subject or by which it or any of its properties or assets are bound. To Principia's knowledge, based upon the representations made in the Stock Purchase Agreement, the consummation of the transactions contemplated by this Agreement will not result in the creation of any lien, charge or encumbrance on any of the properties or assets of SBR or on the SBR Shares.

Section 4.10 CAPITAL STOCK OF SBR. Based upon the representations made in the Stock Purchase Agreement, the authorized capital stock of SBR consists of forty million (40,000,000) shares of Common Stock, \$.01 par value per share ("SBR COMMON STOCK"). Based upon the representations made in the Stock Purchase Agreement, thirty seven million eight hundred fifty five thousand two hundred (37,855,200) shares of SBR Common Stock are issued and outstanding, all of which are validly issued, fully paid and nonassessable, and seven hundred two thousand three hundred thirty four (702,334) shares of SBR Common Stock are reserved for issuance pursuant to stock options granted pursuant to SBR's 1997 Stock Option Incentive Plan. Based upon the representations made in the Stock Purchase Agreement, none of the issued and outstanding shares of SBR Common Stock was issued in violation of any preemptive rights. Based upon the representations made in the Stock Purchase Agreement, except for the aforementioned stock options issued under the SBR Stock Option Incentive Plan, there are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the SBR Shares or obligating either Principia or SBR to issue, sell or assign the SBR Shares or any SBR Common Stock, or any other interest in, SBR. Based upon the representations made in the Stock Purchase Agreement, there are no outstanding contractual obligations of SBR to repurchase, redeem or otherwise acquire any shares of SBR Common Stock or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other person.

Section 4.11 LITIGATION. Based upon the representations made in the Stock

Purchase Agreement, (a) no action, suit, investigation or proceeding is pending or, to Principia's knowledge, threatened before any court, arbitrator or administrative agency against or affecting Principia or SBR, (b) no action, suit, investigation or proceeding is pending or, to Principia's knowledge, threatened before any court, arbitrator or administrative agency against or affecting Principia or SBR that could have the effect of delaying or hindering the transactions contemplated in this Agreement and (c) to Principia's knowledge, neither Principia nor SBR is in default with respect to any judgment, order, writ, injunction or decree of any court or any administrative agency.

Section 4.12 REQUIRED CONSENTS AND APPROVALS. Except for the authorization of Principia's Board of Directors and stockholders, the execution and delivery of this Agreement by Principia does not, and the performance of this Agreement by Principia will not, require any consent, approval, order, authorization, registration, qualification or designation from any governmental authority or pursuant to any agreement or other instrument by which Principia, or any of its respective properties or assets, is bound except (a) for such consents, approvals, orders, authorizations, registrations, qualifications or designations that have already been obtained and are in full force and effect on the date hereof, and (b) where the failure to obtain such consents,

approvals, orders, authorizations, registrations, qualifications or designations would not prevent or delay the consummation of the transactions contemplated by this Agreement, or otherwise prevent Principia from performing its obligations under this Agreement.

#### ARTICLE V REPRESENTATIONS, WARRANTIES OF SYNTA

Synta represents and warrants to Sellers as follows:

Section 5.1 ORGANIZATION, GOOD STANDING AND AUTHORITY OF SYNTA. Synta is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware and has the requisite power and authority to own, lease and operate all its properties and assets and to carry on its business as it is now being conducted. Synta is duly qualified to do business and is in corporate good standing in each jurisdiction in which it owns or leases property or engages in any activity which would require it to qualify to do business as a foreign corporation, except such jurisdictions where the failure to so qualify would not have a material adverse effect on the business, condition (financial or otherwise), results of operations, rights, properties, assets or prospects of Synta.

Section 5.2 AUTHORIZATION. Synta has full corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Synta and no other proceedings or actions on the part of Synta are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement constitutes a valid and binding obligation of Synta, enforceable in accordance with its terms.

Section 5.3 CERTIFICATE AND BY-LAWS, ETC., OF SYNTA. Synta has delivered to Principia true, accurate and complete copies of the Certificate of Incorporation and By-Laws of Synta. Such Certificate of Incorporation and By-Laws are in full force and effect.

Section 5.4 NO DEFAULT; NO CONFLICT WITH OTHER INSTRUMENTS. Synta is not in default under or in violation of any provision of its Certificate of Incorporation or By-Laws. Synta is not in default under or in violation of any material indenture, mortgage, deed of trust, note, debenture, or any material agreement, lease, or other instrument or contract to which it is a party or by which it or any of its properties or assets is bound or any judgment, decree, order, statute, rule or regulation to which it is subject or by which it or any of its properties or assets is bound. The execution, delivery and performance of this Agreement, and the consummation by Synta of the transactions contemplated

hereby do not and will not constitute a default under any of (a) the terms, conditions or provisions of the Certificate of Incorporation or By-Laws of Synta or (b) any material indenture, mortgage, deed of trust, note, debenture, agreement, lease or other material instrument or material contract or any such judgment, decree, order, statute, rule or regulation with respect to which Synta is a party or subject or result in the creation of any lien, charge or encumbrance on any of the properties or assets of Synta.

Section 5.5 CAPITAL STOCK OF SYNTA. The authorized capital stock of Synta consists of one hundred million (100,000,000) shares of Synta Common Stock. As of the date hereof, thirty

one million eight hundred twenty six thousand seven hundred thirty eight (31,826,738) shares of Synta Common Stock are issued and outstanding, all of which are validly issued, fully paid and nonassessable, and two million two hundred eighty four thousand five hundred fifty (2,284,550) shares of Synta Common Stock are reserved for issuance pursuant to stock options granted pursuant to Synta's 2001 Stock Plan. None of the issued and outstanding shares of Synta Common Stock was issued in violation of any preemptive rights. Except for the aforementioned stock options issued under the Synta 2001 Stock Plan, there are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the Synta Common Stock or obligating Synta to issue or sell any Synta Common Stock, or any other interest in, Synta. There are no outstanding contractual obligations of Synta to repurchase, redeem or otherwise acquire any shares of Synta Common Stock or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other person. Upon consummation of the transactions contemplated by this Agreement and issuance of the Synta Shares in the name of each Seller in the stock records of Synta, assuming the exercise of the Synta Warrants (but excluding Synta Shares, if any, owned by the Sellers prior to the Closing Date), the Sellers will own in aggregate fourteen and seventy-five hundredths percent (14.75%) of the issued and outstanding capital stock of Synta, as calculated on a fully-diluted basis, free and clear of any and all mortgages, pledges, liens, security interests, charges, claims, equitable interests, encumbrances, restrictions on transfer, conditional sale or other title retention device or arrangement, transfer right for the payment of any liability, or restriction on the creation of the foregoing. Upon consummation of the transactions contemplated by this Agreement, the Synta Shares will be fully paid and nonassessable. All the issued and outstanding shares of capital stock of Synta are duly authorized, validly issued, fully paid and nonassessable.

Section 5.6 LITIGATION. There are no actions, suits, or proceedings pending, or to the knowledge of Synta threatened, against Synta by any person which question the validity, legality or propriety of the transactions contemplated by this Agreement.

Section 5.7 REQUIRED CONSENTS AND APPROVALS. Except for the authorization of Synta's Board of Directors and stockholders, the execution and delivery of this Agreement by Synta does not, and the performance of this Agreement by Synta will not, require any consent, approval, order, authorization, registration, qualification or designation from any governmental authority or pursuant to any agreement or other instrument by which Synta or any of its properties is bound except (a) for such consents, approvals, orders, authorizations, registrations, qualifications or designations that have already been obtained and are in full force and effect on the date hereof, and (b) where the failure to obtain such consents, approvals, orders, authorizations, registrations, qualifications or designations would not prevent or delay the consummation of the transactions contemplated by this Agreement or otherwise prevent Synta from performing its obligations under this Agreement.

Section 5.8 SECURITIES ACT. The Principia Shares transferred and assigned to Synta pursuant to this Agreement are being acquired for investment only and not with a view to any public distribution thereof, and Synta will not offer to sell or otherwise dispose of the Principia Shares so acquired by it in violation of any of the registration requirements of the Securities Act of 1933

or any applicable state blue sky laws.

Section 5.9 NO BROKER. No broker, finder or investment banker is entitled to any brokerage, finders or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Synta.

ARTICLE VI  
CONDITIONS TO CLOSING

6.1 CONDITIONS OF SYNTA'S PERFORMANCE. The performance by Synta of its obligations under this Agreement shall be subject to the fulfillment, as determined by Synta, in its reasonable judgment, of each of the conditions specified below:

(a) each of the Sellers shall have performed and complied in all material respects with his or its obligations under this Agreement required to be performed by him or it at or prior to the Closing.

(b) the representations and warranties of each of the Sellers and Principia shall be true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing;

(c) Synta shall have received from Principia:

(i) a certificate, duly executed by an authorized officer, certifying that the representations and warranties of Principia set forth in this Agreement are true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing; and

(ii) satisfactory evidence that the representatives of Principia executing and delivering this Agreement are authorized to do so.

(d) Synta shall have received from each of the Sellers: a certificate, duly executed by such Seller, certifying that the representations and warranties of such Seller set forth in this Agreement are true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing;

(e) Synta shall have received the written resignation of each member of the Board of Directors of Principia and each of the officers of Principia.

6.2 CONDITIONS OF SELLERS' PERFORMANCE. The performance by each of the Sellers of his or its obligations under this Agreement shall be subject to the fulfillment, as determined by such Seller, in his or its reasonable judgment, of each of the conditions specified below:

(a) Synta shall have performed and complied in all material respects with its obligations under this Agreement required to be performed by it at or prior to the Closing; and

(b) the Sellers shall have received from Synta:

(i) a certificate, duly executed by an authorized officer of Synta, certifying that the representations and warranties of Synta set forth in this Agreement are true and correct in

all material respects when made and as of the Closing with the same effect as though made at and as of the Closing; and

(ii) satisfactory evidence that the representatives of Synta executing and delivering this Agreement are authorized to do so.

ARTICLE VII



## OTHER AGREEMENTS

Section 7.1 PURCHASE OF SBR SHARES BY SYNTA. Promptly following the Closing, Synta shall cause SBR to be merged with and into Principia, and in connection therewith Synta shall have Principia give notice to each of the other stockholders of SBR that Principia will purchase, for a purchase price of \$.3267973 per share, all of the shares of the SBR Shares owned by such other stockholders of SBR substantially on the terms contemplated by Section 6.14 of the Stock Purchase Agreement dated as of July 31, 2002 pursuant to which Principia purchased the SBR Shares (the "STOCK PURCHASE AGREEMENT"). A copy of the Stock Purchase Agreement has been provided to Synta previously.

Section 7.2 INDEMNIFICATION OF SELLERS. Synta hereby covenants and agrees to indemnify, protect, defend and save harmless each Seller from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, judgments, suits, actions, proceedings, costs, disbursements and expenses (including, without limitation, attorneys' expenses and disbursements) of any kind or nature whatsoever (a "Loss") which may at any time be imposed upon, incurred by or asserted or awarded against any Seller (an "Indemnatee") relating to, resulting from or arising out of the Stock Purchase Agreement or Principia's acquisition of the SBR Shares, provided such Loss was not due to the Indemnatee's willful misconduct. Indemnatee shall give to Synta notice in writing as soon as reasonably practicable under the circumstances of the commencement of any action, suit or proceeding or of any claim threatened to be made against Indemnatee for which Indemnatee proposes to demand indemnification under this Section 7.2. Failure to notify Synta shall not relieve Synta from any liability which it may have to Indemnatee if such failure does not materially adversely affect Synta or its ability to defend any such action, suit or proceeding. With respect to any action, suit or proceeding as to which Indemnatee gives notice, Synta shall have the right to assume control of the defense, compromise or settlement thereof, including at its own expense, employment of counsel reasonably satisfactory to Indemnatee, provided that the outcome includes the complete general release of the Indemnatee. In the event Synta does not notify Indemnatee in writing that it intends to assume control of such defense within thirty (30) days after Indemnatee has given Synta notice thereof, Indemnatee may undertake such defense. Synta shall not be liable to indemnify Indemnatee under this Agreement for any amounts paid in settlement of any action, suit or proceeding or claim threatened to be made against Indemnatee effected without Synta's prior written consent. Synta shall not settle any action, suit or proceeding or threatened claim without Indemnatee's prior written consent. Neither Synta nor Indemnatee will unreasonably withhold its or his consent to any proposed settlement. Synta shall not be obligated to indemnify any Indemnatee for any consequential or other indirect damages of any kind other than as set forth in this Section 7.2.

## ARTICLE VIII

### OTHER PROVISIONS

Section 8.1 GOVERNING LAW AND JURISDICTION. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed according to the laws of the State of Delaware without regard to choice of law principles.

Section 8.2 NOTICES. Unless otherwise provided herein, all notices required or permitted by the terms hereof shall be in writing. Any written notice shall become effective when received. All notices and other communications hereunder shall be deemed to have been duly given if hand delivered or mailed, by certified or registered mail, return receipt requested, postage prepaid, by overnight delivery service or by facsimile (with receipt confirmed and hard copy to follow) to the respective parties at the following addresses, or at such other address for a party as shall be specified in a notice given in accordance with this Section:

If to Sellers, to:

CxSynta LLC  
c/o Caxton Corporation  
731 Alexander Road, Bldg. 2  
Princeton, NJ 08540  
Attn: Scott Bernstein, Esq.  
Facsimile: (609) 419-9040

Keith R. Gollust  
c/o Gollust Management, Inc.  
500 Park Avenue, Suite 510  
New York, NY 10022  
Facsimile:

Mountain Trail Investments, LLC  
865 South Figueroa St., Suite 700  
Los Angeles, CA 90017  
Attn: Jonathan D. Jaffrey  
Facsimile:

if to Principia, to:

Principia Associates, Inc.  
731 Alexander Road, Bldg. 2  
Princeton, NJ 08540  
Attn: Scott Bernstein, Esq.  
Facsimile: (609) 419-9040

and, if to Synta, to:

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421  
Attn: Dr. Safi R. Bahcall  
Facsimile: (781) 274-8228

with a copy to:

Nixon Peabody LLP  
101 Federal Street  
Boston, MA 02110-1832  
Attn: Michael K. Barron, Esq.  
Facsimile: (866) 947-1784

Section 8.3 AMENDMENT AND ALTERATION. No amendment or alternation of the terms of this Agreement shall be valid or binding unless made in writing signed by an authorized representative of each of the parties to this Agreement specifically referring to this Agreement.

Section 8.4 BINDING AGREEMENT/ASSIGNMENT. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, permitted assigns and legal representatives; PROVIDED, HOWEVER, that neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of each of the other parties, which consent shall not unreasonably be delayed, conditioned or withheld.

Section 8.5 COUNTERPARTS; COPIES. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, any copy, facsimile or telecommunication or other reliable reproduction of a writing, transmission or signature may be substituted and used in lieu of the original writing, transmission or signature for any and all purposes for which the original writing, transmission or signature could be used, provided that receipt of such copy, facsimile telecommunication or other reproduction shall have been confirmed by the sending party.

Section 8.6 EXPENSES. Except as otherwise specified in this Agreement, each party hereto shall bear its or his own expenses incurred in connection with the negotiation, execution and performance of this Agreement.

Section 8.7 CERTAIN RULES OF CONSTRUCTION. The headings in the Sections and paragraphs of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement or in any way modify, amend or affect its provisions. This Agreement is the result of negotiations between the parties and shall not be deemed or construed as having been drafted by any one party.

Section 8.8 TAX CONSEQUENCES. Synta, Principia and the Sellers are each relying on the advice of their own tax advisors as to the tax effects of the transactions contemplated by this Agreement. No party is making any representation or warranty regarding the tax effects of such transactions to any other party; PROVIDED, HOWEVER, that the parties shall cooperate and take such actions and execute and deliver such documents and instruments as may be necessary to insure that the transactions contemplated hereby qualify as a tax-free reorganization pursuant to all applicable federal, state, local or foreign tax laws.

Section 8.9 INTEGRATION. This Agreement represents the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes any prior agreements, negotiations, discussions or understandings with respect to the subject matter hereof.

Section 8.10 EXCLUSIVITY. Sellers will not, for the period beginning on the date hereof until the earlier to occur of the Closing or December 31, 2002, directly or indirectly (a) solicit or initiate the submission of proposals or offers from any person other than Synta for, (b) participate in any discussions other than with Synta pertaining to, or (c) furnish any information to any person other than Synta relating to, any acquisition or purchase of all or substantially all of the material assets of, or any equity interest in Principia (including without limitation the Principia Shares or), SBR, the SBR Shares, or a merger, consolidation or business combination involving Principia or SBR.

Section 8.11 FURTHER ASSURANCES. Each party hereto shall do and perform or cause to be done and performed all further acts and things and shall execute and deliver all other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 8.12 SURVIVAL. The representations and warranties of the parties hereto contained in this Agreement shall survive until the first anniversary of the date of the Closing. The right to indemnification set forth in Section 7.2 shall not be affected by this Section 8.12.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, Synta and Principia have caused this Agreement to be executed by their respective duly authorized officers, under seal, as of the date first set forth above.

SELLERS

CxSYNTA LLC

By: /S/ PETER D'ANGELO

Print Name: Peter D'Angelo

Title: PRESIDENT

/S/ KEITH R. GOLLUST

Keith R. Gollust

MOUNTAIN TRAIL INVESTMENTS, LLC

By: /S/ RICHARD N. FOSTER

Print Name: R.N. Foster

Title: PARTNER

PRINCIPIA ASSOCIATES, INC.

By: /S/ BRUCE KOVNER

Print Name: Bruce Kovner

Title: CHAIRMAN

SYNTA PHARMACEUTICALS CORP.

By: /S/ SAFI BAHCALL

Print Name: Safi Bahcall

Title: CHIEF EXECUTIVE OFFICER

Signature Page to Stock Exchange and Purchase Agreement

EXHIBIT A

FORM OF SYNTA WARRANT

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND, ACCORDINGLY, MAY NOT BE OFFERED FOR SALE, SOLD OR OTHERWISE TRANSFERRED EXCEPT (i) UPON EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND ANY APPLICABLE STATE SECURITIES LAW, OR (ii) UPON ACCEPTANCE BY THE COMPANY OF AN OPINION OF COUNSEL IN SUCH FORM AND BY SUCH COUNSEL, OR OTHER DOCUMENTATION, AS SHALL BE SATISFACTORY TO COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

Right to Purchase \_\_\_\_\_ Shares of  
Common Stock of Synta Pharmaceuticals Corp.

SYNTA PHARMACEUTICALS CORP.

## Common Stock Purchase Warrant

SYNTA PHARMACEUTICALS CORP., a Delaware corporation (the "COMPANY"), hereby certifies that, for value received, \_\_\_\_\_ is entitled, subject to the terms set forth below, to purchase from the Company at any time or from time to time after 12:00 midnight on \_\_\_\_\_, 2002 and before 5:00 P.M., Boston time, on \_\_\_\_\_, 2005 up to \_\_\_\_\_ (\_\_\_\_\_) fully paid and nonassessable shares of Common Stock, par value \$0.0001 per share ("COMMON STOCK"), of the Company, at a purchase price per share of \$0.50 (such purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the "PURCHASE PRICE"). The number and character of such shares of Common Stock and the Purchase Price are subject to adjustment as provided herein. The term "COMPANY" shall include Synta Pharmaceuticals Corp., and any corporation which shall succeed or assume the obligations of the Company hereunder.

1. EXERCISE OF WARRANT. This Warrant may be exercised from time to time in whole or in part by the holder hereof by surrender of this Warrant, with the form of notice of exercise at the end hereof duly executed by such holder, to the Company at its principal office, accompanied by payment, if applicable, in cash or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of shares of Common Stock for which this Warrant is then exercisable by the Purchase Price then in effect. This Warrant shall expire and be of no further force or effect on \_\_\_\_\_, 2005.

2. DELIVERY OF STOCK CERTIFICATES, ETC., ON EXERCISE. As soon as practicable after the exercise of this Warrant, the Company will cause to be issued in the name of and delivered to the holder hereof, and/or the designee or designees specified by the holder on the notice of exercise, a certificate or certificates for the number of fully paid and nonassessable shares of Common Stock to which such holder and/or any such designee(s) shall be entitled on such exercise, plus, in lieu of any fractional share to which such holder would otherwise be entitled, cash equal to such fraction multiplied by the then current market value of one full share, together with any other stock or other securities and property (including cash, where applicable) to which such holder is entitled upon such exercise pursuant to

Section 1 or otherwise. In the event of a partial exercise of this Warrant by the holder hereof, on surrender for exchange of this Warrant, properly endorsed, to the Company, the Company at its expense will issue and deliver to or on the order of the holder thereof a new Warrant of like tenor, in the name of such holder, calling in the aggregate on the face thereof for the number of shares of Common Stock representing the balance of the shares of Common Stock represented hereby following such exercise and delivery of shares of Common Stock.

3. NET ISSUE EXERCISE. Notwithstanding any provisions herein to the contrary, if the fair market value of one share of the Company's Common Stock (or whatever securities are issuable upon exercise of this Warrant at the time) is greater than the Purchase Price (at the date of calculation as set forth below), then, in lieu of exercising this Warrant for cash, the holder may elect a "NET ISSUE EXERCISE", pursuant to which the holder will receive shares equal to the value (as determined below) of this Warrant (or the portion thereof being exercised), in which event the Company shall issue to the holder and/or the holder's designee(s) a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X = the number of shares of Common Stock to be issued to the Holder;

Y = the number of shares of Common Stock

purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised;

A = the fair market value of one share of the Company's Common Stock (at the date of such calculation); and

B = Purchase Price in effect (at the date of such calculation).

For purposes of the above calculation, the fair market value of one share of Common Stock shall be determined by the Company's Board of Directors in good faith. To exercise this Warrant pursuant to this Section 3, the holder must surrender this Warrant at the principal office of the Company together with the properly endorsed Form of Subscription and notice of such election.

#### 4. REORGANIZATION. CONSOLIDATION. MERGER, ETC.

(a) In case at any time or from time to time, the Company shall, (i) effect a reorganization of the capital stock of the Company, (ii) consolidate with or merge into any other person, (iii) sell all or substantially all of its assets or have all or substantially all of its stock sold (or converted into other property by virtue of a reverse merger) or (iv) dissolve or liquidate (each a "MAJOR TRANSACTION") then, in each such case, the Company will use best efforts to ensure that the acquiring entity (as applicable) assumes this Warrant or issues a comparable substitute warrant so that the holder of this Warrant, on the exercise of this Warrant or such substitute warrant, shall receive, in lieu of the Common Stock issuable on such exercise prior to such transaction, the stock and other securities and property (including cash) to which such holder would have been entitled upon consummation of such transaction if such holder had so exercised this Warrant, immediately prior thereto, all subject to further adjustment thereafter as

2

provided in Section 5. In each such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Company) shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the holder of this Warrant to the end that the provisions set forth herein (including those relating to adjustments of the Purchase Price) shall thereafter be applicable, as near as reasonably may be, in relation to any shares or other property deliverable upon the exercise hereof as if this Warrant had been exercised immediately prior to such transaction.

(b) Notwithstanding the foregoing or anything in this Warrant to the contrary, in connection with a Major Transaction, if the Company, despite its best efforts, is not successful in obtaining the assumption or substitution of this Warrant, the Company will give notice to the holder that this Warrant will terminate if not exercised prior to or simultaneously with the closing or consummation of such Major Transaction. Any such notice shall be in writing, shall describe with specificity the consideration to be received in such Major Transaction and shall be given in accordance with Section 7 at least thirty (30) days before the closing or consummation of such Major Transaction. If the holder fails to exercise this Warrant prior to simultaneously with the closing or consummation of such Major Transaction, this Warrant shall terminate and be of no further force or effect.

5. ADJUSTMENT FOR STOCK SPLIT OR STOCK DIVIDEND. In the event that the Company shall (a) declare a dividend or issue additional shares of the Common Stock (or other securities convertible into shares of Common Stock) in any other type of distribution on outstanding Common Stock, (b) subdivide its outstanding shares of Common Stock, or (c) combine its outstanding shares of the Common Stock into a smaller number of shares of the Common Stock, then, in each such event, the Purchase Price shall, simultaneously with the happening of such event, be adjusted by multiplying the then Purchase Price by a fraction, the

numerator of which shall be the number of shares of Common Stock (which number shall not include the shares of Preferred Stock (or other security of the Company convertible into Common Stock) on an as-converted basis) outstanding immediately prior to such event and the denominator of which shall be the number of shares of Common Stock (which number shall not include the shares of Preferred Stock (or other security of the Company convertible into Common Stock) on an as-converted basis) outstanding immediately after such event, and the product so obtained shall thereafter be the Purchase Price then in effect. The Purchase Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described herein in this Section 5. The holder of this Warrant shall thereafter, on the exercise hereof as provided in Section 1 or otherwise, be entitled to receive that number of shares of Common Stock determined by multiplying the number of shares of Common Stock which would otherwise (but for the provisions of this Section 5) be issuable on such exercise by a fraction of which (x) the numerator is the Purchase Price which would otherwise (but for the provisions of this Section 5) be in effect, and (y) the denominator is the Purchase Price in effect on the date of such exercise. Upon any adjustment of the Purchase Price or any increase or decrease in the number of shares purchasable upon the exercise of this Warrant, the Company shall give written notice thereof to holder in accordance with Section 7 below. The notice shall be signed by the Company's chief financial officer and shall state the Purchase Price resulting from such adjustment and the increase or decrease, if any, in the number of shares purchasable at such price upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

6. CERTAIN EVENTS. If any change in the outstanding Common Stock of the Company or any other event occurs as to which the other provisions of this Warrant are not strictly applicable or if strictly applicable would not fairly protect the purchase rights of the holder in accordance with such provisions, then the Board of Directors of the Company shall make an adjustment in the number and class of shares available under this Warrant, the Purchase Price or the application of such provisions, so the holder upon

3

exercise for the same aggregate purchase price would obtain the total number, class and kind of shares as it would have owned had this Warrant been exercised prior to the event and had the holder continued to hold such shares until after the event requiring adjustment.

7. NOTICES. Any notice pursuant to this Warrant by the Company or by the holder shall be in writing and shall be deemed to have been duly given: (a) on the date of delivery if delivered by hand, (b) on the date of delivery or refusal indicated on the return receipt if delivered or mailed by certified mail, return receipt requested, postage prepaid, (c) on the date of delivery if sent by nationally recognized overnight delivery service, or (d) on the date of transmission if sent by facsimile (with receipt confirmed and hard copy to follow):

(i) If to the holder, addressed to \_\_\_\_\_  
Attention: \_\_\_\_\_. Facsimile: (\_\_\_\_)\_\_\_\_\_.

(ii) If to the Company, addressed to it at Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, MA 02421, Attention: Dr. Safi R. Bahcall. Facsimile: (530) 323-7045.

A party may from time to time change the address to which notices to it are to be delivered or mailed hereunder by notice in accordance herewith to the other party.

8. RESERVATION OF STOCK, ETC., ISSUABLE ON EXERCISE OF WARRANT. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of this Warrant, all shares of Common Stock from time to time issuable on the exercise of this Warrant. The Company covenants and agrees that all shares of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized,

validly issued, fully paid and nonassessable and free from all preemptive rights of any stockholder and free of all taxes, liens and charges with respect to the issue thereof.

9. REPLACEMENT OF WARRANT. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement or security reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of such Warrant, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant of like tenor.

10. NO IMPAIRMENT. The Company will not avoid or seek to avoid the observance or performance of any of the terms of the Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Warrant against impairment.

11. NEGOTIABILITY, ETC. This Warrant may not be assigned or transferred without the prior written consent of the Company (which consent shall not be unreasonably withheld).

12. BINDING EFFECT ON SUCCESSORS. This Warrant shall be binding upon any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets. All of the obligations of the Company relating to Common Stock issuable upon the exercise of this Warrant shall survive the exercise and termination of this Warrant. All of the covenants and agreements of the Company shall inure to the benefit of the permitted successors and assigns of the holder.

4

13. MISCELLANEOUS. This Warrant and a certain Stock Exchange Agreement dated \_\_\_\_\_ constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof. This Warrant and any term hereof may be changed, waived or discharged only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. This Warrant shall be construed and enforced in accordance with and governed by the laws of the State of Delaware without regard to its choice of law principles. The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect any of the terms hereof. This Warrant is being executed as an instrument under seal. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

The Company has caused this Warrant to be signed by its duly authorized officer as of \_\_\_\_\_

SYNTA PHARMACEUTICALS CORP.

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

5



TO: SYNTA PHARMACEUTICALS CORP.

1. The undersigned, the holder of the within Warrant, hereby irrevocably elects to exercise this Warrant for, and to purchase thereunder, \_\_\_\_\_ shares of Common Stock, \$.0001 par value per share ("COMMON STOCK"), of SYNTA PHARMACEUTICALS CORP., and herewith makes payment of \$\_\_\_\_\_ therefor.

OR

2. The undersigned, the holder of the within Warrant, hereby irrevocably elects to convert \_\_\_\_% of the value of the Warrant pursuant to the provisions of Section 3 of the Warrant.

Please issue a certificate or certificates representing said number of shares of Common Stock in the name of the undersigned or in the name(s) of the undersigned and/or the undersigned designees as specified below:

Name	Address	# Shares/%
-----	-----	-----

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature must conform to name of holder  
as specified on the face of the Warrant)

Address: \_\_\_\_\_

\_\_\_\_\_

EXHIBIT B

PRINCIPIA STOCKHOLDERS

Name ----	No. of Principia Shares -----	No. of Synta Shares -----	No. of Synta Shares subject to Synta Warrant -----
CxSynta LLC	500,000	1,899,808	575,476
Keith R. Gollust	300,000	1,139,884	115,095
Mountain Trail Investments, LCC	500,000	1,899,808	268,555

AGREEMENT OF MERGER

This Agreement of Merger (this "Agreement") is made and entered into as of December 27, 2002 by and among Synta Pharmaceuticals Corp., a Delaware corporation ("Synta"), DGN Genetics Acquisition Corp., a Delaware corporation (the "Merger Sub", and together with Synta, the "Buyers"), Diagon Genetics, Inc., a Delaware corporation ("Diagon"), and Dr. Safi R. Bahcall, Dr. Lan Bo Chen and Lin-Huey Chen and Lynn T. Lee, Trustees for the Lan Bo Chen and Lin-Huey Chen Irrevocable Trust dtd 12/19/95 (each a "Stockholder" and collectively, the "Stockholders").

W I T N E S S E T H:

WHEREAS, the Stockholders collectively own all of the issued and outstanding shares of the capital stock (the "Stock") of Diagon as set forth in EXHIBIT A hereto;

WHEREAS, the respective boards of directors of Synta, the Merger Sub and Diagon have approved the merger of Diagon with and into the Merger Sub (the "Merger"), pursuant to and subject to the conditions set forth herein and in accordance with the laws of the State of Delaware;

WHEREAS, subsequent to the Merger and prior to January 1, 2003, Synta intends to merge the Merger Sub with and into Synta in accordance with the laws of the State of Delaware; and

WHEREAS, Synta, the Merger Sub, Diagon and the Stockholders desire to make certain representations, warranties and agreements in connection with the Merger;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I  
THE MERGER

Section 1.1 THE MERGER. At the Effective Time (as defined in Section 1.2), Diagon shall be merged with and into the Merger Sub (Diagon together with Merger Sub, the "Constituent Corporations") in accordance with the applicable provisions of the Delaware General Corporation Law ("DGCL"), and the separate existence of Diagon shall thereupon cease; and the Merger Sub, as the surviving corporation in the Merger (the "Surviving Corporation"), shall continue its corporate existence in accordance with the DGCL.

Section 1.2 EFFECTIVE TIME OF THE MERGER. At the Closing, the Merger Sub shall cause the Merger to be consummated by filing with the Secretary of State of Delaware an appropriate Certificate of Merger (the "Certificate of Merger") duly executed in accordance with this Agreement and the DGCL. The date and time at which the Certificate of Merger is filed is referred to herein as the "Effective Time"

Section 1.3 CERTIFICATE OF INCORPORATION. The Certificate of Incorporation of the Merger Sub as in effect at the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation; PROVIDED, HOWEVER, that Article 1 of the Certificate of Incorporation shall be amended to read as follows: "The name of the corporation is Diagon Genetics, Inc."

Section 1.4 BY-LAWS. The by-laws of Merger Sub as in effect at the Effective Time shall be the by-laws of the Surviving Corporation.

Section 1.5 DIRECTORS AND OFFICERS. The directors and officers of the Surviving Corporation at the Effective Time shall be the directors and officers of Merger Sub in office immediately prior to the Effective Time, each to serve in accordance with the by-laws of the Surviving Corporation.

Section 1.6 RIGHTS AND LIABILITIES OF SURVIVING CORPORATION. At the Effective Time, the Surviving Corporation shall succeed to all the properties and assets of the Constituent Corporations and to all debts, choses in action and other interests due or belonging to the Constituent Corporations and shall be subject to and responsible for all the debts, liabilities and duties of the Constituent Corporations in accordance with Section 259 of the DGCL.

Section 1.7 CONVERSION OF SHARES. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any securities of the Constituent Corporations:

(a) each share of Stock then outstanding, and all rights with respect thereto, shall be converted into and represent the right to receive the Merger Consideration as defined in Section 2.2;

(b) each share of Stock, if any, held in Diagon's treasury shall be canceled and retired without payment of any consideration therefor; and

(c) each outstanding stock option, warrant or other right, if any, to purchase shares of the capital stock of Diagon, whether or not then exercisable or vested, shall be canceled and no cash or other consideration shall be paid or delivered in exchange therefor.

## ARTICLE II CLOSING; MERGER CONSIDERATION

Section 2.1 CLOSING. The closing of the transactions contemplated hereby (the "Closing") shall take place at the offices of Nixon Peabody LLP, 101 Federal Street, Boston, MA 02110-1832, or at such other place as may be agreed to by Stockholders and Synta, at 10:00 AM (Boston time) on or before December 27, 2002, or on such other date as may be agreed upon in writing by Stockholders and Synta if subsequent to December 27, 2002 (the "Closing Date").

## 1

Section 2.2 MERGER CONSIDERATION. Each Stockholder shall receive for his Stock the number of shares of Common Stock, \$.0001 par value per share, of Synta ("Synta Shares") and cash payment set forth opposite his name on EXHIBIT A (the "Merger Consideration"). The cash payment shall be made to each Stockholder either via wire transfer of immediately available funds to the account of the Stockholder, if such information has previously been provided to Synta, or via check made payable to the order of the Stockholder. The method of payment shall be determined by Synta in its discretion.

## ARTICLE III REPRESENTATIONS AND WARRANTIES OF STOCKHOLDERS

Diagon and each of the Stockholders hereby jointly and severally represent and warrant to the Buyers as follows:

Section 3.1 TITLE TO SHARES. Each Stockholder owns of record and beneficially, free and clear of all encumbrances, and has good title to the number of shares of Stock as set forth on EXHIBIT A attached hereto. No Stockholder is a party to any agreement, trust or other arrangement that in any way restricts such Stockholder's ability to perform its obligations under this Agreement, including, without limitation, voting or transferring such Stockholder's shares of Stock.

Section 3.2 NO CONFLICT. The execution, delivery and performance of this Agreement by each Stockholder does not and will not (a) conflict with or violate any law or governmental order applicable to such Stockholder or any of such Stockholder's respective assets, properties or businesses or (b) conflict with,

result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any encumbrance on any of the shares of Stock owned by such Stockholder pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which such Stockholder is a party or by which any of the shares of Stock owned by such Stockholder is bound or affected, which would adversely affect the ability of such Stockholder to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement.

Section 3.3 GOVERNMENTAL CONSENTS AND APPROVALS. The execution, delivery and performance of this Agreement by each Stockholder does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any governmental authority.

2

Section 3.4 LITIGATION. No action, suit, investigation or proceeding by or against any Stockholder is pending or, to the knowledge of any Stockholder, threatened before any court, arbitrator or administrative agency, which could reasonably be expected to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated by this Agreement.

Section 3.5 SECURITIES ACT. The Synta Shares issued by Synta to each Stockholder pursuant to this Agreement are being acquired by such Stockholder for investment only and not with a view to any public distribution thereof, and such Stockholder will not offer to sell or otherwise dispose of the Synta Shares so acquired by such Stockholder in violation of any of the registration requirements of the Securities Act of 1933, as amended, or any applicable state blue sky laws.

Section 3.6 NO BROKER. No broker, finder or investment banker is entitled to any brokerage, finders or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of any Stockholder or Diagon.

Section 3.7 ORGANIZATION, GOOD STANDING AND AUTHORITY OF DIAGON. Diagon is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by Board of Directors of Diagon and, as set forth in Section 3.14 hereof, by the Stockholders and no other proceedings or actions on the part of Diagon is necessary to authorize this Agreement and the transactions contemplated hereby except as set forth in Section 3.14 hereof. This Agreement constitutes a valid and binding obligation of Diagon, enforceable in accordance with its terms.

Section 3.8 CAPITAL STOCK OF DIAGON. The authorized capital stock of Diagon consists of forty million (40,000,000) shares of Common Stock, \$.0001 par value per share (the "Diagon Common Stock"). As of the date hereof, three thousand (3,000) shares of Diagon Common Stock are issued and outstanding, all of which are validly issued, fully paid and nonassessable. None of the issued and outstanding shares of Diagon Common Stock were issued in violation of any preemptive rights. There are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the Stock or obligating Diagon to issue, sell or assign the Stock, or any other interest in, the Stock. There are no outstanding contractual obligations of Diagon to repurchase, redeem or otherwise acquire any shares of the Stock or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other person.

Section 3.9 FINANCIAL STATEMENTS OF DIAGON. The unaudited balance sheet of Diagon as of November 30, 2002 and the related statement of income for the period then ended, complete and correct copies of which have been delivered

to Synta previously, fairly present the financial position of Diagon as at such date and the results of operations of Diagon for the period then ended, in each case in accordance with U.S. generally accepted accounting principles consistently applied for the period covered (subject to the normal year-end adjustments).

3

Section 3.10 NO MATERIAL ADVERSE CHANGE. Since November 30, 2002, there has been no material adverse change in the properties, business, prospects, results of operations or financial condition of Diagon.

Section 3.11 NO DEFAULT; NO CONFLICT WITH OTHER INSTRUMENTS. Diagon is not in default under or in violation of any provision of its charter or by-laws. Diagon is not in default under or in violation of any material indenture, mortgage, deed of trust, note, debenture, or any material agreement, lease, or other instrument or contract to which it is a party or by which it or any of its properties or assets is bound or any judgment, decree, order, statute, rule or regulation to which it is subject or by which it or any of its properties or assets is bound. The performance of this Agreement and the consummation of the transactions contemplated hereby do not and will not constitute a default under any material indenture, mortgage, deed of trust, note, debenture, agreement, lease or other material instrument or material contract or any such judgment, decree, order, statute, rule or regulation with respect to which Diagon is a party or subject or result in the creation of any lien, charge or encumbrance on any of the properties or assets of Diagon.

Section 3.12 SUBSIDIARIES. Diagon has no subsidiaries.

Section 3.13 LITIGATION. There is (a) no action, suit, investigation or proceeding pending or, to any Stockholder's knowledge, threatened before any court, arbitrator or administrative agency against or affecting Diagon, (b) no action, suit, investigation or proceeding pending or, to any Stockholder's knowledge, threatened before any court, arbitrator or administrative agency against or affecting Diagon that could have the effect of delaying or hindering the transactions contemplated in this Agreement and (c) to any Stockholder's knowledge, no default with respect to any judgment, order, writ, injunction or decree of any court or any administrative agency against or affecting Diagon that could have the effect of delaying or hindering the transaction contemplated in this Agreement.

Section 3.14 REQUIRED CONSENTS AND APPROVALS. The performance of this Agreement will not require any consent, approval, order, authorization, registration, qualification or designation from any governmental authority or pursuant to any agreement or other instrument by which Diagon, or any of its properties or assets, is bound except (a) for such consents, approvals, orders, authorizations, registrations, qualifications or designations that have already been obtained and are in full force and effect on the date hereof, and (b) where the failure to obtain such consents, approvals, orders, authorizations, registrations, qualifications or designations would not prevent or delay the consummation of the transactions contemplated by this Agreement, or otherwise prevent the Stockholders from performing their obligations under this Agreement. Each of the Stockholders agrees that the execution and delivery of this Agreement shall constitute his vote for adoption of this Agreement in accordance with, and his written waiver of any notice required by or appraisal rights with respect to the transactions contemplated hereby arising under, the DGCL.

4

ARTICLE IV  
REPRESENTATIONS, WARRANTIES OF BUYERS

Buyers jointly and severally represent and warrant to Stockholders as follows:

Section 4.1 ORGANIZATION, GOOD STANDING AND AUTHORITY OF THE BUYERS.

Each of the Buyers is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware and has the requisite power and authority to own, lease and operate all its properties and assets and to carry on its business as it is now being conducted. Each of the Buyers is duly qualified to do business and is in corporate good standing in each jurisdiction in which it owns or leases property or engages in any activity which would require it to qualify to do business as a foreign corporation, except such jurisdictions where the failure to so qualify would not have a material adverse effect on the business, condition (financial or otherwise), results of operations, rights, properties, assets or prospects of the Buyers.

Section 4.2 AUTHORIZATION. Each of the Buyers has full corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Synta and by the Board of Directors and sole stockholder of the Merger Sub and no other proceedings or actions on the part of each of the Buyers are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement constitutes a valid and binding obligation of each of the Buyers, enforceable in accordance with its terms.

Section 4.3 NO VIOLATION. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate any provisions of the charter or by-laws of either of the Buyers, or violate, or be in conflict with, or allow the termination of, or constitute a default under, or cause the acceleration of the maturity of, or create a lien under, any material debt or obligation pursuant to any material agreement or commitment to which such Buyer is a party or by which such Buyer is bound, or, to the knowledge of such Buyer, violate any statute or law or any judgment, decree, order, regulation or rule of any governmental authority to which such Buyer is subject.

Section 4.4 CONSENTS AND APPROVALS OF GOVERNMENTAL AUTHORITIES. Except for consents, approvals or authorizations which if not received or declarations, filings or registrations which if not made, would not have a material adverse effect on the business, results of operations or financial condition of the Buyers or impede the consummation of the transactions contemplated by this Agreement in any material respect, no consent, approval or authorization of, or declaration, filing or registration with, any governmental authority is required to be made or obtained by either of the Buyers in connection with the execution, delivery and performance of this Agreement or the transactions contemplated hereby.

Section 4.5 BROKERS', FINDERS' FEES, ETC. Neither of the Buyers has employed any broker, finder, investment banker or financial advisor as to whom either Buyer may have any obligation to pay any brokerage or finders' fees, commissions or similar compensation in connection with the transactions contemplated hereby.

5

Section 4.6 LITIGATION. There is no action, proceeding or investigation pending or threatened against either of the Buyers, which, if adversely determined, would adversely affect the Buyers' performance under this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE V  
CONDITIONS TO CLOSING

5.1 CONDITIONS OF BUYERS' PERFORMANCE. The performance by the Buyers under this Agreement shall be subject to the fulfillment, as determined by the Buyers, in their reasonable judgment, of each of the conditions specified below:

(a) each of the Stockholders shall have performed and complied in all material respects with his obligations under this Agreement required to be performed by such Stockholder at or prior to the Closing;

(b) the representations and warranties of Diagon and each of the Stockholders shall be true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing;

(c) the Buyers shall have received from Diagon and each of the Stockholders: a certificate, duly executed by such Stockholder, certifying that the representations and warranties of such Stockholder set forth in this Agreement are true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing; and

(d) the Buyers shall have received the written resignation of each member of the Board of Directors of Diagon and each of the officers of Diagon.

5.2 CONDITIONS OF STOCKHOLDERS' PERFORMANCE. The performance by each of the Stockholders of such Stockholder's obligations under this Agreement shall be subject to the fulfillment, as determined by such Stockholder, in his reasonable judgment, of each of the conditions specified below:

(a) the Buyers shall have performed and complied in all material respects with their obligations under this Agreement required to be performed by it at or prior to the Closing; and

(b) the Stockholders shall have received from the Buyers:

(i) a certificate, duly executed by an authorized officer of each of the Buyers, certifying that the representations and warranties of each of the Buyers set forth in this Agreement are true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing; and

6

(ii) satisfactory evidence that the representatives of each of the Buyers executing and delivering this Agreement are authorized to do so.

#### ARTICLE VI INDEMNIFICATION

Section 6.1 INDEMNIFICATION BY STOCKHOLDERS. Subject to Section 6.3 hereof, from and after the Closing, the Stockholders hereby jointly and severally covenant and agree to indemnify, protect, defend and save harmless each of the Buyers from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, judgments, suits, actions, proceedings, costs, disbursements and expenses (including, without limitation, reasonable attorneys' expenses and disbursements) of any kind or nature whatsoever (a "LOSS") arising out of or incurred with respect to (a) any breach of any or all of the Stockholders' representations and warranties in this Agreement or any certificate delivered at the Closing, or (b) the breach or nonperformance of any covenant or obligation to be performed by the Stockholders hereunder or under any agreement executed in connection herewith, provided such Loss was not due to a Buyer's willful misconduct.

Section 6.2 INDEMNIFICATION OF THE STOCKHOLDERS. Subject to Section 6.3 hereof, from and after the Closing, the Buyers shall indemnify and hold harmless the Stockholders (and their respective legatees, heirs, and legal representatives) from and against any and all Loss arising out of or incurred with respect to (a) any breach of any or all of the Buyers' representations and warranties in this Agreement or any certificate delivered at the Closing, or (b) the breach or nonperformance of any covenant or obligation to be performed by the Buyers hereunder or under any agreement executed in connection herewith, provided such Loss was not due to a Stockholder's willful misconduct.

Section 6.3 CONDITIONS TO INDEMNIFICATION. An indemnified party (an "Indemnitee") shall give to the indemnifying party (an "Indemnitor") notice in writing as soon as reasonably practicable under the circumstances of the commencement of any action, suit or proceeding or of any claim threatened to be made against Indemnitee for which Indemnitee proposes to demand indemnification

under this Article 6. Failure to notify Indemnitor shall not relieve the Indemnitor from any liability which he may have to Indemnatee if such failure does not materially adversely affect Indemnitor or his ability to defend any such action, suit or proceeding. With respect to any action, suit or proceeding as to which Indemnatee gives notice, Indemnitor shall have the right to assume control of the defense, compromise or settlement thereof, including at Indemnitor's own expense, employment of counsel reasonably satisfactory to Indemnatee, provided that the outcome includes the complete general release of the Indemnatee. In the event Indemnitor does not notify Indemnatee in writing that he intends to assume control of such defense within thirty (30) days after Indemnatee has given Indemnitor notice thereof, Indemnatee may undertake such defense. Indemnitor shall not be liable to indemnify Indemnatee under this Agreement for any amounts paid in settlement of any action, suit or proceeding or claim threatened to be made against Indemnatee effected without Indemnitor's prior written consent. Indemnatee shall not settle any action, suit or proceeding or threatened claim without Indemnitor's prior written consent. Neither Indemnitor nor Indemnatee

7

will unreasonably withhold his consent to any proposed settlement. Indemnitor shall not be obligated to indemnify any Indemnatee for any consequential or other indirect damages of any kind other than as set forth in this Article 6.

#### ARTICLE VII OTHER AGREEMENTS

Section 7.1 ISSUANCE OF SYNTA SHARES TO BETH ISRAEL. Subsequent to the Closing, in accordance with that certain License Agreement by and between Diagon and Beth Israel Deaconess Medical Center, Inc., a Massachusetts nonprofit corporation ("Beth Israel"), dated November 15, 2002, and that certain additional License Agreement, also by and between Diagon and Beth Israel, dated November 15, 2002, Synta shall deliver to Beth Israel an aggregate of one hundred eighty-four thousand, four hundred forty-seven (184,447) shares of Synta Shares, provided that Synta and Beth Israel have entered into a mutually acceptable Stock Transfer Agreement with regard to such Synta Shares.

Section 7.2 MERGER OF SURVIVING CORPORATION WITH AND INTO SYNTA. Subsequent to the Merger and prior to January 1, 2003, Synta shall use reasonable efforts to merge the Surviving Corporation with and into Synta pursuant to Section 253 of the DGCL, with Synta being the surviving corporation.

#### ARTICLE VIII OTHER PROVISIONS

Section 8.1 GOVERNING LAW AND JURISDICTION. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed according to the laws of the State of Delaware without regard to choice of law principles.

Section 8.2 NOTICES. Unless otherwise provided herein, all notices required or permitted by the terms hereof shall be in writing. Any written notice shall become effective when received. All notices and other communications hereunder shall be deemed to have been duly given if hand delivered or mailed, by certified or registered mail, return receipt requested, postage prepaid, by overnight delivery service or by facsimile (with receipt confirmed and hard copy to follow) to the respective parties at the following addresses, or at such other address for a party as shall be specified in a notice given in accordance with this Section:

If to Stockholders, to:

Dr. Lan Bo Chen  
184 East Emerson Road  
Lexington, MA 02420  
Facsimile: (781) 863-5917



Lin-Huey Chen and Lynn T. Lee,  
Trustees for the Lan Bo Chen and Lin-  
Huey Chen Irrevocable Trust dated December 19, 1995

8

c/o Mrs. Lin-Huey Chen  
184 East Emerson Road  
Lexington, MA 02420  
Facsimile: (781) 863-5917

Dr. Safi R. Bahcall  
140 West 69th Street  
#111C  
New York, NY 10023  
Facsimile: (530) 323-7045

and, if to Synta or the Merger Sub, to:

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421  
Attn: Dr. Safi R. Bahcall  
Facsimile: (781) 274-8228

with a copy to:

Nixon Peabody LLP  
101 Federal Street  
Boston, MA 02110  
Attn: Michael K. Barron, Esq.  
Facsimile: (866) 947-1784

Section 8.3 AMENDMENT AND ALTERATION. No amendment or alteration of the terms of this Agreement shall be valid or binding unless made in writing signed by an authorized representative of each of the parties to this Agreement specifically referring to this Agreement.

Section 8.4 BINDING AGREEMENT/ASSIGNMENT. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, permitted assigns and legal representatives; PROVIDED, HOWEVER, that neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of each of the other parties, which consent shall not unreasonably be delayed, conditioned or withheld.

Section 8.5 COUNTERPARTS; COPIES. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, any copy, facsimile or telecommunication or other reliable reproduction of a writing, transmission or signature may be substituted and used in lieu of the original writing, transmission or signature for any and all purposes for which the original writing, transmission or signature could be used, provided that receipt of such copy, facsimile telecommunication or other reproduction shall have been confirmed by the sending party.

9

Section 8.6 EXPENSES. Except as otherwise specified in this Agreement, each party hereto shall bear his own expenses incurred in connection with the negotiation, execution and performance of this Agreement.

Section 8.7 CERTAIN RULES OF CONSTRUCTION. The headings in the Sections and paragraphs of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement or in any way modify, amend or

affect its provisions. Terms used in the singular shall be read in the plural, and vice versa, and terms used in the masculine gender shall be read in the feminine or neuter gender when the context so requires, and vice versa. This Agreement is the result of negotiations between the parties and shall not be deemed or construed as having been drafted by any one party.

Section 8.8 TAX CONSEQUENCES. Buyers and the Stockholders are each relying on the advice of their own tax advisors as to the tax effects of the transactions contemplated by this Agreement. No party is making any representation or warranty regarding the tax effects of such transactions to any other party; PROVIDED, HOWEVER, that the parties shall cooperate and take such actions and execute and deliver such documents and instruments as may be necessary to insure that the transactions contemplated hereby qualify as a tax-free reorganization pursuant to all applicable federal, state, local or foreign tax laws.

Section 8.9 INTEGRATION. This Agreement represents the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes any prior agreements, negotiations, discussions or understandings, whether written or oral, with respect to the subject matter hereof.

Section 8.10 FURTHER ASSURANCES. Each party hereto shall do and perform or cause to be done and performed all further acts and things and shall execute and deliver all other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 8.11 SURVIVAL. The representations and warranties and rights to indemnification of the parties hereto contained in this Agreement shall survive eighteen (18) months from the date of the Closing.

Section 8.12 SEVERABILITY. The provisions of this Agreement shall be deemed severable, and if any part of any provision is held to be illegal, void, voidable, invalid, non-binding or unenforceable in its entirety or partially or as to any party, for any reason, such provision may be changed, consistent with the intent of the parties hereto, to the extent reasonably necessary to make the provision, as so changed, legal, valid, binding and enforceable. If any provision of this Agreement is held to be illegal, void, voidable, invalid, non-binding or unenforceable in its entirety or partially or as to any party, for any reason, and if such provision cannot be changed consistent with the intent of the parties hereto to make it fully legal, valid, binding and enforceable, then such provisions will be stricken from this Agreement, and the remaining

10

provisions of this Agreement shall not in any way be affected or impaired, but shall remain in full force and effect.

Section 8.13 CONFLICT WAIVER. The parties to this Agreement hereby acknowledge that (i) Nixon Peabody LLP ("NP") has represented the interests of Synta and Merger Sub (the "Represented Parties") in connection with this Agreement and the transactions contemplated by this Agreement; (ii) the business terms of the transactions contemplated by this Agreement have been primarily negotiated between the Represented Parties and the other parties to this Agreement (the "Other Parties"); (iii) the parties have requested that NP draft the Agreement and assist in the implementation of the Merger; (iv) because of the amicable relationship of the parties, NP has agreed to draft the Agreement and assist in the implementation of the Merger; (v) each of the Other Parties has been advised by NP to retain his own independent attorney to review this Agreement and that each of the Other Parties is entitled to the undivided loyalty of an attorney that will act in a manner designed solely to further his best interest; (vi) each of the Other Parties has been advised by NP that his individual interests in this Agreement and the transactions contemplated by this Agreement may conflict with and/or be adverse to the interests of the Represented Parties or one or more of the Other Parties; (vii) NP cannot advise

the Other Parties individually with respect to his personal interests against the Represented Parties or one or more of the Other Parties, as each of the Other Parties would expect from his own attorney; and (viii) communications by Represented Parties and each of the Other Parties with NP may not be protected by the attorney-client privilege if litigation arises between any of the parties to this Agreement in connection with this Agreement or the transactions contemplated by this Agreement; and (ix) NP's advice to the Represented Parties may be potentially adverse to the interests of one or more of the Other Parties. Each of the Other Parties hereby waives any conflict of interest presented by NP's representation of the Represented Parties in connection with this Agreement and the transactions contemplated by this Agreement. In agreeing to this waiver, each of the Other Parties acknowledges that he has had the opportunity to consult with separate legal counsel of his own choice.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.

11

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SYNTA PHARMACEUTICALS CORP.

STOCKHOLDERS:

By: /S/ DR.SAFI R. BAHCALL

/S/ DR. LAN BO CHEN

Print Name: Safi R. Bahcall

Dr. Lan Bo Chen

Title: CHIEF EXECUTIVE OFFICER

/S/ DR. SAFI R. BAHCALL

Dr. Safi R. Bahcall

DGN GENETICS ACQUISITION CORP.

LIN-HUEY CHEN AND LYNN T. LEE,  
TRUSTEES FOR THE LAN BO  
CHEN IRREVOCABLE TRUST DATED  
DECEMBER 19, 1995

By: /S/ BRYAN G. KEANEY

Print Name: Bryan G. Keaney

/S/ LIN-HUEY CHEN, TRUSTEE

Lin-Huey Chen, Trustee

Title: PRESIDENT

/S/ LYNN T. LEE

DIAGON GENETICS, INC.

Lynn T. Lee

By: /S/ DR. SAFI R. BAHCALL

Print Name: Safi R. Bahcall

Title: CHIEF EXECUTIVE OFFICER

Signature Page to Agreement of Merger

12

EXHIBIT A

# DIAGON STOCKHOLDERS

Name ----	No. of Diagon Shares -----	No. of Synta Shares -----	Cash Payment -----
Dr. Lan Bo Chen	838	0	\$ 3,777,780.00
Lin-Huey Chen and Lynn T. Lee, Trustees for the Lan Bo Chen and Lin-Huey Chen Irrevocable Trust dated December 19, 1995	1153	1,918,253	\$ 0.00
Dr. Safi R. Bahcall	1009	1,227,601	\$ 1,222,220.00

SYNTA PHARMACEUTICALS CORP. HAS REQUESTED THAT THE MARKED PORTIONS OF THIS DOCUMENT BE ACCORDED CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

[\*] DENOTES WHERE CONFIDENTIAL MATERIALS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

#### ASSET PURCHASE AGREEMENT

Asset Purchase Agreement dated as of December 17, 2003, by and among SYNTA PHARMACEUTICALS CORP., a Delaware corporation ("Buyer"), CANCER GENOMICS, INC., a Delaware corporation ("CG"), KAVA PHARMACEUTICALS, INC., a Delaware corporation ("Kava"), SINGLEPIXEL BIOMEDICAL, INC., a Delaware corporation ("SinglePixel"; CG, Kava and SinglePixel shall singly and collectively be referred to herein as a "Seller" or "Sellers") and CMAC, LLC, a Delaware limited liability company ("Stockholder").

This Agreement sets forth the terms and conditions upon which the Buyer will purchase from the Sellers, and Sellers (each severally and not jointly) will sell to the Buyer, all the assets of such Sellers (other than the Retained Assets, as hereinafter defined) and the business and goodwill of the Sellers as a going concern, subject to those liabilities of the Sellers which are specifically hereinafter described, for the consideration provided herein.

In all instances, except where otherwise provided, each Seller's rights and obligations hereunder shall be deemed several and not joint among the Sellers.

In consideration of the foregoing, the mutual representations, warranties and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

#### ARTICLE I

##### DEFINITIONS

1.1 DEFINITIONS. For the purposes of this Agreement, all capitalized words or expressions used in this Agreement shall have the meanings specified in this Article I (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"AFFILIATE" means when used with respect to any Person, if such Person is a corporation, any officer or director thereof and any Person which is, directly or indirectly, the beneficial owner (by itself or as part of any group) of more than fifty percent (50%) of any class of any Equity Security thereof, and, if such beneficial owner is a partnership, any general or limited partner thereof, or if such beneficial owner is a corporation, any Person controlling, controlled by or under common control with such beneficial owner, or any officer or director of such beneficial owner or of any corporation occupying any such control relationship.

"AGREEMENT" means this Asset Purchase Agreement (together with all Exhibits and Schedules hereto) as in effect from time to time.

"BUSINESS DAY" means any day, excluding Saturday, Sunday and any other day on which commercial banks in Boston, Massachusetts are authorized or required by law to close.

"CHARTER" means the Certificate of Incorporation, Articles of Incorporation or Organization or other organizational document of a corporation, as amended and restated through the date hereof.

"CLAIM" means an action, suit, proceeding, hearing, investigation, litigation, charge, complaint, claim or demand.

"CODE" means the Internal Revenue Code of 1986, and the regulations, rulings, and court decisions in respect thereof, all as the same shall be in effect at the time.

"COMMISSION" means the Securities and Exchange Commission and any other similar or successor agency of the federal government administering the Securities Act or the Exchange Act.

"ENVIRONMENTAL ACTION" means any administrative, regulatory or judicial action, suit, demand, claim, notice of non-compliance or violation, investigation, request for information, proceeding, consent order or consent agreement relating in any way to any Environmental Law or any Environmental Permit.

"ENVIRONMENTAL LAW" means any applicable federal, state or local law, statute, rule, regulation, or ordinance relating to the environment, human health or safety from pollution or other environmental degradation or Hazardous Materials.

"EQUITY SECURITY" shall have the meaning given to such term in Section 3(a)(ii) of the Exchange Act.

"ERISA" means the Employee Retirement Income Security Act of 1974, and any similar or successor federal statute, and the rules, regulations and interpretations thereunder, all as the same shall be in effect at the time.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, and the rules and regulations and interpretations of the Commission thereunder, all as the same shall be in effect at the time.

"GAAP" means generally accepted accounting principles, consistently applied.

"LIEN" means, with respect to any asset, any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien, charge, restriction, adverse claim by a third party, title defect or encumbrance of any kind.

"MATERIAL ADVERSE EFFECT" means a material adverse impact or effect on the assets of a Seller or of the Buyer, as the case may be.

"OFFICER'S CERTIFICATE" means a certificate signed in the name of a corporation by its President, Chief Executive Officer, Treasurer, Chief Financial Officer, or, if so specified, the Secretary, acting in his or her official capacity.

"PERSON" means any individual, firm, partnership, association, trust, corporation, limited liability company, governmental body or other entity.

"PURCHASE DOCUMENTS" means this Agreement, the Non-Competition Agreements, the Bills of Sale, the Instruments of Assumption, the Patent Assignments, the Kava Pharmaceutical License Agreement and any other certificate, document, instrument, stock power, or agreement executed in connection therewith.

"SECURITIES ACT" means the Securities Act of 1933 and the rules, regulations and interpretations of the Commission thereunder, all as the same shall be in effect at the time.

"SUBSIDIARY" means, with respect to any Person, any corporation, association or other entity of which such Person owns at least a majority interest of the outstanding capital stock or other Equity Securities having by the terms thereof voting power under ordinary circumstances to elect a majority of the directors, managers or trustees thereof.

"TAX" means any federal, state, local or foreign tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"TAX RETURN" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"TO STOCKHOLDER'S KNOWLEDGE", "KNOWN TO STOCKHOLDER", "TO THE KNOWLEDGE OF THE STOCKHOLDER" and words of similar import means the actual knowledge of any of Michael R.L. Astor, Joel W. McCleary, Nicholas N. Noon and Todd A. Klibansky as of the date hereof.

"VALID CLAIM" shall mean a claim in an issued, unexpired patent or in a pending patent application within the Kava Patents, Single Pixel Patents or CG Patents that (a) has not been finally cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction, (b) has not been revoked, held invalid, or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal, (c) has not been rendered unenforceable through disclaimer or otherwise, (d) is not lost through an interference proceeding or (e) to the extent pending, has not been pending for longer than five (5) years from the filing date of the earliest patent application from which the pending application claims priority, provided that subsequent to such five (5) year period, if the pending claim is issued as a claim of an issued and unexpired patent within the Kava Patents, Single Pixel Patents or CG Patents, such claim shall be considered thereafter as a Valid Claim hereunder.

The following terms are defined in the following Sections of this Agreement:

Term ----	Section -----
Agreement	Recitals
Assumed Liabilities	2.1
Bills of Sale	2.8
Business	2.1
Buyer	Recitals
Closing	2.7
Closing Date	2.7
Seller Financial Statements	3.4
Gross Revenues	2.5(b)
Indemnifying Party	8.5
Instruments of Assumption	2.9
Losses	8.2
Necessary Permits	3.13
Non-Competition Agreements	6.1
Patent Assignment	6.1
Plan	3.15(a)
Purchased Assets	2.1
Purchase Price	2.2
Retained Assets	2.2
Retained Liabilities	2.4
Stockholder	Recitals

## ARTICLE II

### PURCHASE AND SALE OF ASSETS

2.1 PURCHASE OF ASSETS. Upon the terms and subject to the conditions contained in this Agreement, at the Closing (as defined in Section 2.7 below), each Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase, acquire and accept from each Seller, the business of the respective Sellers as a going concern (the "Business"), including all of the Sellers' assets of every kind and description as set forth on SCHEDULE 2.1 hereto (the "Purchased Assets") (other than those assets included in the Retained Assets as defined in Section 2.2 below), and subject only to the liabilities and obligations of the Sellers which are defined in Section 2.3 (the "Assumed Liabilities"). The Purchased Assets include, without limitation, all assets, rights, interests and properties of the Sellers (other than those assets included in the Retained Assets as defined in Section 2.2).

2.2 RETAINED ASSETS. The Sellers will each retain ownership only of such Seller's cash and cash equivalents on hand and in banks, minute and stock record books, journals, ledgers and books of original entry and such Seller's rights under the Purchase Documents (collectively, the "Retained Assets").

4

2.3 ASSUMED LIABILITIES. The Buyer shall assume and agree to pay, perform and discharge the Assumed Liabilities, and will pay, perform and discharge the Assumed Liabilities as they become due. The Assumed Liabilities shall consist of the liabilities of the Sellers listed on SCHEDULE 2.3 attached hereto.

2.4 RETAINED LIABILITIES. The liabilities and obligations which shall be retained by each of the Sellers (the "Retained Liabilities") shall consist of all liabilities of such Seller other than Assumed Liabilities, including, without limitation, the following:

(a) all liabilities of each Seller relating to indebtedness for borrowed money whether or not such liabilities are reflected on the Seller Financial Statements;

(b) all liabilities of each Seller or the Stockholder resulting from, constituting or relating to a breach of any of the representations, warranties, covenants or agreements of the such Seller or the Stockholder under this Agreement;

(c) all liabilities of each Seller for Taxes, including any gain and income from the sale of the Assets and other transactions contemplated herein;

(d) all liabilities for all environmental, ecological, health, safety, products liability (except as specifically referred to herein) or other claims pertaining to the Business or the Purchased Assets which relate to time periods or events occurring on or prior to the Closing Date;

(e) all liabilities of each Seller arising in connection with its operations unrelated to the Business and all liabilities (including any liability pursuant to any claim, litigation or proceeding) in connection with the operation of the Business prior to the Closing except as otherwise specifically provided herein and any liability of such Seller based on its tortuous or illegal conduct;

(f) any liability or obligation incurred by each Seller in connection with the negotiation, execution or performance of this Agreement, including, without limitation, all legal, accounting, brokers', finders' and other professional fees and expenses;

(g) all liabilities incurred by each Seller after the Closing Date;

(h) all liabilities or obligations associated with a Seller's



employees, including but not limited to any liability or obligation under or with respect to any collective bargaining agreement, employment agreement, unemployment or workers' compensation laws, or any liability or obligation arising from the decision of Buyer not to offer employment to any such employees; and

(i) all liabilities and obligations arising out of, resulting from, or relating to any employee benefit plan, program, or arrangement maintained or contributed to by each Seller,

5

or any entity which is or has been aggregated with such Seller for purposes of section 414 of the Code or section 4001 of ERISA.

2.5 PURCHASE PRICE. Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale, assignment, transfer and delivery of the Purchased Assets and covenants not to compete received from the Sellers and the Stockholder, Buyer will issue to the Sellers an aggregate of 553,344 shares of the Buyer's common stock, par value \$0.0001 per share ("Common Stock" and the "Consideration Shares", and together with the adjustments set forth below, the "Purchase Price"). The Consideration Shares shall be apportioned among the Sellers as follows: 25% to CG, 50% to Kava and 25% to SinglePixel. Delivery of stock certificates representing the Consideration Shares shall be made to each of the Sellers at the Closing. The parties agree that the Purchase Price represents fair consideration and reasonably equivalent value for the Purchased Assets.

(a) ADJUSTMENTS FOR MILESTONES. Buyer shall make a one-time only payment:

(i) to Kava, or any of its assignees, of [\*] payable in either cash or shares of the Buyer's Common Stock (at the discretion of the Buyer and, if such payment is in Common Stock, valued at the then current fair market value of the Common Stock) in a single payment by wire transfer or delivery of shares of Common Stock to an account designated in writing by Kava, or any of its assignees, to Buyer within sixty (60) days of the commencement by Buyer of a Phase III (or other pivotal) clinical trial for any drug candidate, the manufacture, use or sale of which infringes one or more Valid Claims of the Kava Patents (a "Kava Drug Candidate"). For purposes of this Agreement, "Kava Patents" shall mean any and all patent filings assigned to Kava or to which Kava has or will have any right, title or interest, including the issued patents and pending patent applications under the Kava IP (as defined in SCHEDULE 2.1), and all non-provisionals, divisionals, continuations, continuations-in-part and all patents issuing on any of the foregoing, and all foreign counterparts thereof; together with all registrations, reissues, re-examinations, supplemental protection certificates and extensions thereof and all foreign counterparts thereof. In the event that Buyer commences a Phase III (or other pivotal) clinical trial for a drug candidate, the manufacture, use or sale of which does not infringe one or more Valid Claims of the Kava Patents at the time of the commencement of such clinical trial but the manufacture, use or sale of which later infringes one or more Valid Claims of the Kava Patents, then Buyer shall make such one-time only payment under this subsection (i) of Section 2.5(a) within sixty (60) days of the drug candidate becoming a Kava Drug Candidate under this Agreement; and

(ii) to SinglePixel, or any of its assignees, [\*] payable in either cash or shares of the Buyer's Common Stock (at the discretion of the Buyer and, if such payment is in Common Stock, valued at the then current fair market value of the Common Stock) in a single payment by wire transfer or delivery of shares of Common Stock to an account designated in writing by SinglePixel, or any of its assignees, to Buyer within sixty (60) days of the receipt by Buyer of approval by the Federal Drug Administration of any SinglePixel diagnostic product, the

manufacture, use or sale of which infringes one or more Valid Claims of the SinglePixel Patents (a "SinglePixel Product"). For purposes of this Agreement, "SinglePixel Patents" shall mean any and all patent filings assigned to SinglePixel or to which SinglePixel has or will have any right, title or interest, including the issued patents and pending patent applications identified under the SinglePixel IP (as defined in SCHEDULE 2.1), and all non-provisionals, divisionals, continuations, continuations-in-part and all patents issuing on any of the foregoing, and all foreign counterparts thereof; together with all registrations, reissues, re-examinations, supplemental protection certificates and extensions thereof. In the event that Buyer receives approval by the Federal Drug Administration of any SinglePixel diagnostic product, the manufacture, use or sale of which does not infringes one or more Valid Claims of the SinglePixel Patents at the time of receipt of such approval but the manufacture, use or sale of which later infringes one or more Valid Claims of the SinglePixel Patents, then Buyer shall make such one-time only payment under this subsection (ii) of Section 2.5(a) within sixty (60) days of the SinglePixel diagnostic product becoming a SinglePixel Product under this Agreement. For purposes of this Section 2.5, the term "diagnostic product" means any product which is intended to predict, detect or identify a disease, determine the presence of a pathologic condition or monitor the course of disease or therapy in humans or other animals.

(b) ROYALTIES FOR CERTAIN PATENTS. In the event that Buyer obtains revenue or other measurable economic benefit ("Gross Revenues") from products or services covered by a Valid Claim in any Kava Patent or CG Patent (the "Kava Products", and the "CG Products", respectively), Buyer shall pay to Kava or CG, or any of their assignees, as the case may be, a percentage of the Gross Revenues received by Buyer or such licensee from sales of such Kava Product or CG Product as follows: (i) [%] of Gross Revenues of the Kava Product, and (ii) [%] of Gross Revenues of the CG Product. The amount of such Gross Revenues shall be proportionately adjusted to reflect the exclusion of the contribution of ingredients or components not directly related to the Kava Product and/or CG Product, but in no case less than [%] of the rates specified above. Any payments by Buyer pursuant to this subsection shall be made by cash or check within ninety (90) days of the end of each fiscal year of Buyer in which any applicable sale is made. The obligations under this section shall continue on a country-by-country basis until the later of (1) the expiration date, as such date may be modified or extended, of the last-to-expire patent of the relevant Kava IP or CG IP (as the case may be) in such country, or (2) ten (10) years from first commercial sale of the Kava Product or CG Product. For purposes of this Section 2.5, "CG Patents" shall mean any and all patent filings assigned to CG or to which CG has or will have any right, title or interest, including the issued patents and pending patent applications identified under the CG IP (as defined in SCHEDULE 2.1), and all non-provisionals, divisionals, continuations, continuations-in-part; and all patents issuing on any of the foregoing, and all foreign counterparts thereof; together with all registrations, reissues, re-examinations, supplemental protection certificates and extensions thereof.

(c) THIRD PARTY ROYALTY OFFSET. In the event that in any royalty period, Buyer, in order to sell any Kava Product or CG Product in any country, makes royalty payments to one or more third parties ("Third Party Payments") as consideration for a license to an issued patent or patents owned by such third party(ies), in the absence of which the Kava Product or CG Product could not legally be made, used or sold in such country, then Buyer shall have the right

to reduce the royalties otherwise due pursuant to Section 2.5(b) above for such Kava Product or CG Product by [%] of such Third Party Payments. Notwithstanding the foregoing, such reductions under this subsection (c) shall in no event reduce such royalty for such Kava Product or CG Product in any such country to less than [%] of the rates otherwise specified above.

2.6 ALLOCATION OF PURCHASE PRICE. The Purchase Price shall be allocated among the Purchased Assets and the covenants not to compete received from the Sellers and the Stockholder as set forth in SCHEDULE 2.6 attached hereto. The Sellers and Buyer shall be bound by such allocation for all purposes and to account for and report the purchase and sale contemplated hereby for all financial, accounting and Tax purposes in accordance with such allocation.

2.7 TIME AND PLACE OF CLOSING. The closing of the transactions described in Sections 2.1 through 2.6 above (the "Closing") shall take place at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., at 11:00 a.m. on January 9, 2004, or at such other place or time as the parties hereto may agree. The date and time at which the Closing actually occurs is hereinafter referred to as the "Closing Date."

2.8 EXECUTION AND DELIVERY OF DOCUMENTS OF TITLE BY THE SELLERS. At the Closing, each Seller shall execute and deliver to Buyer the form of Bill of Sale attached hereto as EXHIBIT A and such deeds, conveyances, bills of sale, certificates of title, assignments, assurances and other instruments and documents as Buyer may reasonably request in order to effect the sale, conveyance, and transfer of the Purchased Assets from the Sellers to the Buyer. Such instruments and documents shall be sufficient to convey to Buyer good and merchantable title in all of the Purchased Assets. Each Seller will, from time to time after the Closing Date, take such additional actions and execute and deliver such further documents as Buyer may reasonably request in order more effectively to sell, transfer and convey the Purchased Assets to Buyer and to place Buyer in position to operate and control all of the Purchased Assets.

2.9 EXECUTION AND DELIVERY OF DOCUMENTS BY BUYER. At the Closing, Buyer shall execute and deliver to each Seller an Instrument of Assumption in the form attached hereto as EXHIBIT B, and such other documents as the Sellers may reasonably request in order to evidence Buyer's assumption of the Assumed Liabilities. Buyer will, from time to time after the Closing Date, take such additional action and deliver such further documents as the Sellers may reasonably request in order effectively to assume the Assumed Liabilities.

2.10 CONSENT TO ASSIGNMENT. Upon the terms, and subject to the conditions set forth in this Agreement, each Seller hereby assigns to the Buyer all of the Purchased Assets which are capable of assignment without the consent of other parties.

Insofar as any Purchased Asset is not assignable to the Buyer without the agreement of or novation by or consent to the assignment from another party and no such agreement, novation or consent has been obtained by such Seller on or prior to Closing Date, this Agreement shall not constitute an assignment or attempted assignment if such assignment or attempted assignment would constitute a breach of Seller's obligations related to such Purchased Asset. In the event that consent or novation is required to such assignment:

8

(a) the Seller shall use all reasonable endeavors to cooperate with the Buyer in its efforts to procure such novation or assignment as aforesaid. The reasonable costs of any such novation or assignment shall be paid by the Buyer;

(b) unless and until any such Purchased Asset shall be novated or assigned as aforesaid the Seller shall hold such Purchased Asset and any moneys, goods or other benefits received thereunder as agent of the Buyer and the Buyer shall (if such sub-contracting is permissible and lawful under such Purchased Asset in question) as the Seller's sub-contractor perform all the obligations of the Seller under such Purchased Asset;

(c) unless and until any such Purchased Asset shall be novated or assigned, the Seller will (so far as it lawfully may) give such assistance to the Buyer (and at the Buyer's cost) as the Buyer may reasonably require to enable the Buyer to enforce its rights under such Purchased Asset and (without

limitation) will provide access to all relevant books, documents and other information in relation to such Purchased Asset as the Buyer may reasonably require from time to time.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF THE SELLERS AND THE STOCKHOLDER

Each Seller and the Stockholder each hereby represents and warrants to Buyer as follows:

3.1 ORGANIZATION AND QUALIFICATION. Each Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Stockholder is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Stockholder and each Seller have full power and authority to own, use and lease their properties and to conduct their business as currently conducted and as proposed to be conducted. The copies of the Stockholder's operating agreement, as amended to date and certified by an officer of the Stockholder and delivered to Buyer's counsel prior to the Closing, is true, complete and correct. The copies of each Seller's Charter and By-Laws, as amended to date, in each case certified by their respective Secretaries and delivered to Buyer's counsel prior to the Closing, are true, complete and correct.

3.2 AUTHORITY; NO VIOLATION. Each Seller and the Stockholder has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution, delivery and performance of this Agreement by each Seller and the Stockholder have been duly and validly authorized and approved by all necessary corporate action. This Agreement constitutes the legal and binding obligation of each Seller and the Stockholder, enforceable against each of them in accordance with its terms. The entering into of this Agreement by the Stockholder and each Seller does not, and the consummation by such Seller and the Stockholder of the transactions contemplated hereby, including specifically the transfer of the Purchased Assets to Buyer by such Seller, will not violate the provisions of (a) to the knowledge of the Stockholder, any applicable federal, state, local or foreign laws, (b) such

9

Seller's or Stockholder's respective Charter, By-Laws or operating agreement, as the case may be, or (c) any provision of, or result in a default or acceleration of any obligation under, or result in any change in the rights or obligations of such Seller or the Stockholder under, any Lien, contract, agreement, license, lease, instrument, indenture, order, arbitration award, judgment, or decree to which such Seller or the Stockholder is a party or by which any of them is bound, or to which any property of such Seller or the Stockholder is subject.

3.3 SUBSIDIARIES. Each Seller represents and warrants that it has no Subsidiaries.

3.4 SELLER FINANCIAL STATEMENTS. Attached hereto as SCHEDULE 3.4 are unaudited consolidating balance sheets as of June 30, 2003 (collectively, the "Seller Financial Statements") for each Seller. The Seller Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby. The Stockholder represents and warrants that the Seller Financial Statements fairly present the financial condition and the results of operation of each Seller and that there are no assets of the Sellers that are not included in the Seller Financial Statements, except for assets of any Seller that are not required by GAAP to be included in the Seller Financial Statements.

3.5 ABSENCE OF CERTAIN CHANGES. Except as otherwise disclosed in SCHEDULE 3.5 attached hereto, since June 30, 2003, there has not been:

(a) any material change in the business, operations, assets,

liabilities, prospects or condition (financial or otherwise) of any Seller;

(b) any obligation or liability incurred by a Seller other than obligations and liabilities incurred in the ordinary course of business for an amount not more than \$5,000 in each case or \$15,000 in the aggregate;

(c) any Lien placed on any of the Sellers' properties or assets which remains in existence on the date hereof or any payment or discharge of a material Lien or liability of the Sellers not disclosed on the Seller Financial Statements or incurred in the ordinary course of business;

(d) any purchase, sale, lease, assignment, transfer or other disposition, or any agreement or other arrangement for the purchase, sale, lease, assignment, transfer or other disposition, of any part of the Sellers' properties or assets, other than purchases for and sales from inventory in the ordinary course of business, except for fixed assets purchased or other capital expenditures made in amounts not exceeding \$5,000 for any single item and \$25,000 in the aggregate for all such items;

(e) any damage, destruction or loss, whether or not covered by insurance, adversely affecting a Seller's properties, assets or business;

(f) any declaration, setting aside or payment of any dividend on, or the making of any other distribution in respect of, any Equity Security of a Seller, or any direct or

10

indirect redemption, purchase or other acquisition by a Seller of any of its own Equity Securities, or any issuance by a Seller of any Equity Security;

(g) any labor trouble or claim of unfair labor practices involving a Seller; any change in the employment contracts of or compensation payable or to become payable by a Seller to any of its current or former officers, directors, employees, consultants, or agents, or any bonus payment, loan or arrangement made to or with respect to any of such officers, directors, employees, consultants, or agents; or any change in coverage vesting, or benefits available under any Plan;

(h) any change with respect to a Seller's management or supervisory personnel;

(i) any contracts, licenses, leases or agreements entered into by a Seller which are outside the ordinary course of business or which obligate such Seller for more than \$5,000 in any one case or more than \$25,000 in the aggregate or any cancellation, termination, modification, or acceleration by any party to any contract, license, lease or agreement involving more than \$10,000 to which any such Seller is a party or by which any of them is bound;

(j) any amendment or other change (or any authorization to make such an amendment or change) to such Seller's Charter or By-Laws, except as required in connection with the consummation of the transactions contemplated hereby;

(k) any postponement or delay in payment of any accounts payable or other liability of such Seller except in the ordinary course of business consistent with prior practices;

(l) any cancellation, waiver, compromise or release of any right or claim either involving more than \$10,000 or outside the ordinary course of business consistent with prior practices;

(m) any other occurrence, action, failure to act or transaction involving a Seller other than transactions in the ordinary course of business consistent with prior practices.

3.6 TITLE, SUFFICIENCY AND CONDITION OF ASSETS. Except as disclosed in SCHEDULE 3.6 hereto, each Seller has good and marketable title to, or a valid

leasehold interest in, all of the Purchased Assets, free and clear of all Liens, and free of any material infractions or non-compliance with applicable laws and regulations (collectively, "Defects") and the sale and delivery of the Purchased Assets to Buyer pursuant hereto shall vest in Buyer good and marketable title thereto, free and clear of any and all Liens or Defects, other than as disclosed in SCHEDULE 3.6 hereto or as may be created by Buyer. The Stockholder and each Seller shall each, prior to the Closing, use their best efforts to cure at their expense any Defect identified by Buyer. Each Seller owns or leases all property and assets necessary for the conduct of their respective businesses as such businesses are presently conducted and are proposed to be conducted, and all such property and assets are included in the Purchased Assets. To the knowledge of the Stockholder and except as disclosed in SCHEDULE 3.6 hereto, all tangible properties and assets owned or leased by such Seller and contained in the Purchased Assets are in good operating

11

condition and repair, ordinary wear and tear excepted, have been well maintained, and conform with all applicable laws, statutes, ordinances, rules and regulations.

3.7 INTELLECTUAL PROPERTY. All patents, patent applications, proprietary designs, copyrights, trade names, servicemarks, trademarks and trademark applications and proprietary know how which are currently owned by or licensed to each Seller are listed in SCHEDULE 3.7 attached hereto ("Intellectual Property"). Except as set forth in SCHEDULE 3.7, the Intellectual Property is all of the intellectual property necessary for the operation of the Business as it is currently conducted. All of each Seller's patents, patent applications and trademarks have been registered in, filed in or issued by the United States Patent Office or the corresponding offices of other countries identified in SCHEDULE 3.7, and have been properly maintained and renewed in accordance with all applicable laws and regulations in the United States and each such country. To the knowledge of the Stockholder, all of the issued patents within the Intellectual Property are currently in compliance with applicable formal legal requirements (including payment of filing, examination or maintenance fees) and are valid and enforceable. Except as set forth in SCHEDULE 3.7 and to the knowledge of the Stockholder, the Intellectual Property's use does not require the consent of or payment to any other Person. To the knowledge of the Stockholder and except as set forth in SCHEDULE 3.7, the Intellectual Property is freely transferable and owned exclusively by each Seller, free and clear of any Liens. To the knowledge of the Stockholder and except as set forth in SCHEDULE 3.7, (a) no other Person has an interest in or right or license to use, or the right to license any other Person to use, any of the Intellectual Property, (b) there are no claims or demands of any other Person pertaining thereto and no proceedings have been instituted, or are pending or, to the knowledge of the Stockholder, threatened, which challenge any Seller's rights in respect thereof, (c) none of the Intellectual Property is being infringed by another Person or is subject to any outstanding order, decree, ruling, charge, injunction, judgment or stipulation, and (d) no Claim has been made or, to the knowledge of the Stockholder, is threatened charging such Seller with infringement of any adversely held Intellectual Property. With respect to all know-how that is included as part of the Intellectual Property, to the knowledge of the Stockholder, each Seller has taken all reasonable precautions to protect the secrecy, confidentiality and value of such know-how (including the enforcement by each Seller of a policy requiring each employee or contractor to execute proprietary information and confidentiality agreements substantially in the form of such Seller's standard form, a copy of which has been provided to Buyer).

3.8 CONTRACTS. Except for contracts, commitments, leases, licenses, plans and agreements described in SCHEDULE 3.8 attached hereto, no Seller is a party to or subject to:

(a) any plan or contract regarding or providing for bonuses, pensions, options, stock purchases, deferred compensation, severance benefits retirement payments, profit sharing, stock appreciation, collective bargaining or the like, or any contract or agreement with any labor union;

(b) any employment or consulting contract or contract for personal services not terminable at will by such Seller without penalty to the Seller;

12

(c) any contract or agreement for the purchase of any commodity, product, material, supplies, equipment or other personal property, or for the receipt of any service, other than purchase orders entered into in the ordinary course of business for less than \$5,000 each and which in the aggregate do not exceed \$25,000;

(d) any contract or agreement for the purchase or lease of any fixed asset, whether or not such purchase or lease is in the ordinary course of business, for a price in excess of \$5,000;

(e) any contract or agreement for the sale of any commodity, product, material, equipment, or other personal property, or the furnishing by such Seller of any service, other than contracts with customers entered into in the ordinary course of business;

(f) any contract or agreement providing for the purchase of all or substantially all of its requirements of a particular product from a supplier, or for periodic minimum purchases of a particular product from a supplier;

(g) any contract or agreement concerning a partnership or joint venture with one or more Persons;

(h) any confidentiality agreement or any non-competition agreement or other contract or agreement containing covenants limiting such Seller's freedom to compete in any line of business or in any location or with any Person;

(i) any license agreement (as licensor or licensee);

(j) any contract or agreement with the Stockholder or any present or former officer, director, consultant, agent or stockholder of such Seller or with any Affiliate of any of them;

(k) any loan agreement, indenture, note, bond, debenture or any other document or agreement evidencing a capitalized lease obligation or Indebtedness to any Person;

(l) any agreement of guaranty, indemnification, or other similar commitment with respect to the obligations or liabilities of any other Person (other than lawful indemnification provisions contained in the Charters and By-Laws of such Seller); or

(m) any other agreement or contract (or group or related agreements or contracts) under which the consequences of a default or termination could have a Material Adverse Effect or the performance of which involves consideration paid or received by the Seller in excess of \$5,000.

Copies of all such contracts, commitments, plans, leases, licenses and agreements have been provided to Buyer prior to the execution of this Agreement, and all such copies are true, correct and complete and have been subject to no amendment, extension or other modification as of the date hereof, except such as are described in SCHEDULE 3.8. Except as listed and described

13

in SCHEDULE 3.8, none of the Sellers, or to the knowledge of the Stockholder, any other Person, is in default under any such contract, commitment, plan, lease, license or agreement and each such contract, commitment, plan, lease, license or agreement is in full force and effect and is valid and enforceable in accordance with its terms.

3.9 COMPLIANCE WITH LAWS. Each Seller has conducted and is conducting its business in compliance with applicable federal, state, local or foreign laws, statutes, ordinances, regulations, rules or orders or other requirements of any governmental, regulatory or administrative agency or authority or court or other tribunal relating to it. None of the Sellers are now charged with, and to the knowledge of the Stockholder, is not now under investigation with respect to, any possible violation of any applicable law, statute, ordinance, regulation, rule, order or requirement relating to any of the foregoing. Each Seller has all licenses, permits, franchises, orders, approvals, accreditations, written waivers and other authorizations as are necessary in order to enable it to own and conduct its business as currently conducted and as proposed to be conducted and to occupy and use its real and personal properties without incurring any material liability ("Necessary Permits"), except for such licenses, permits, franchises, orders, approvals, accreditations, written waivers and other authorizations as would not reasonably be expected to have a Material Adverse Effect. Except as set forth in SCHEDULE 3.9, no registration, filing, application, notice, transfer, consent, approval, order, qualification, waiver or other action of any kind is required by virtue of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to effect the transfer to Buyer of such Necessary Permits. To the knowledge of the Stockholder, each Seller is in full compliance with the terms and conditions of all Necessary Permits.

3.10 LITIGATION. Except as disclosed on SCHEDULE 3.10 attached hereto, (a) there is no Claim pending or, to the knowledge of the Stockholder, threatened (or, to the knowledge of the Stockholder, any facts which could lead to such a Claim) by, against, affecting or regarding the Business or the Sellers or the Stockholder or their respective businesses, properties or assets, at law or in equity, before any federal, state, local or foreign court or any other governmental or administrative agency or tribunal or any arbitrator or arbitration panel, and (b) there are no judgments, orders, rulings, charges, decrees, injunctions, notices of violation or other mandates against or affecting the Business or the Sellers or the Stockholder with respect to the businesses, properties or assets of a Seller. Nothing listed on SCHEDULE 3.10, either individually or when aggregated with other listings on such Schedule, would reasonably be expected to have a Material Adverse Effect.

3.11 TAXES, EMPLOYEE BENEFITS AND ENVIRONMENTAL.

(a) The Stockholder is not aware of any dispute or Claim concerning any liability for Taxes of any Seller.

(b) No Seller has a profit sharing, 401(k), disability, medical, dental, severance pay, vacation pay, sick pay, deferred compensation, incentive compensation, fringe benefit, stay-with-bonus, change of control agreement, or other employee benefit plan, program, or agreement (other than stock option plans), including without limitation, any employee benefit plan as defined in section 3(3) of ERISA, which is maintained or contributed to by a Seller, or

14

under which such Seller has any liability or contingent liability.

(c) The use and operation by each Seller and by all past owners and operators, of all facilities and properties used in the business of each Seller have been, and will be on the Closing Date, in compliance in all material respects with all Environmental Laws, and no Environmental Action has been filed, commenced, or, to the knowledge of the Sellers and the Stockholder, threatened with or against any of them alleging any failure so to comply.

3.12 DISCLOSURE OF MATERIAL INFORMATION. This Agreement (including the Schedules and Exhibits hereto) does not contain, with respect to each Seller or the Stockholder, any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. There is no fact known to the Stockholder which has or would reasonably be expected in the future to result in a Material Adverse Effect and which has not been set forth in this Agreement or



previously disclosed in writing to the Buyer.

#### ARTICLE IV

##### REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to each Seller and the Stockholder as follows:

4.1 ORGANIZATION AND QUALIFICATION. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware with full power and authority to own, use or lease its properties and to conduct its business as such properties are owned, used or leased and as such business is conducted.

4.2 AUTHORITY. Buyer has the requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Buyer have been duly and validly authorized and approved by all necessary corporate action on the part of Buyer, and this Agreement constitutes the legal and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Assuming the accuracy of the representations and warranties of the Sellers and the Stockholder hereunder and to the best knowledge of Buyer, the entering into of this Agreement by Buyer does not, and the consummation by Buyer of the transactions contemplated hereby will not, violate the provisions of (a) any applicable laws of the United States or any other state or jurisdiction in which Buyer does business, (b) the Charter or By-Laws of Buyer or (c) any provision of, or result in a default or acceleration of any obligation under, or result in any change in the rights or obligations of Buyer under, any mortgage, Lien, lease, agreement, contract, instrument, order, arbitration award, judgment, or decree to which Buyer is a party or by which Buyer is bound, or to which any property of Buyer is subject.

4.3 BROKERS. Neither Buyer nor anyone acting on its behalf has engaged, retained or incurred any liability to any broker, investment banker, finder or agent or has agreed to pay any brokerage fees, commissions, finder's fees or other fees with respect to the purchase of

15

Purchased Assets, the issuance of the Consideration Shares, this Agreement or the transactions contemplated hereby.

4.4 BUYER FINANCIAL STATEMENTS. Attached hereto as SCHEDULE 4.4 are the following financial statements (collectively the "Buyer Financial Statements"): unaudited consolidated balance sheets and statements of income, changes in stockholders' equity and cash flow as of and for the fiscal year ended December 31, 2002 of the Buyer. The Buyer Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, present fairly the financial condition of the Buyer as of such dates and the results of operations of the Buyer for such periods, are correct and complete, and are consistent with the books and records of the Buyer, except that the Buyer Financial Statements may not contain all footnotes required by GAAP and are subject to normal year-end audit adjustments.

4.5 FINANCIAL CONDITION. Since the date of the Buyer Financial Statements, there have been no subsequent events having a material adverse effect on Buyer's business, results of operations or financial condition. Buyer represents that as of the date of this Agreement, it currently has in excess of \$50 million in a combination of cash, cash equivalents and amounts committed under investor subscription agreements.

4.6 ONE CLASS OF STOCK. Buyer has one class of capital stock outstanding, and Buyer's certificate of incorporation, as amended or restated through the date hereof, authorizes no class of capital stock senior to the Buyer's Common Stock in terms of liquidation, dividend or redemption rights.

4.7 LITIGATION. Except as disclosed on SCHEDULE 4.7 attached hereto, (a) there is no Claim pending or, to the knowledge of the Buyer, threatened (or, to the knowledge of the Buyer, any facts which could lead to such a Claim) by, against, affecting or regarding the Buyer or its business, properties or assets, at law or in equity, before any federal, state, local or foreign court or any other governmental or administrative agency or tribunal or any arbitrator or arbitration panel that would reasonably be expected in the future to have a Material Adverse Effect, and (b) there are no judgments, orders, rulings, charges, decrees, injunctions, notices of violation or other mandates against or affecting the Buyer with respect to the business, properties or assets of the Buyer.

4.8 DISCLOSURE OF MATERIAL INFORMATION. This Agreement (including the Schedules and Exhibits hereto) does not contain, with respect to the Buyer, any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made.

16

## ARTICLE V

### COVENANTS

5.1 COVENANTS OF THE SELLERS AND THE STOCKHOLDER. Each Seller and the Stockholder shall keep, perform and fully discharge the following covenants and agreements:

(a) INTERIM CONDUCT OF BUSINESS. From the date hereof until the Closing, each Seller shall operate its business consistent with prior practice immediately before the date hereof and in the ordinary course of business (except as may be authorized pursuant to this Agreement or as set forth on SCHEDULE 5.1(a) hereto). Without limiting the generality of the foregoing, from the date hereof until the Closing, except for transactions contemplated by this Agreement or expressly approved in writing by Buyer, no Seller shall:

(i) enter into or amend any employment, bonus, severance, or retirement contract or arrangement, or increase any compensation payable or to become payable to any person other than in the ordinary course of business consistent with prior practice;

(ii) purchase, lease or otherwise acquire any real estate or any interest therein;

(iii) declare, set aside or pay any dividend or make any other distribution with respect to any Equity Security or authorize for issuance, issue, sell or deliver any of its own Equity Securities or split, combine or reclassify any class of Equity Security or redeem or otherwise acquire, directly or indirectly, any of its Equity Securities;

(iv) merge or consolidate with or agree to merge or consolidate with, or purchase or agree to purchase all or substantially all of the assets of, acquire securities of or otherwise acquire any Person;

(v) sell, lease or otherwise dispose of or agree to sell, lease or otherwise dispose of any of its assets, properties, rights or claims, whether tangible or intangible, except in the ordinary course of business consistent with prior practice;

(vi) incur any liability, guaranty or obligation (fixed or contingent) other than in the ordinary course of business consistent with prior practice or make any investment in excess of \$5,000, whether singly or in the aggregate, in property, plant and equipment and other items of capital expenditure;

(vii) place or permit to be placed any Lien on any of its assets or properties, other than statutory Liens arising in the ordinary course of business;

17

(viii) make or authorize any amendments or changes to its Charter or By-Laws; or

(ix) abandon any part of its business not abandoned as of the date hereof.

(b) ACCESS. Each Seller shall, upon reasonable notice, give Buyer and its representatives full and free access to all properties, assets, books, contracts, commitments and records of such Seller during reasonable business hours and shall promptly furnish Buyer with all financial and operating data and other information as to the history, ownership, Affiliates, business, operations and properties of such Seller as Buyer may from time to time reasonably request.

(c) TRANSFER OF NECESSARY PERMITS. From and after the date hereof through to the Closing Date and following the Closing, each Seller will use reasonable commercial efforts to effect the transfer to Buyer of all of the Necessary Permits and all other permits, licenses (except the DFCI License Agreement), and leases which are associated with the Business as presently conducted, to the extent the same are by their terms transferable.

(d) RETAINED LIABILITIES. From and after the date hereof through to the Closing Date and following the Closing, each Seller agrees to pay, perform and fully discharge all of the Retained Liabilities.

(e) SATISFACTION OF CONDITIONS. Each Seller and the Stockholder shall use their best efforts to accomplish the satisfaction of the conditions precedent to Closing contained in Section 6.1 herein on or prior to the Closing Date.

(f) NO SOLICITATION, CONFIDENTIALITY, ETC. Prior to the termination of this Agreement pursuant to Article VII hereof, no Seller or the Stockholder will (i) solicit or negotiate with respect to any inquiries or proposals relating to (x) the possible direct or indirect acquisition of any Equity Security of any Seller or of all or a portion of the Purchased Assets or Business or (y) any merger, consolidation, joint venture or business combination with any Seller or (ii) discuss or disclose either this Agreement or other confidential information pertaining to any Seller with any Person (except as may be required by law or except as may be required in connection with the transactions contemplated by this Agreement to Affiliates, officers, directors, employees and agents of such Seller or any stockholder) without the prior written approval of Buyer. Buyer acknowledges that the prior distribution of material regarding the Sellers to interested parties shall not be deemed to violate this Section 5.1(g). The Sellers and the Stockholder shall advise such parties of the existence of this Agreement and shall refrain from entering into further discussions with such parties concerning the sale of any Seller to the extent otherwise prohibited by this Section 5.1(g).

(g) ACCURACY OF REPRESENTATIONS AND WARRANTIES. Without the prior written consent of Buyer, the Stockholder and each Seller will not take any action from the date hereof to the Closing Date, whether as an officer, director or stockholder of such Seller or otherwise,

18

that would cause any representation or warranty of such Seller or the Stockholder contained in this Agreement to become untrue or cause the breach of any agreement hereof or covenant contained herein. The Stockholder and each Seller will promptly bring to the attention of Buyer any facts which come to its attention that would cause any of the representations and warranties of such Seller or the Stockholder to be untrue or materially misleading in any respect.

(h) TAX MATTERS. The Stockholder shall be responsible for and shall cause to be prepared and duly filed all Tax Returns relating to Taxes of each Seller.

5.2 COVENANTS OF BUYER, THE SELLERS AND THE STOCKHOLDER. The parties hereto hereby agree to keep, perform and fully discharge the following covenants and agreements:

(a) WAIVER OF COMPLIANCE WITH THE BULK SALES ACT. In connection with the transactions contemplated hereby, the parties hereby waive compliance with the provisions of Article 6 of the Uniform Commercial Code - Bulk Transfers and the Bulk Sales Act and any other applicable United States, Mexican, state or provincial bulk sales act or statute ("Bulk Sales Acts"). Each Seller shall remove any and all Liens against the Purchased Assets as a result of payments made by such Seller to others. Each Seller and the Stockholder, severally but not jointly, shall indemnify and hold the Buyer harmless from and against any and all liabilities under the Bulk Sales Acts.

(b) BUY-BACK OPTION. If, within thirty (30) months following the Closing Date, Buyer has not initiated clinical trials for a Kava Product, then Kava shall have the option to repurchase the Kava IP from Buyer for the sum of Seven Hundred Fifty Thousand Dollars (\$750,000) in cash (the "Buy-Back Option"). The Buyer shall deliver a written notice to Kava or any of its authorized assignees or designees within one month after the start of any such clinical trial for a product derived from the Kava IP. Kava shall be permitted to assign the Buy-Back Option to the Stockholder or any member or designee of Stockholder upon providing written notice to Buyer. The Buy-Back Option shall be exercisable by Kava or any of its authorized assignees or designees for a period of three (3) months after said thirty (30) month period ends by providing written notice of exercise to Buyer. If Kava or any of its authorized assignees or designees fails to provide such notice within such period, the Buy-Back Option shall terminate and be of no further force or effect. The Buyer agrees to notify Kava, or its assignee, when this clinical trial requirement has been satisfied.

### 5.3 ADDITIONAL COVENANTS.

(a) CUSTOMERS AND OTHER BUSINESS RELATIONSHIPS. After the Closing, Sellers will cooperate with Buyer in its efforts to continue and maintain for the benefit of Buyer those business relationships of Seller existing prior to the Closing and relating to the Business to be operated by Buyer after the Closing, including relationships with lessors, regulatory authorities, licensors, customers, suppliers and others, and Sellers will use reasonable commercial efforts to satisfy the Retained Liabilities in a manner that is not detrimental to any of such relationships. After the Closing, Sellers will refer to Buyer all inquiries relating to the Business. Neither Seller nor any of its officers, agents or shareholders shall take any action that would reasonably be expected to diminish the value of the Purchased Assets after the Closing or that would interfere

19

with the business of Buyer to be engaged in after the Closing, including disparaging the name or business of Buyer.

(b) FURTHER ASSURANCES. The parties shall cooperate reasonably with each other and with their respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (i) furnish upon request to each other such further information; (ii) execute and deliver to each other such other documents; and (iii) do such other acts and things, all as the other Party may reasonably request as is necessary to carry out the intent of this Agreement and the transactions contemplated hereby.

5.4 COVENANTS OF BUYER. The Buyer hereby agrees to keep, perform and fully discharge the following covenants and agreements:

(a) PROGRESS REPORTS. Beginning twelve months after the Closing Date and annually thereafter, Buyer shall submit to Stockholder a progress report summarizing Buyer's activities related to the development and testing of products relating to the Kava IP, CG IP and the SinglePixel IP and the obtaining of governmental approvals necessary for marketing same.

(b) ROYALTY REPORT. After the first commercial sale anywhere in the world of a Kava Product or CG Product, Buyer shall make quarterly royalty reports to Stockholder for such Kava Product or CG Product (as the case may be) no later than forty-five (45) days after the end of each such quarter. Each such royalty report will cover Buyer's most recently completed calendar quarter and shall include the units sold, gross revenue and royalties payable by Buyer to the Sellers, or any of their assignees, itemized by product.

(c) RIGHT TO AUDIT. Buyer shall keep full and accurate books and records in sufficient detail so that all amounts due and payable to any Seller or the Stockholder hereunder can be properly determined. Such books and records shall be preserved for at least three years from the date of entry to which they pertain. Such books and records shall be open to inspection at any reasonable time during business hours not more often than once each calendar year by an independent certified public accountant selected by the Stockholder for the sole purpose of verifying reports and payments hereunder. Such independent certified public accountant shall report the findings of his or her inspection to the Stockholder but shall under no circumstances report any information other than information related to the accuracy of such reports and payments. All fees and expenses of such inspection shall be borne by the Stockholder; provided that, if such inspection determines that gross revenue reported to Stockholder pursuant to Section 5.4(b) of this agreement is understated in any quarter by five percent (5%) or more, then Buyer shall bear all the fees and expenses of such inspection.

## ARTICLE VI

### CLOSING CONDITIONS

6.1 CONDITIONS TO OBLIGATIONS OF BUYER. The obligations of Buyer to consummate this Agreement and the transactions contemplated hereby are subject to the fulfillment, prior to or at

20

the Closing, of the following conditions precedent, subject to a bring-down of the disclosure schedules.

(a) REPRESENTATIONS, WARRANTIES AND COVENANTS. Each of the representations and warranties of the Sellers and the Stockholder contained in this Agreement shall remain true and correct in all material respects at the Closing Date as fully as if made on the Closing Date (other than the representations and warranties that contain an express materiality qualification, which shall be true and correct in all respects); each Seller and the Stockholder shall have performed in all material respects, on or before the Closing Date, all of its respective obligations under this Agreement and the other Purchase Documents which by the terms thereof are to be performed on or before the Closing Date; and each Seller and the Stockholder shall have delivered to Buyer an Officer's Certificate dated the Closing Date of such Seller and the Stockholder to such effect.

(b) PURCHASE PERMITTED BY APPLICABLE LAWS; LEGAL INVESTMENT. Buyer's purchase of and payment for the Purchased Assets (a) shall not be prohibited by any applicable law or governmental order, rule, ruling, regulation, release or interpretation (b) shall not constitute a fraudulent or voidable conveyance under any applicable law and (c) shall be permitted by all applicable laws, statutes, ordinances, regulations and rules of the jurisdictions to which Buyer is subject.

(c) PROCEEDINGS SATISFACTORY. All proceedings taken in connection with the purchase and sale of the Purchased Assets, all of the other Purchase

Documents and all documents and papers relating thereto, shall be in form and substance reasonably satisfactory to Buyer.

(d) CONSENTS - PERMITS. Each Seller shall have received (and there shall be in full force and effect) all material consents (except with respect to the DFCI License Agreement), approvals, licenses, permits, orders and other authorizations of, and shall have made (and there shall be in full force and effect) all such filings, registrations, qualifications and declarations with, any Person pursuant to any applicable law, statute, ordinance regulation or rule or pursuant to any agreement, order or decree to which such Seller is a party or to which it is subject, in connection with the transactions contemplated by this Agreement and the sale of the Purchased Assets.

(e) CORPORATE DOCUMENTS. Each Seller shall have delivered to Buyer:

(i) an Officer's Certificate of the Secretary of each Seller and the managing member of the Stockholder certifying (x) the incumbency and genuineness of signatures of all officers of the Stockholder and the Sellers, as the case may be, executing this Agreement, any document delivered by the Stockholder and the Sellers at the Closing and any other document, instrument or agreement executed in connection herewith, (y) the truth and correctness of resolutions of the Sellers and the Stockholder authorizing the entry by the Sellers and the Stockholder into this Agreement and the transactions contemplated hereby and (z) the truth, correctness and completeness of the By-Laws of the Sellers and the Stockholder;

21

(ii) the certificate of formation of the Stockholder and the Charter of each Seller certified as of a recent date by the Secretary of State of the State of Delaware; and

(iii) certificates of corporate good standing and legal existence of each of the Stockholder and each Seller as of a recent date from the Secretary of State of the State of Delaware.

(f) BILLS OF SALE. Each Seller shall have executed and delivered to the Buyer a Bill of Sale in the form of EXHIBIT A attached hereto.

(g) INSTRUMENTS OF ASSUMPTION. The Buyer and each Seller shall have executed and delivered an Instrument of Assumption in the form of EXHIBIT B attached hereto.

(h) TRANSFER OF NECESSARY PERMITS. All of the Necessary Permits (except any Permit with respect to the DFCI License Agreement) shall have been transferred to or obtained by Buyer on or before the Closing Date

(i) NON-COMPETITION AGREEMENTS. Each Seller and the Stockholder shall have executed and delivered to Buyer non-competition, non-solicitation and non-disclosure agreements in substantially the form of EXHIBIT C attached hereto (the "Non-Competition Agreements").

(j) PATENT ASSIGNMENTS. Each Seller shall have executed and delivered to Buyer a patent assignment in substantially the form of EXHIBIT D attached hereto (the "Patent Assignments").

6.2 CONDITIONS TO OBLIGATIONS OF THE SELLERS AND THE STOCKHOLDER. The obligations of each Seller and the Stockholder to consummate this Agreement and the transactions contemplated hereby are subject to the fulfillment, prior to or at the Closing, of the following conditions precedent:

(a) REPRESENTATIONS AND WARRANTIES. Each of the representations and warranties of Buyer in this Agreement shall remain true and correct in all material respects at the Closing Date as fully as if made on the Closing Date (other than the representations and warranties that contain an express materiality qualification, which shall be true and correct in all respects, and Buyer shall, on or before the Closing Date, have performed, in all material

respects, all of its obligations under this Agreement and the Other Purchase Documents which by the terms thereof are to be performed by it on or before the Closing Date; and Buyer shall have delivered an Officer's Certificate to counsel for the Sellers dated the Closing Date to such effect.

(b) LICENSE GRANT BY BUYER. Buyer shall have executed and delivered to Kava an exclusive, perpetual, assignable, fully paid-up, royalty-free license to use the Kava IP solely for liquid beverages (including "shooters") in substantially the form of EXHIBIT E attached hereto (the "Kava Pharmaceutical License Agreement").

22

## ARTICLE VII

### TERMINATION

7.1 TERMINATION OF AGREEMENT. This Agreement and the transactions contemplated hereby may (at the option of the party having the right to do so) be terminated at any time on or prior to the Closing Date by:

(a) MUTUAL CONSENT. By mutual written consent of Buyer and a Seller;

(b) COURT ORDER. By Buyer, a Seller or the Stockholder if any court of competent jurisdiction shall have issued an order pursuant to the request of a third party restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement;

(c) FAILURE TO CLOSE BY JANUARY 31, 2004. By Buyer or the Stockholder if the transactions contemplated hereby shall not have been consummated on or before January 31, 2004, PROVIDED, HOWEVER, that such right to terminate this Agreement shall not be available to any party whose failure to fulfill any obligation of this Agreement has been the cause of, or resulted in, the failure of the transactions contemplated hereby to be consummated on or before such date;

(d) TERMINATION BY STOCKHOLDER. By the Stockholder upon notice to Buyer at any time prior to the Closing Date, if (i) a condition to the performance of a Seller set forth in Section 6.2 hereof shall not be fulfilled at the time specified for the fulfillment thereof, (ii) a material default under or a material breach of this Agreement shall be made by Buyer, or (iii) any representation or warranty set forth in this Agreement or in any instrument delivered by Buyer pursuant hereto shall be materially false or misleading; or

(e) TERMINATION BY BUYER. By Buyer by notice to a Seller at any time prior to the Closing Date, if (i) a condition to the performance of Buyer set forth in Section 6.1 hereof shall not be fulfilled at the time specified for the fulfillment thereof, (ii) a default under or a breach of this Agreement shall be made by such Seller or the Stockholder, or (iii) any representation set forth in this Agreement or in any instrument delivered by such Seller or the Stockholder pursuant hereto shall be false or misleading.

7.2 EFFECT OF TERMINATION AND RIGHT TO PROCEED. If this Agreement is terminated pursuant to this Article VII, then except as provided below, all further obligations of Buyer, such Seller(s) and the Stockholder under this Agreement shall terminate without further liability of Buyer or any Affiliate thereof to the Stockholder or such Seller(s) or of the Stockholder or such Seller(s) to Buyer or any Affiliate thereof, except with respect to the obligations set forth in Sections 7.1, 9.1, 9.2 and 9.12, and except, in the case of termination pursuant to Section 7.1(d) or Section 7.1(e), as to liability for misrepresentation, breach or default in connection with any warranty, representation, covenant or obligation given, occurring or arising to the date of termination. In addition, anything in this Agreement to the contrary notwithstanding, if any of the conditions to obligations specified in Sections 5.1, 5.2 or 5.3

23

hereof have not been satisfied, Buyer, in addition to any other rights which it may have, shall have the right to waive its rights to have such conditions satisfied and elect to proceed with the transactions contemplated hereby and, if any of the conditions to the obligations of a Seller and the Stockholder specified in Section 5.4 hereof have not been satisfied, such Seller and the Stockholders in addition to any other rights which may be available to them, shall have the right to waive their rights to have such conditions satisfied and elect to proceed with the transactions contemplated hereby.

## ARTICLE VIII

### INDEMNIFICATION

8.1 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. Each and every such representation and warranty set forth in this Agreement shall survive until the first anniversary of the Closing Date, except for representations and warranties relating to the Intellectual Property, which shall survive until the second anniversary of the Closing Date.

8.2 INDEMNIFICATION BY THE SELLERS AND THE STOCKHOLDER. Each Seller and the Stockholder shall indemnify, defend and hold Buyer, its officers, directors, employees, owners, agents and Affiliates, harmless from and in respect of any and all losses, damages, costs and expenses of any kind and nature whatsoever (including, without limitation, interest and penalties, reasonable expenses of investigation and court costs, reasonable attorneys' fees and disbursements and the reasonable fees and disbursements of other professionals) which may be sustained or suffered by any of them (collectively, "Losses"), arising out of, resulting from or pertaining to any breach or inaccuracy of any representation or warranty or the breach of or failure to perform any warranty, covenant, undertaking or other agreement of a Seller or the Stockholder contained in this Agreement or any other Purchase Document; PROVIDED, HOWEVER, that the maximum liability of a Seller and the Stockholder pursuant to this Section 8.2 shall be limited to the Purchase Price and all other payments received by such Seller and the Stockholder hereunder.

8.3 INDEMNIFICATION BY BUYER. Buyer shall indemnify, defend and hold each of the Sellers and the Stockholder, their respective officers, directors, employees, consultants, owners, agents and Affiliates, harmless from and in respect of any and all Losses which may be sustained or suffered by any of them arising out of or resulting from any breach or inaccuracy of any representation or warranty or the breach of or failure to perform any warranty, covenant, undertaking or other agreement of Buyer contained in this Agreement or any other Purchase Document.

8.4 MINIMUM INDEMNIFICATION; MATERIALITY. Notwithstanding anything to the contrary contained herein, no party hereto shall be entitled to recover from any other party unless and until the total of all claims for indemnity or damages with respect to any inaccuracy or breach of any such representations or warranties or breach of or default in the performance of any covenants, undertakings or other agreements, whether such claims are brought under this Article VIII or otherwise, exceeds \$50,000, in which case such parties shall be entitled to recover the total amount of such claims.

8.5 NOTICE AND OPPORTUNITY TO DEFEND. If there occurs an event which a party asserts is an indemnifiable event pursuant to Section 8.2 or 8.3, the parties seeking indemnification shall promptly notify the other parties obligated to provide indemnification (collectively, the "Indemnifying Party"). If such event involves (a) any Claim or (b) the commencement of any action, suit or proceeding by a third person, the party seeking indemnification will give such Indemnifying Party prompt written notice of such Claim or the commencement of such action, suit or proceeding, PROVIDED, HOWEVER, that the failure to provide prompt notice as provided herein will relieve the Indemnifying Party of its obligations hereunder only to the extent that such failure prejudices the



Indemnifying Party hereunder. In case any such action, suit or proceeding shall be brought against any party seeking indemnification and it shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party shall be entitled to participate therein and, to the extent that it desires to do so, to assume the defense thereof, with counsel reasonably satisfactory to such party seeking indemnification and, after notice from the Indemnifying Party to such party seeking indemnification of such election so to assume the defense thereof, the Indemnifying Party shall not be liable to the party seeking indemnification hereunder for any attorneys' fees or any other expenses, in each case subsequently incurred by such party, in connection with the defense of such action, suit or proceeding. The party seeking indemnification agrees to cooperate fully with the Indemnifying Party and its counsel in the defense against any such action, suit or proceeding. In any event, the party seeking indemnification shall have the right to participate at its own expense in the defense of such action, suit or proceeding. In no event shall an Indemnifying Party be liable for any settlement or compromise effected without its prior consent. If, however, the party seeking indemnification refuses its consent to a BONA FIDE offer of settlement which the Indemnifying Party wishes to accept (which must include the unconditional release of the parties seeking indemnification from all liability with respect to the Claim at issue), the party seeking indemnification may continue to pursue such matter, free of any participation by the Indemnifying Party, at the sole expense of the party seeking indemnification. In such event, the obligation of the Indemnifying Party to the party seeking indemnification shall be equal to the lesser of (i) the amount of the offer or settlement which the party seeking indemnification refused to accept plus the costs and expenses of such party prior to the date the Indemnifying Party notifies the party seeking indemnification of the offer of settlement and (ii) the actual out-of-pocket amount the party seeking indemnification is obligated to pay as a result of such party's continuing to pursue such matter.

#### ARTICLE IX

#### MISCELLANEOUS

9.1 FEES AND EXPENSES. Each of the parties hereto will pay and discharge its own expenses and fees in connection of with the negotiation of and entry into this Agreement and the consummation of the transactions contemplated hereby.

9.2 NOTICES. All notices, requests, demands, consents and communications necessary or required under this Agreement or any other Purchase Document shall be made in the manner specified, or, if not specified, shall be delivered by hand or sent by registered or certified mail, return receipt requested, or by telecopy (receipt confirmed) to:

25

if to Buyer:

Synta Pharmaceuticals Corp.  
45 Hartwell Ave.  
Lexington, MA 02421  
Attention: Chief Executive Officer  
Facsimile Transmission Number: (781) 274-8228

with a copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.  
One Financial Center  
Boston, MA 02111  
Attention: Jeffrey Wiesen, Esq.  
Facsimile Transmission Number: (617) 542-2241

if to CG, Kava or SinglePixel:

Peregrine Financial Corporation

84 State Street  
Boston, MA 02109  
Attention: Todd Klibansky  
Facsimile Transmission Number: (617) 523-2289

with a copy to:

Testa, Hurwitz & Thibault, LLP  
125 High Street  
Boston, MA 02105  
Attention: Rufus King, Esq.  
Facsimile Transmission Number: (617) 248-7282

if to Stockholder:

CMAC, LLC  
84 State Street  
Boston, MA 02109  
Attention: Todd Klibansky  
Facsimile Transmission Number: (617) 523-2289

with a copy to:

Testa, Hurwitz & Thibault, LLP  
125 High Street  
Boston, MA 02105  
Attention: Rufus King, Esq.  
Facsimile Transmission Number: (617) 248-7282

26

All such notices, requests, demands, consents and other communications shall be deemed to have been duly given or sent two (2) days following the date on which mailed, or on the date on which delivered by hand or by facsimile transmission (receipt confirmed), as the case may be, and addressed as aforesaid.

9.3 SUCCESSORS AND ASSIGNS. Except as otherwise expressly set forth herein, all covenants and agreements set forth in this Agreement and made by or on behalf of any of the parties hereto shall bind and inure to the benefit of the successors and assigns of such party, whether or not so expressed, except that the Sellers and the Stockholder may not assign or transfer, other than to the Stockholder or any Affiliate of Stockholder, any of their respective rights or obligations under this Agreement without the consent in writing of Buyer.

9.4 COUNTERPARTS, ETC. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement. If any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason in any jurisdiction, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected, it being intended that each of parties' rights and privileges shall be enforceable to the fullest extent permitted by law, and any such invalidity, illegality and unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

#### 9.5 TAX MATTERS.

(a) Each Seller will timely file all federal, state, local and foreign tax reports and returns for any period which ends on or prior to the Closing Date and which are required to be filed to reflect the operations of

such Seller. All such reports and returns shall be submitted to Buyer for review at least thirty (30) days prior to filing such reports and returns. Buyer shall be entitled to participate in the preparation of such reports and returns. All such reports and returns will be prepared and filed using tax accounting methods and principles which are substantially consistent with those used in the returns and reports of taxes for such Seller for preceding tax periods unless Buyer agrees otherwise. Any item of income, deduction or credit to be included in any such tax return or report shall be based on the permanent records (including work papers) of such Seller. Buyer shall prepare and file on behalf of such Seller all federal, state, local and foreign tax reports and returns for any period which ends after the Closing Date and which are required to be filed to reflect the operations of such Seller attributable to a period prior to the Closing Date.

(b) All refunds of taxes attributable to any or all years or periods (or portions thereof) ending prior to the Closing Date or attributable to any taxable year or period which ends at or after the Closing Date, to the extent that the refund is attributable to the operations of such

27

Seller up to the Closing Date (as determined on the basis of the permanent records of such Seller), shall belong to and be retained by such Seller.

(c) The parties hereto shall, and shall cause such Seller to, provide such necessary information as any other party hereto may reasonably request in connection with the preparation of such parties' Tax Returns, or to respond to or contest any audit, prosecute any claim for refund or credit or otherwise satisfy any requirements relating to Taxes of such Seller.

(d) Each Seller shall pay all real property transfer Taxes, sales Taxes, stock transfer Taxes, documentary stamp Taxes, recording charges and other similar Taxes resulting from, arising under or in connection with the transfer of the Purchased Assets or any other related transaction under the Agreement.

(e) The obligations of each Seller set forth in the Agreement relating to Taxes shall, except as otherwise agreed in writing, be unconditional and absolute and shall remain in effect without limitation as to time or amount of recovery by Buyer until thirty (30) days after the expiration of the applicable statute of limitations governing the Taxes to which such obligations relate (after giving effect to any agreement extending or tolling such statute of limitations).

9.6 GOVERNING LAW. THIS AGREEMENT, INCLUDING THE VALIDITY HEREOF AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH STATE (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PROVISIONS THEREOF).

9.7 ENTIRE AGREEMENT. This Agreement, including the Schedules and Exhibits referred to herein, is complete, and all promises, representations, understandings, warranties and agreements with reference to the subject matter hereof, and all inducements to the making of this Agreement relied upon by all the parties hereto, have been expressed herein or in said Schedules or Exhibits. This Agreement, including the Schedules and Exhibits referred to herein, constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof. None of the provisions of this Agreement, including the Schedules and Exhibits referred to herein, is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder. This Agreement may not be amended except by an instrument in writing signed on behalf of each Seller, Buyer and the Stockholder.

IN WITNESS WHEREOF the parties hereto have executed this Asset Purchase Agreement under seal as of the date first set forth above.

ATTEST: SYNTA PHARMACEUTICALS CORP.

/s/ WENDY E. RIEDER By: /s/ SAFI BAHCALL  
-----  
Chief Executive Officer

ATTEST: CANCER GENOMICS, INC.

----- By: /s/ TODD KLIBANSKY  
-----  
Treasurer

ATTEST: KAVA PHARMACEUTICALS, INC.

----- By: /s/ TODD KLIBANSKY  
-----  
Treasurer

ATTEST: SINGLEPIXEL BIOMEDICAL, INC.

----- By: /s/ TODD KLIBANSKY  
-----  
Treasurer

ATTEST: CMAC, LLC

----- By: /s/ TODD KLIBANSKY  
-----  
Treasurer

EXHIBIT A

FORM OF BILL OF SALE

KNOW ALL PERSONS THAT \_\_\_\_\_, a \_\_\_\_\_ corporation (the "Seller"). acting pursuant to that certain Asset Purchase Agreement (the "Agreement"), dated and effective as of \_\_\_\_\_, by and between the Seller and Synta Pharmaceuticals Corp., a Delaware corporation (the "Buyer"), for consideration specified in the Agreement, the receipt and sufficiency of which are hereby acknowledged, does hereby bargain, sell, transfer, assign and deliver unto the Buyer all of the Purchased Assets but specifically excluding the Retained Assets. All Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

The Purchased Assets shall include the following:

[TO BE COMPLETED]

TO HAVE AND TO HOLD, all and singular, the Purchased Assets hereby assigned, transferred, and delivered unto Buyer, its successors and assigns, for its own use and behalf forever.

The representations and warranties of the Seller and the Buyer set forth in the Agreement are hereby incorporated herein by reference and made a part hereof. The indemnification obligations of the parties set forth in Article VIII of the Agreement shall, as provided and subject to the limitations contained in the Agreement, survive the execution and delivery of this Bill of Sale and the consummation of the transactions effected hereby and thereby. Nothing contained herein is intended to supercede the covenants, representations and warranties regarding the Purchased Assets contained in the Agreement, which representations and warranties shall survive the execution and delivery of this Bill of Sale as set forth in the Agreement.

This Bill of Sale and the Agreement (including the schedules and exhibits thereto) constitute the entire agreement between the parties in connection with the Purchased Assets and may be amended only by a writing signed by an authorized representative of each party. This Bill of Sale shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of Delaware to the full extent permitted by applicable law, without giving effect to the conflict of laws principles thereof.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement. The use of any singular term shall include the plural and vice versa.

The Seller hereby covenants and agrees that it will, at the request of the Buyer, execute and deliver such other instruments of conveyance, assignment and transfer and take such other action as Buyer may reasonably request to vest in Buyer the Company's entire right, title and interest in

Exh. A-1

and to the Purchased Assets being transferred hereby, provided that Buyer shall bear the reasonable and documented costs in connection with the taking of such actions and the execution and delivery of such documents.

[SIGNATURE PAGE FOLLOWS]

Exh. A-2

IN WITNESS WHEREOF, Seller has executed this Bill of Sale dated and effective as of the \_\_\_\_day of \_\_\_\_\_, 2003.

SELLER:

[NAME]

BY:

-----  
Name:  
Title:

Exh. A-3

EXHIBIT B

This INSTRUMENT OF ASSUMPTION dated \_\_\_\_\_ is executed and delivered by \_\_\_\_\_, a \_\_\_\_\_ corporation, (hereinafter referred to as "Seller"), to SYNTA PHARMACEUTICALS CORP., a Delaware corporation (hereinafter referred to as "Buyer"). All capitalized words and terms used in this Instrument of Assumption and not defined herein shall have the respective meanings ascribed to them in that certain Asset Purchase Agreement, dated as of \_\_\_\_\_ (the "Agreement"), among Buyer, Seller and the other parties named therein.

WHEREAS, pursuant to the Agreement, the Seller has agreed to sell, convey, assign, transfer and deliver to the Buyer all of the Purchased Assets;

WHEREAS, in consideration therefore, the Agreement requires the Purchaser to assume the Assumed Liabilities;

NOW, THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Purchaser hereby agrees as follows:

1. The Seller hereby assigns to the Buyer, and the Buyer hereby assumes and agrees to perform, pay and discharge when due all of the Assumed Liabilities.

2. Nothing herein shall be deemed to deprive the Buyer of any defenses, set-offs or counterclaims which the Seller may have had or which the Buyer shall have with respect to any of the obligations, liabilities and commitments hereby assumed (the "Defenses and Claims"). The Seller hereby transfers, conveys and assigns to the Buyer all Defenses and Claims.

3. This instrument shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

4. This instrument may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by telecopy by a party of a copy of an executed counterpart hereof shall constitute execution and delivery hereof by such party.

5. This instrument shall inure to the benefit of, and shall be binding upon, Buyer and Seller and their respective successors and assigns.

6. Any amendments to this instalment shall be made only in writing, signed by the parties hereto.

Exh. B-1

IN WITNESS WHEREOF, the undersigned, have executed this instrument as of the date first written above.

Seller:

-----

By:

-----

Name:

Title:

BUYER:

SYNTA PHARMACEUTICALS CORP.

By:

-----

Name:

Title:

Exh. B-2

FORM OF NON-COMPETITION, NON-SOLICITATION AND  
CONFIDENTIALITY AGREEMENT

NON-COMPETITION, NON-SOLICITATION AND CONFIDENTIALITY AGREEMENT (the "Agreement"), dated as of [\_\_\_\_\_, 2003, by and among Synta Pharmaceuticals Corp., a Delaware corporation ("Buyer"), [\_\_\_\_\_, Inc., a Delaware corporation (the "Seller"), and CMAC, LLC, a Delaware limited liability company ("Stockholder"). Each capitalized term used but not defined herein shall have the meaning set forth in the Asset Purchase Agreement (defined below).

WITNESSETH:

WHEREAS, the Buyer, the Seller and the Stockholder have entered into a Asset Purchase Agreement, dated as of [\_\_\_\_\_, 2003 (the "Asset Purchase Agreement"), pursuant to which the Seller shall sell to the Buyer and the Buyer shall purchase from the Seller certain assets of the Seller as more specifically set forth therein;

WHEREAS, the Stockholder, by virtue of, among other things, the Stockholder's status as the majority stockholder of the Seller, is in possession of certain confidential and proprietary information relating to the Seller;

WHEREAS, the Seller is engaged in the business of [\_\_\_\_\_] (the "Business");

WHEREAS, it is a condition to the obligations of the Buyer under the Asset Purchase Agreement that the Seller and Stockholder enter into this Agreement; and

WHEREAS, the Seller and Stockholder have agreed to enter into this Agreement in consideration of the Buyer's acts as contemplated by the Asset Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Buyer, the Seller and the Stockholder agree as follows:

1. MATERIALITY. The Seller and Stockholder hereby agree that a portion of the Purchase Price (as defined in the Asset Purchase Agreement) is being paid to protect the goodwill of the Seller, which includes the confidential information, trade secrets and know-how of the Seller. Accordingly, the Seller and Stockholder hereby agree that the covenants set forth in this Agreement form a material and substantial part of the transactions contemplated by the Asset Purchase Agreement to protect the confidential information, trade secrets and know-how of the Seller and that the Seller and Stockholder have entered into this Agreement in order to induce the Buyer to enter into the Asset Purchase Agreement.

2. STOCKHOLDER AND SELLER NON-COMPETE.

(a) The Seller and Stockholder acknowledge and agree with respect to the Seller that the Business of the Seller is conducted around the world (the "Territory"), and that the Seller's

Exh. C-1

reputation and goodwill are an integral part of its business success throughout the Territory. If the Stockholder or Seller deprives the Buyer of any of the Seller's goodwill or in any manner utilizes its reputation and goodwill in competition with the Business, the Buyer will be deprived of the benefits it has bargained for pursuant to the Asset Purchase Agreement. Accordingly, as an inducement for the Buyer to enter into the Asset Purchase Agreement, the Seller

and Stockholder agree that during the period beginning on the Closing Date and ending on the second anniversary of the Closing Date (the "Non-Competition Period") the Seller and Stockholder shall not (and shall cause their Affiliates not to), without the Buyer's prior written consent, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be connected as a director, officer, employee, partner, consultant or otherwise with, or permit the Seller's or Stockholder's name to be used by or in connection with, any Person that, directly or indirectly, competes with the Buyer in the Business (as conducted by the Buyer) in the Territory (any such Person being a "Competitive Business").

(b) Notwithstanding anything to the contrary in subclause (a), the Stockholder may be a passive owner (which shall not prohibit the exercise of any rights as a shareholder) of not more than 5% of the outstanding stock of any class of any Competitive Business.

3. NON-SOLICITATION. During the period beginning on the Closing Date and ending on the second anniversary of the Closing Date (the "Restricted Period"), the Seller and Stockholder shall not (and shall cause their Affiliates not to) (i) solicit, raid, entice, induce or contact, or attempt to solicit, raid, entice, induce or contact, any Person that is a customer of the Buyer[Business] immediately after the Closing (as defined in the Asset Purchase Agreement) to become a customer of any other Person for services which are the same as, or competitive with, those services sold, rendered or otherwise made available to customers by the Seller as of the Closing Date or by the Buyer on and after the Closing Date, or approach any such Person for such purpose or authorize the taking of such actions by any other Person or assist or participate with any such Person in taking such action, or (ii) solicit, raid, entice, induce or contact, or attempt to solicit, raid, entice, induce or contact any Person that currently is or at any time during the Restricted Period shall be (or, in the case of termination is at the time of termination), an employee, agent or consultant of or to the Seller or the Buyer, as the case may be, to do anything from which the Seller or Stockholder is restricted by reason of this SECTION 3, and the Seller and Stockholder shall not (and shall cause the their Affiliates not to) approach any such employee, agent or consultant for such purpose or authorize or participate in the taking of such Person in taking such action. The term "customer" shall include: (i) customers of the Seller or Buyer existing immediately prior to the Closing; (ii) customers that have used the products and services of the Seller within the one (1) year period prior to the Closing Date; and (iii) any prospective customers identified as such by the BuyerSeller prior to the Closing Date.

4. NON-DISPARAGEMENT. During the Restricted Period, the Seller and Stockholder shall not make any statement or other communication that impugns or attacks the reputation or character of the Business or damages the goodwill of the BuyerSeller or theits Business, take any action that would interfere with any contractual or customer or supplier relationships conveyed to the Buyer as part of the Purchased Assets, including but not limited to any

Exh. C-2

action that would result in a diminution of business, or otherwise take any action that is detrimental to the best interests of the Business or the Purchased Assets.

5. CONFIDENTIALITY. The Seller and Stockholder covenant and agree that neither the Seller nor Stockholder shall at any time, directly or indirectly, disclose any secret or confidential information that the Seller or Stockholder has about the other, including information that the Seller or Stockholder may learn or has learned by reason of prior ownership of the Purchased Assets or the Stockholder's ownership of Seller securities, or use any such information in a manner detrimental to the interests of the Buyer, unless (i) such information becomes known to the public generally through no fault of the Seller and Stockholder, (ii) disclosure is required by law or the order of any governmental authority under color of law; or (iii) the disclosing party



reasonably believes that such disclosure is required in connection with the defense of a lawsuit against the disclosing party, provided that prior to disclosing any information pursuant to clause (i)-(iii) above, the Seller and/or Stockholder shall give prior written notice thereof to the Buyer and provide Buyer with the opportunity to contest such disclosure and shall cooperate with the efforts to prevent such disclosure. The Seller and Stockholder acknowledge that the right to maintain the secrecy of the trade secrets, know-how and confidential information related to the Purchased Assets constitutes a proprietary right that the Buyer is entitled to protect and that the disclosure, or improper use, of the trade secrets, know-how or the confidential information of the Seller through the Closing Date or related to the Purchased Assets by the Seller and/or Stockholder will cause irreparable harm to the Buyer. The term "confidential information" includes, without limitation, information not previously disclosed to the public or to the trade, including without limitation information about Seller's products, facilities, methods, trade secrets and other intellectual property, software, source code, systems, procedures, manuals, confidential reports, product price lists, customer lists, financial information (including the revenues, costs or profits associated with any of the Seller's products), business plans, prospects or opportunities.

#### 6. ENFORCEABILITY.

(a) The Seller and Stockholder agree that a breach of the covenants contained in this Agreement will cause irreparable damage to the Buyer, the exact amount of which will be difficult to ascertain, and that the remedies at law (including, without limitation, a claim for monetary damages) for any such breach will be inadequate. In the event of the breach or a threatened breach by the Seller or Stockholder of any of the provisions of this Agreement, the Buyer, in addition and supplementary to other rights and remedies existing in its favor, may apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security). In addition, in the event of an actual breach or violation by the Seller or Stockholder of this Agreement, the Non-Competition Period and the Restricted Period with respect to the Seller or Stockholder, as the case may be, shall be tolled until such breach or violation has been duly cured.

(b) Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in

Exh. C-3

any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any court determines that the non-competition restrictions set forth in SECTION 2 of this Agreement are unenforceable by reason of extending the Non-Competition Period for too great a period of time, over too great a geographical scope or otherwise, the parties to this Agreement specifically agree and authorize such court to rewrite this Agreement to reflect the maximum time, geographical and/or other restrictions permitted under applicable law to be reasonable and enforceable.

7. REASONABLE RESTRAINT. The parties agree that the foregoing covenants impose a reasonable restraint on the Seller and Stockholder in light of the activities and business of the parties on the date of execution of this Agreement and the transactions contemplated in the Asset Purchase Agreement; but it is also the intent that such covenants be construed and enforced in accordance with the changing activities and business of the Buyer throughout the term of this Agreement.

8. COUNTERPARTS. This Agreement may be executed in counterparts, any one of which need not contain the signatures of more than one party, but all such

counterparts taken together will constitute one and the same instrument. Signatures may be exchanged by telecopy and each party to this Agreement agrees that it will be bound by its own telecopied signature and that it accepts the telecopied signatures of the other parties to this Agreement.

9. CAPTIONS. The captions used in this Agreement are for convenience of reference only, do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement. All provisions of this Agreement will be enforced and construed as if no caption had been used in this Agreement.

10. BINDING EFFECT; AMENDMENT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns. Neither the Seller nor Stockholder may assign its rights or obligations under this Agreement. The rights of the Buyer under this Agreement may be assigned to any of the Affiliates of the Buyer and to any third party that purchases the stock or assets of the Buyer. Each party hereto represents and warrants that this Agreement has been duly and validly authorized, executed and delivered by such party and constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms. This Agreement may be amended only by a writing signed by the parties hereto.

11. GOVERNING LAW. This Agreement shall be subject to and governed by the laws of the CommonwealthState of Massachusetts. The parties hereto agree that venue and jurisdiction with respect to any matter arising under this Agreement shall be exclusively in the state or federal courts, as applicable, located in the CommonwealthState of Massachusetts. Each party submits to the jurisdiction of such courts in the CommonwealthState of Massachusetts with respect to any claims or controversies arising under this Agreement.

12. NO STRICT CONSTRUCTION. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or

Exh. C-4

interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

13. NOTICE. All notices, requests, demands, claims, and other communications hereunder will be in writing. Notices, requests, demands, claims and other communications to the parties hereto shall, unless another address is set forth in writing, be sent to the address or telecopy number set forth below:

If to Buyer:

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421  
Attention:  
Facsimile Transmisssion Number:

with a copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.  
One Financial Center  
Boston, MA 02111  
Attention: Jeffrey Wiesen, Esq.  
Facsimile Transmission Number: (617) 542-2241

If to Seller:

Peregrine Financial Corporation  
84 State Street  
Boston, MA 02109  
Attention: Todd Klibansky

Facsimile Transmission Number: (617) 523-2289

with a copy to:

Testa, Hurwitz & Thibault, LLP  
125 High Street  
Boston, MA 02105  
Attention: Rufus King, Esq.  
Facsimile Transmission Number: (617) 248-7282

If to the Stockholder:

CMAC, LLC  
84 State Street  
Boston, MA 02109  
Attention: Todd Klibansky  
Facsimile Transmission Number: (617) 523-2289

Exh. C-5

with a copy to:

Testa, Hurwitz & Thibault, LLP  
125 High Street  
Boston, MA 02105  
Attention: Rufus King, Esq.  
Facsimile Transmission Number: (617) 248-7282

Any party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

14. Notwithstanding any of the foregoing, as used in this Agreement in connection with the term "Stockholder", the term "Affiliates" shall not include any member of the Stockholder or any principals of any members of the Stockholder.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has caused this Non-Competition, Non-Solicitation and Confidentiality Agreement to be duly executed, all as of the day and year first above written.

BUYER:

SYNTA PHARMACEUTICALS CORP.

By: \_\_\_\_\_

Name:

Title:

SELLER:

[NAME OF ENTITY]

By: \_\_\_\_\_

Name:  
Title:

Exh. C-6

STOCKHOLDER:

CMAC, LLC

By:

-----  
Name:  
Title:

Exh. C-7

EXHIBIT D

FORM OF PATENT ASSIGNMENT

This PATENT ASSIGNMENT is made as of \_\_\_\_\_, 200\_\_ by  
\_\_\_\_\_, an individual with his principal residence at  
\_\_\_\_\_ ("ASSIGNOR").

RECITALS

WHEREAS, Assignor is the beneficial owner of all rights, title and interests in a certain United States Patent as identified on SCHEDULE I attached hereto (the "PATENT");

WHEREAS, pursuant to the Transaction Agreement dated as of \_\_\_\_\_, \_\_\_\_\_ (the "TRANSACTION AGREEMENT") by and among Assignor, \_\_\_\_\_, a \_\_\_\_\_ ("ASSIGNEE") and the Investor named therein, Assignor has agreed to transfer certain of its assets and the intellectual property rights thereto, including, without limitation, the Patent, to Assignee; and

WHEREAS, Assignee desires to acquire all rights, title and interests in, to and under said Patent.

NOW, THEREFORE, for good and valuable consideration set forth in the Transaction Agreement, the receipt and sufficiency of which is hereby acknowledged by Assignor,

1. Assignor hereby conveys, assigns, transfers and delivers absolutely to Assignee, its successors and assigns free from encumbrances, (i) all rights, title and interests throughout the world in, to and under the Patent, and the underlying inventions described therein and any United States or foreign reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof, and substitutes therefor, and all letters patent of the United States which have been or may be granted thereon and all foreign counterparts thereof, together with all rights and powers arising or accrued therefrom including, without limitation, the right to sue and recover damages and other remedies for future or past infringements of the Patent and to fully and entirely stand in the place of Assignor in all matters related thereto and (ii) the right to apply for, prosecute and obtain patent or similar protection throughout the world in respect of the inventions claimed in the Patents including the right to claim priority therefrom to the intent that the grant of any patents or similar protection shall be in the name of and vest in the Assignee. Assignor agrees to take such further action and to execute such additional documents as may be necessary to perfect Assignee's title in and to the Patent and all foreign counterparts thereof. In addition, Assignor hereby conveys, assigns, transfers and delivers to Assignee, its successors and assigns, all of its right, title and interest throughout the world in and to all lab notes, prototypes, product definition, market analysis, marketing studies,

draft patent applications, any and all correspondence with the United States Patent and Trademark Office or any foreign patent office, trade secrets, nondisclosure agreements, invention agreements, noncompete agreements and any other document recording the secret knowledge of Assignor relating to the Patent.

Exh. D-1

2. Assignor hereby requests the Commissioner of Patents and Trademarks (the "COMMISSIONER") to record this Patent Assignment to Assignee. Assignor hereby further requests the Commissioner to issue any and all letters patent of the United States or derived from the Patent to Assignee as assignee of the entire interest. Assignor hereby covenants that the Commissioner has full right to convey the entire interest herein assigned, and that Assignor has not executed, and will not execute, any agreements inconsistent herewith.

3. GENERAL PROVISIONS. This Agreement will be governed by, and construed and enforced in accordance with, the substantive laws of the State of Delaware, without regard to its principles of conflicts of laws. This Agreement may not be supplemented, altered or modified in any manner except by a writing signed by both parties hereto. The failure of either party to enforce any terms or provisions of this Assignment will not waive any rights under such terms and provisions. This Agreement may be executed by facsimile signature and in counterparts, each of which will be an original and all of which when taken together will constitute one and the same Instrument.

IN WITNESS WHEREOF, the undersigned has caused this Patent Assignment to be executed as of the day and year first written above.

ASSIGNOR

-----

THE COMMONWEALTH OF MASSACHUSETTS

County of )

On this the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ before me personally appeared \_\_\_\_\_ to me personally known, and known to me to be the person who signed the foregoing assignment, and acknowledged the signing of same as his free act and deed.

-----  
Notary Public  
My commission expires \_\_\_\_\_

Acknowledged and accepted:  
ASSIGNEE

BY: \_\_\_\_\_  
Name:  
Title:

Exh. D-2

SCHEDULE I  
TO  
PATENT ASSIGNMENT

U.S. PATENT NO.	TITLE	ISSUE DATE
-----------------	-------	------------

Exh. D-3

## FORM OF LICENSE AGREEMENT

This Agreement (together with Exhibit A attached hereto, this "Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2003 (the "Effective Date"), by and between SYNTA PHARMACEUTICALS, INC. ("LICENSOR"), organized and existing under the laws of the state of Delaware, having its principal office at 45 Hartwell Avenue, Lexington, Massachusetts 02421, and KAVA PHARMACEUTICALS, INC. ("LICENSEE"), a corporation organized and existing under the laws of the state of Delaware, having its principal office at 84 State Street, Suite 900, Boston, Massachusetts 02109.

WHEREAS, LICENSOR, as of the closing of an asset sale between the parties concurrently herewith, is the owner of certain PATENT RIGHTS, and the LICENSOR has the right to grant licenses under such PATENT RIGHTS; and

WHEREAS, LICENSEE desires to obtain certain licenses under the PATENT RIGHTS upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto, intending to be legally bound, agree as follows:

## ARTICLE 1 - DEFINITIONS

For purposes of this Agreement, the following words and phrases shall have the following meanings:

1.1 AFFILIATE shall mean any business entity which directly or indirectly is the legal or beneficial owner of, or controls greater than fifty-percent (50%) of the issued and voting capital stock or other share participation of a party hereto.

1.2 CONFIDENTIAL INFORMATION shall mean information, including but not limited to, regarding existing or proposed research, development efforts, business or products; marketing and distribution data, methods, plans and efforts; the identities of and the course of dealing with actual and prospective customers, contractors and suppliers; and any other materials that have not been made available to the general public. Information in written form shall be

Exh. E-1

marked "Confidential" in order to qualify for such treatment. Information in other than written form shall be confirmed in writing within thirty (30) days of disclosure in order to qualify for such treatment.

1.3 FIELD shall mean the development, manufacture and sale of kava kava extracts, and components thereof, for use in beverages and drink formulations.

1.4 LICENSED PRODUCT shall mean any product or part thereof which is:

(a) covered in whole or in part by an issued, unexpired or pending claim contained in the PATENT RIGHTS in the country in which any such product or part thereof is made, used or sold; or

(b) manufactured by using, or is employed to practice, a process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the PATENT RIGHTS in the country in which such process is used or in which such product or part thereof is used or sold.

1.5 PATENT RIGHTS shall mean LICENSOR intellectual property described below:

(a) The United States and foreign patents (including, reissues,

reexaminations, conversions, patents of addition, and extensions thereof) and/or patent applications listed in EXHIBIT A;

(b) United States and foreign patents (including, reissues, reexaminations, conversions, patents of addition, and extensions thereof) issued from the applications listed in Exhibit A and from divisionals, continuations, and continuations-in-part of these applications;

(c) Claims of U.S. and foreign continuation-in-part applications, and of the resulting patents, which are directed to subject matter specifically described in the U.S. and foreign applications listed in Exhibit A;

(d) Claims of all foreign patent applications, and of the resulting patents, which are directed to subject matter specifically described in the United States patents and/or patent applications described in (a), (b) or (c) above.

1.6 SUBLICENSEE shall mean any third party to whom LICENSEE grants a sublicense of some or all of the rights granted to LICENSEE pursuant to Article 2 hereof.

Exh. E-2

1.7 TERM shall have the meaning set forth in Section 7.1, hereof.

1.8 TERRITORY shall mean worldwide.

#### ARTICLE 2 - GRANT

2.1 LICENSE GRANT. LICENSOR for the sum of ten (US\$ 10.00) U.S. dollars and other good and valuable consideration the receipt of which is hereby acknowledged, hereby grants to LICENSEE, subject to the terms and conditions of this Agreement, a fully paid-up and royalty-free right and exclusive license, including the right to grant sublicenses in accordance with Section 2.2 below, under the PATENT RIGHTS to make, have made, use and sell LICENSED PRODUCTS in the FIELD during the TERM in the TERRITORY.

2.2 RIGHT TO SUBLICENSE. LICENSEE shall have the right to grant to any SUBLICENSEE sublicenses to all or any portion of its rights under the license granted pursuant to this Article 2; PROVIDED, HOWEVER, that (a) LICENSOR shall be notified in writing of any and all potential sublicenses, and (b) any and all sublicenses shall be consistent with the terms and conditions of this Agreement.

2.3 RETAINED RIGHTS. LICENSOR hereby retains the right to practice the PATENT RIGHTS for any and all uses outside of the FIELD.

#### ARTICLE 3 - CONFIDENTIALITY

3.1 Each party will maintain the confidential nature of CONFIDENTIAL INFORMATION it receives from the other and shall, at a minimum, take those precautions that it utilizes to protect its own confidential information, but not less than a commercially reasonable standard of care, and shall refrain from using any of the CONFIDENTIAL INFORMATION except in connection with this Agreement. The foregoing provisions shall not apply to any information that is: (i) generally available to the public immediately prior to the time of disclosure; (ii) becomes available to the public in compliance with provisions of this Agreement; (iii) is independently developed by the receiving party as demonstrated by written evidence, (iv) is received from a third party, provided that such third party did not receive the information by any unauthorized disclosure; or (v) is disclosed in compliance with an order of an administrative or regulatory agency or court of competent jurisdiction. This obligation of confidentiality will

Exh. E-3

commence on the Effective Date and continue until five (5) years after the expiration or termination of this Agreement.

3.2 In the event that any party is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any CONFIDENTIAL INFORMATION, that party will notify the other promptly of the request or requirement so that the other party or parties may seek an appropriate protective order. A party may disclose the CONFIDENTIAL INFORMATION subject to order of an administrative or regulatory agency or court of competent jurisdiction; provided, however, that such party shall use its best efforts to obtain, at the request of the other party, a protective order or other assurance that confidential treatment will be accorded to such portion of the CONFIDENTIAL INFORMATION required to be disclosed.

3.3 For the purposes of this Article 3, a "party" is specifically deemed to include any AFFILIATE thereof.

#### ARTICLE 4 - INTELLECTUAL PROPERTY

4.1 PATENT FILING, PROSECUTION AND MAINTENANCE. Subject to the other terms of this Article 4, LICENSOR shall be solely responsible for preparing, filing, prosecuting, obtaining and maintaining, at its sole cost, expense and discretion, all PATENT RIGHTS in all countries. LICENSOR will keep LICENSEE reasonably informed of the status of all actions it takes with respect to the PATENT RIGHTS that are licensed to LICENSEE hereunder. LICENSOR shall also provide written notice to LICENSEE prior to taking or failing to take any such action that would reasonably be expected to affect the scope or validity of the PATENT RIGHTS licensed to LICENSEE hereunder, such that LICENSEE has a reasonable opportunity to review and provide comment. If LICENSOR determines in its sole discretion not to undertake the filing of any patent application or submission with respect to any of the PATENT RIGHTS licensed to LICENSEE hereunder, then it shall give LICENSEE prompt written notice of same, at which time LICENSEE may undertake such filing at its own expense, in LICENSOR's name.

#### ARTICLE 5 - INFRINGEMENT ACTIONS

##### Exh. E-4

5.1 NOTICE OF INFRINGEMENT. If, during the TERM, either party learns of any actual, alleged or threatened infringement by a third party of any PATENT RIGHTS, such party shall promptly notify the other party and shall provide such other party with all available evidence of such infringement.

5.2 RIGHTS OF PARTIES. LICENSOR shall have the first right (but not the obligation), at its own expense and with legal counsel of its own choice, to bring suit (or take other appropriate legal action) against any actual, alleged or threatened infringement of the PATENT RIGHTS. LICENSEE shall have the right, at its own expense, to be represented in any such action by LICENSOR by counsel of LICENSEE's own choice; PROVIDED, HOWEVER, that under no circumstances shall the foregoing affect the right of LICENSOR to control the suit as described in the first sentence of this Section 5.2. If LICENSOR does not file any action or proceeding against any material infringement of the PATENT RIGHTS within the FIELD within six (6) months after the later of (i) LICENSOR's notice to LICENSEE under Section 5.1 above. (ii) LICENSEE's notice to LICENSOR under Section 5.1 above, or (iii) a written request from LICENSEE to take action with respect to such infringement, then LICENSEE shall have the right (but not the obligation), at its own expense, to bring suit (or take other appropriate legal action) against such actual, alleged or threatened infringement, with legal counsel of its own choice, but shall not be permitted to settle any such suit without the prior consent of LICENSOR, which consent shall not be unreasonably withheld. Any damages, monetary awards or other amounts recovered, whether by judgment or settlement, pursuant to any suit, proceeding or other legal action taken under this Section 5.2, shall applied as follows:

(a) first, to reimburse the parties for their respective costs and expenses (including reasonable attorneys' fees and costs) incurred in



prosecuting such enforcement action;

(b) second, to LICENSEE in reimbursement for any lost sales associated with LICENSED PRODUCTS directly attributable to such infringement; and

(c) third, any amounts remaining shall be allocated as follows: (a) if LICENSOR is the party bringing such suit or proceeding or taking such other legal action, one hundred percent (100%) to LICENSOR, (b) if LICENSEE is the party bringing such suit or

Exh. E-5

proceeding or taking such other legal action, one hundred percent (100%) to LICENSEE, and (c) if the suit is brought jointly by the parties, fifty percent (50%) to each party.

If a party brings any such action or proceeding hereunder, the other party agrees to be joined as party plaintiff if necessary to prosecute such action or proceeding, and to give the party bringing such action or proceeding reasonable assistance and authority to file and prosecute the suit; PROVIDED, HOWEVER, that neither party shall be required to transfer any right, title or interest in or to any property to the other party or any third party to confer standing on a party hereunder.

#### ARTICLE 6 - INDEMNIFICATION / LIMITATION OF LIABILITY

6.1 LICENSEE shall at all times during the term of this Agreement and thereafter indemnify, defend and hold LICENSOR, its trustees, officers, employees and affiliates harmless against all claims and expenses, including legal expenses and reasonable attorneys' fees, arising out of the death of or injury to any person or persons or out of any damage to property or the environment, and against any other claim, proceeding, demand, expense and liability of any kind whatsoever resulting from the clinical investigation, production, manufacture, sale, use, lease, consumption or advertisement of any LICENSED PRODUCT by LICENSEE or any AFFILIATE of LICENSEE or any SUBLICENSEE, unless directly caused by the gross negligence or willful misconduct of LICENSOR.

6.2 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, LICENSOR MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A REPRESENTATION OR WARRANTY GIVEN BY LICENSOR THAT THE PRACTICE BY LICENSEE OF THE LICENSE GRANTED HEREUNDER SHALL NOT INFRINGE THE PATENT RIGHTS OF ANY THIRD PARTY.

Exh. E-6

#### ARTICLE 7 - TERMINATION

7.1 TERM. Unless earlier terminated as provided herein, the term of this Agreement shall commence on the Effective Date and shall continue until the last to expire patent or patent claim under the PATENT RIGHTS (the "TERM").

7.2 LICENSOR shall have the right to terminate this Agreement if LICENSEE shall default in the performance of any of the obligations herein contained and such default has not been cured within ninety (90) days after receiving written notice thereof from LICENSOR.

7.3 In the event this Agreement is terminated for any reason, then upon the request by a disclosing party, the receiving party will promptly return or certify the destruction of all CONFIDENTIAL INFORMATION it received from the disclosing party along with all copies made by the receiving party. Upon such a request, the disclosing party's CONFIDENTIAL INFORMATION contained on data storage media shall be certified as being deleted there from.

7.4 Upon termination of this Agreement, neither party shall be released from any obligation that matured prior to the effective date of such termination; provided, LICENSEE and any SUBLICENSEE may, for a period of six (6) months or such longer time period (if any) on which the parties mutually agree in writing, sell all LICENSED PRODUCTS which LICENSEE (or any SUBLICENSEE) produced prior to the effective date of such termination. Without limitation of the foregoing, the provisions of Articles 3, and 6 shall survive termination of this Agreement.

#### ARTICLE 8 - NOTICES

8.1 Any notice or communication pursuant to this Agreement shall be sufficiently made or given if sent by certified or registered mail, postage prepaid, or by overnight courier, with proof of delivery by receipt, addressed to the address below or as either party shall designate by written notice to the other party.

In the case of LICENSOR:

SYNTA PHARMACEUTICALS, INC.  
45 Hartwell Avenue  
Lexington, Massachusetts 02421  
Attention: President

Exh. E-7

In the case of LICENSEE:

Peregrine Financial Corporation  
Attn: Mr. Todd Klibansky  
84 State Street, Suite 900  
Boston, Massachusetts 02109

#### ARTICLE 9 - MISCELLANEOUS

9.1 This Agreement is not assignable without the prior written consent of LICENSOR and any attempt to do so shall be null and void; however, LICENSEE may, upon prior written notice to LICENSOR, assign this Agreement and all its rights and obligations hereunder to a third party, including Drinks That Work, Inc., solely in connection with the LICENSEE'S winding-down and liquidation of its business. This Agreement may be assigned by LICENSOR provided that any successor in interest assumes all rights and obligations of LICENSOR hereunder.

9.2 This Agreement may not be amended or modified except by the execution of a written instrument signed by the parties hereto.

9.3 Nothing in this Agreement shall be construed to deem either party as agent for the other.

9.4 This Agreement shall be governed, interpreted and construed in accordance with the laws of the Commonwealth of Massachusetts, irrespective of choice of laws provisions. Both parties shall use reasonable efforts to resolve by mutual agreement any disputes, controversies, claims or difference which may arise from, under, out of or in connection with this Agreement. If such disputes, controversies, claims or differences cannot be settled between the parties, any dispute resolution proceeding shall take place in the United States, but if either party files a claim in a state or federal court, such claim shall be filed in the state or federal courts in the Commonwealth of Massachusetts. Nothing herein shall alter or affect any other rights either party may have to redress any breach or act of the other party.

9.5 Nothing contained in this Agreement shall be construed as conferring upon either party any right to use in advertising, publicity or other promotional activities any name, trade name, trademark, or other designation of the other party, including any contraction, abbreviation, or simulation of any of the foregoing. Without the express written approval of the other party,

neither party shall use any designation of the other party in any promotional activity associated with this Agreement, including without limitation, any LICENSED PRODUCT. Neither party shall issue any press release or make any public statement in regard to this Agreement without the prior written approval of the other party.

9.6 If one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable, the remaining provisions shall not in any way be affected or impaired thereby. In the event any provision is held illegal or unenforceable, the parties shall use reasonable efforts to substitute a valid, legal and enforceable provision which, insofar as is practical, implements purposes of the provision held invalid, illegal or unenforceable.

9.7 Failure at any time to require performance of any of the provisions herein shall not waive or diminish a party's right thereafter to demand compliance therewith or with any other provision. Waiver of any default shall not waive any other default. A party shall not be deemed to have waived any rights hereunder unless such waiver is in writing and signed by a duly authorized officer of the party making such waiver.

9.8 The parties acknowledge that this Agreement sets forth the entire understanding and intentions of the parties hereto as to the subject matter hereof and supersedes all previous understandings between the parties, written or oral, regarding such subject matter.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the parties have set their hands and seals as of the date set forth on the first page hereof.

For LICENSOR

For LICENSEE

SYNTA PHARMACEUTICALS, INC.

KAVA PHARMACEUTICALS, INC.

-----	-----
Name:	Name:
Title:	Title:

## EXHIBIT A

COUNTRY	SERIAL NUMBERS	FILING DETAILS
-----	-----	-----
United States	Patent Appln. No. 09/584,220	Filed May 31, 2000
United States	Patent Appln. No. 09/962,514	Filed September 24, 2001
United States	Patent Appln. No. 10/396,117	Filed March 25, 2003
International PCT	Patent Appln. No.	Filed June 1, 2000
Taiwan	Patent Appln. No. 89112231	Filed June 21, 2000
United States	Patent Appln. No. 09/853,304	Filed May 11, 2001
United States	Patent Appln. No. 10/010,201	Filed November 30, 2001
United States	Patent Appln. No. 60/311,437	Filed August 10, 2001
United States	Patent Appln. No. 10/214,624	Filed August 8, 2002
PCT	Patent Appln. No.	Filed August 8, 2002
Taiwan	Patent Appln. No. 91117959	Filed August 9, 2002

United States	Patent Appln. No. 09/923,462	Filed August 6, 2001
PCT	Patent Appln. No.	Filed August 5, 2002
Taiwan	Patent Appln. No. 91117646	Filed August 6, 2002
United States	Patent Appln. No. 60/328,986	Filed October 12, 2001
United States	Patent Appln. No. 10/269,722	Filed October 11, 2002
PCT	Patent Appln. No.	Filed October 15, 2002
United States	Patent Appln. No. 60/351,167	Filed January 22, 2002
United States	Patent Appln. No. 10/349,194	Filed January 22, 2003
PCT	Patent Appln. No.	Filed May 13, 2002
Taiwan	Patent Appln. No. 91109804	Filed May 10, 2002
United States	Patent Appln. No. 60/359,864	Filed February 27, 2002
United States	Patent Appln. No. 10/376,800	Filed February 27, 2003
PCT	Patent Appln. No.	Filed February 27, 2003

TRA 1862567v2

Exh. E-11

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

April 18, 2005

Safi R. Bahcall, Ph.D.  
[ADDRESS]

Dear Safi:

This letter agreement is to confirm our understanding with you with respect to your employment as President and Chief Executive Officer of Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company"), reporting directly to the Board of Directors of the Company (the "Board").

1. EFFECTIVE DATE: The effective date of this agreement is the date that you accept the terms hereof as set forth on the signature page hereto.

2. BOARD MEMBERSHIP: While you continue to serve as President and Chief Executive Officer, the Board also agrees to nominate you for election as a director at each annual meeting of stockholders immediately preceding which your then current term as a director expires.

3. COMPENSATION: Your initial base salary will be \$340,000 annually (the "Base Salary"); payable at a semi-monthly rate of approximately \$14,167 (or otherwise in accordance with the Company's payroll practices as in effect from time to time), from which all applicable taxes and other customary employment-related deductions will be taken. The Base Salary may be subject to adjustment from time to time in the discretion of the Board or the Compensation Committee thereof.

For each fiscal year of the Company during the term of this agreement, the Board, or the Compensation Committee thereof, may, in its discretion, grant to you an option to purchase shares of the Company's common stock (the "Common Stock") under the Company's 2001 Stock Plan (the "Plan"), or any successor plan then in effect. The exercise price for any such option will be the fair market value per share of the Common Stock on the date of grant, and the other terms and conditions of such option will be as set forth in the Plan and in a written stock option agreement between you and the Company, evidencing such option. Each option will be an incentive stock option to the extent permissible under applicable law.

You will be eligible to receive annual performance based bonuses. Such bonus, if any, will be granted at the discretion of the Board, or the Compensation Committee thereof.

4. BENEFITS: As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the same terms, conditions and

limitations applicable to other executive officers of the Company. All benefits may be changed or modified from time to time at the Company's sole discretion.

5. TERMINATION AND SEVERANCE: Upon termination of your employment for any reason, you shall receive payment of (a) your Base Salary, as then in effect, through the date of termination of employment (the "Termination Date"), and (b)

all accrued vacation, expense reimbursements and any other benefits (other than severance benefits, except as provided below) due to you through the Termination Date in accordance with established Company plans and policies or applicable law. In addition, in the event the Company terminates your employment without cause, you will be entitled to continue to receive your then-current Base Salary for a period equal to twenty-four (24) months, payable in accordance with the Company's normal payroll practices.

For purposes of this agreement, termination "without cause" shall include, but not be limited to, your resignation following a significant material diminution in your title, salary, duties or responsibilities by the Company. The preceding sentence notwithstanding, "cause" shall include (but is not limited to): (i) any substantial malfeasance or non-feasance of duty, (ii) any material breach by you of any of the terms of the Confidential Information Agreement and Non-Competition Agreement between you and the Company, (iii) any attempt by you to secure any improper personal profit in connection with the business of the Company or any of its affiliates, (iv) your conviction, or the entry of a pleading of guilty or nolo contendere by you to, any crime involving moral turpitude or any felony, or (v) any conduct substantially injurious or prejudicial to the business of the Company or its affiliates.

On the Termination Date, and as a condition to the receipt of the aforementioned severance payments, you shall execute and deliver to the Company your written release of the Company and its officers, directors, employees, security holders, agents, and representatives from any and all claims and causes of action against the Company arising in connection with your employment with the Company.

6. EMPLOYMENT PERIOD: Subject to the provision of severance payments as set forth in Section 5, your employment with the Company will be at-will, meaning that you will not be obligated to remain employed by the Company for any specified period of time; likewise, the Company will not be obligated to continue your employment for any specific period and may terminate your employment at any time, with or without cause.

7. CONTINGENCIES: This agreement and your employment with the Company is contingent upon your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A).

8. JURISDICTION AND WAIVER: In the case of any dispute, this agreement shall be interpreted under the laws of the Commonwealth of Massachusetts. By accepting the terms of this agreement, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

9. INSURANCE. The Company, in its sole discretion, may apply for and purchase key person life insurance on your life in an amount determined by the Company with the Company as beneficiary and one or more other policies of insurance insuring your life. You will submit to any medical or other examinations and execute and deliver any applications or other instruments in writing that are reasonably necessary to effectuate such insurance.

10. REPRESENTATIONS. You hereby represent and warrant to the Company that you understand this agreement, that you enter into this agreement voluntarily and that your employment under this agreement will not conflict with any legal duty owed by you to any other party, or with any agreement to which you are a party or by which you are bound, including, without limitation, any non-competition or non-solicitation provision contained in any such agreement. You will indemnify and hold harmless the Company and its officers, directors, employees, security holders, agents and representatives against loss, damage, liability or expense

arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

11. ENTIRE AGREEMENT. This agreement, together with the other agreements specifically referred to herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this agreement will affect, or be used to interpret, change or restrict, the express terms and provisions of this agreement.

12. ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved or to any Company Affiliate. You may not assign your rights and obligations under this agreement without the prior written consent of the Company, and any such attempted assignment by you without the prior written consent of the Company will be void.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ Keith R. Gollust

-----  
Keith R. Gollust  
Chairman of the Board of Directors

Agreed to and accepted:

Name: /s/ Safi R. Bahcall

Date: April 18, 2005

-----  
Safi R. Bahcall, Ph.D.

EXHIBIT A

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

April 18, 2005

Safi R. Bahcall, Ph.D.  
[ADDRESS]

Dear Safi:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment

for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You will devote your full time and efforts to the business of the Company and, during the period of your employment with the Company (the "Term") and for a period of twenty-four (24) months following termination of your employment (whether such termination is voluntary or involuntary), shall not participate, directly or indirectly, in any capacity, in any business which is competitive with the Company without the prior written consent of the Company. You acknowledge and agree that a business will be deemed competitive with the Company if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product that may be purchased in lieu of purchasing services performed or products produced,

A-1

manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the period of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the Term and for a period of twenty-four (24) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) FIELD OF INTEREST. As used herein, the term "Field of Interest"



means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(d) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

A-2

(e) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

## 2. PROTECTED INFORMATION.

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chairman of the board of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

(c) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 2 shall survive the termination of your employment with the Company.

### 3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the

A-3

foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. ss. 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. ss. 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting

A-4

any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

A-5

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company: Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421  
Attn: Chairman of the Board

If to you: To the address set forth on the signature page of  
this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that

the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other

A-7

circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ Keith R. Gollust

-----  
Keith R. Gollust  
Chairman of the Board of Directors

Agreed to and accepted:

/s/ Safi R. Bahcall

-----  
Name: Safi R. Bahcall, Ph.D.

-----  
[ADDRESS]

-----  
Address:

Date: April 18, 2005

October 1, 2002

Dr. Keizo Koya  
[ADDRESS]

Dear Keizo:

We are pleased to make the following employment offer to you at Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company"). We are looking forward to working with you. The terms of your employment are detailed below.

**Position:** Your position will be Vice President of Drug Development, and you will work at our office located at 45 Hartwell Avenue, Lexington, Massachusetts. If you continue with the Company, your position and assignments will be subject to change. Synta Pharmaceuticals is a dynamic organization with ever-changing needs, and we will place you where we believe your talents and abilities can be best utilized. As a Synta Pharmaceuticals employee, we expect that you will perform any and all duties and responsibilities normally associated with your position in a satisfactory manner and to the best of your abilities at all times. You will be expected to devote all of your working time to the performance of your duties at the Company throughout your employment. Your employment at all times remains at-will, as discussed below.

**Salary:** Your initial base pay shall be \$150,000 annually, payable at a biweekly rate of \$5,769.23, from which all applicable taxes and other customary employment-related deductions will be taken. Additionally, you will qualify to receive annual performance-based bonuses. Bonuses for fully meeting and exceeding expectations will be granted in the 10% -20% range. Bonuses over 20% will only be granted for the demonstration of exceptional performance. Any such bonus will be granted at the discretion of the Company's Board of Directors.

**Stock Option:** Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase 500,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value on the grant date and are subject to a vesting schedule. Vesting shall occur as follows: 150,000 at the signing of this offer letter with the remainder to follow the standard Company vesting schedule. Please refer to the Plan and to

your stock option agreement for further information concerning this aspect of your compensation.

**Benefit Plans:** As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit

plans to the same extent as, and subject to the same terms, conditions and limitations applicable to, other employees of the Company of similar rank and tenure. The Company will provide you with detailed information on its current benefits, holiday schedule, and vacation and sick leave policies on your start date. All benefits, of course, may be changed or modified from time to time and the provision of any benefits to you in no way changes or impacts your status as an at-will employee.

Starting Date: Your first day of employment under this offer of employment will be October 1, 2002.

Nature of Relationship: No provision of this letter shall be construed to create an express or implied employment contract, or a promise of employment for any specific period of time. Your employment with Synta Pharmaceuticals is at-will employment which may be terminated by you or the Company at any time for any reason with or without advance notice.

Our employment offer to you is contingent upon (i) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as Exhibit A), and (ii) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service.

This letter constitutes our entire offer regarding the terms and conditions of your prospective employment with Synta Pharmaceuticals. It supersedes any prior agreements, or other promises or statements (whether oral or written) regarding the offered terms of employment. The terms of your employment shall be governed by the laws of the Commonwealth of Massachusetts. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

[Remainder of page intentionally left blank]

2

If you accept the above-described offer, please sign and return the original copy of this letter; the second copy is for your records. We look forward to you joining Synta Pharmaceuticals. If you have any questions, please feel free to call me.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ SAFI BAHCALL

-----  
Safi Bahcall, Ph.D.  
Chief Executive Officer

Agreed to and accepted

Name: /s/ KEIZO KOYA  
-----

Date: October 12, 2002  
-----



EXHIBIT A

Synta Pharmaceuticals Corp.  
 45 Hartwell Avenue  
 Lexington, MA 02421

October 1, 2002

Dr. Keizo Koya  
 [ADDRESS]

Dear Keizo:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You acknowledge and agree that a business will be deemed competitive with the Company (a "Competitive Business") if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product similar to services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the Term of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and

that all such confidential information and training could be used by you to compete with the Company.

(b) COVENANTS NOT TO COMPETE. During the period in which you are employed by the Company (the "Term") and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company, for yourself or on behalf of any other person or entity, directly or indirectly,

either as principal, agent, stockholder, employee, consultant, representative or in any other capacity, own, manage, operate or control, or be concerned, connected or employed by, or otherwise associate in any manner with, engage in or have a financial interest in any Competitive Business (as defined above) anywhere in the world (the "Restricted Territory"), except that nothing contained herein shall preclude you from purchasing or owning securities of any such business if such securities are publicly traded, and provided that your holdings do not exceed three (3%) percent of the issued and outstanding securities of any class of securities of such business.

(c) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located within the Restricted Territory with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(d) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(e) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of

5

time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(f) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

## 2. PROTECTED INFORMATION.

(a) Confidentiality Obligations. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of

performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

### 3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive,

#### 6

reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with

others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief,

7

or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements

included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

8

If to the Company:        Synta Pharmaceuticals Corp.  
                              45 Hartwell Avenue  
                              Lexington, MA 02421  
                              Attn: Chief Executive Officer

If to you:                 To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of

the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

9

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS. Powers and Remedies. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

-----  
Safi Bahcall, Ph.D.  
Chief Executive Officer

Agreed to and accepted:

/s/ KEIZO KOYA

-----  
Name:

-----

-----  
Address

Date: October 12, 2002

-----

January 10, 2003

James Barsoum, Ph.D.  
[ADDRESS]

Dear James:

We are pleased to make the following employment offer to you at Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company"). We are excited at the prospect of your joining our team and are looking forward to working with you. The terms of your employment with the Company are detailed below.

**Position:** Your position will be Vice President of Biology, and you will work at our office located at 45 Hartwell Avenue, Lexington, Massachusetts. If you continue with the Company, your position and assignments will be subject to change. Synta Pharmaceuticals is a dynamic organization with ever-changing needs, and we will place you where we believe your talents and abilities can be best utilized. As a Synta Pharmaceuticals employee, we expect that you will perform any and all duties and responsibilities normally associated with your position in a satisfactory manner and to the best of your abilities at all times. You will be expected to devote all of your working time to the performance of your duties at the Company throughout your employment. Your employment at all times remains at-will, as discussed below.

**Salary:** Your initial base pay shall be \$200,000 annually; payable at a bimonthly rate of \$8,333.33, from which all applicable taxes and other customary employment-related deductions will be taken. Additionally, you will qualify to receive annual performance-based bonuses. Bonuses for fully meeting and exceeding expectations will be granted in the 10%-20% range. Any such bonus will be granted at the discretion of the Company's Board of Directors.

**Stock Option:** Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase 300,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value on the grant date and are subject to a vesting schedule. Please refer to the Plan and to your stock option agreement for further information concerning this aspect of your compensation.

**Benefit Plans:** As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as,



limitations applicable to, other employees of the Company of similar rank and tenure. The Company will provide you with detailed information on its current benefits, holiday schedule, and vacation and sick leave policies on your start date. All benefits, of course, may be changed or modified from time to time and the provision of any benefits to you in no way changes or impacts your status as an at-will employee.

Severance:

In the event the Company terminates your employment without cause after the first year of your employment, the Company will make a onetime severance payment to you on the date of termination equal to 3 months base pay. If such termination occurs during the first year of employment, the severance payment will be appropriately prorated. For the purposes of this section, "cause" means (i) an act of dishonesty demonstrating lack of integrity or moral turpitude, (ii) willful or persistent inattention to the services and duties required in connection with your employment, including failure to comply with all applicable laws and regulations after notice and failure to cure within 30 days or (iii) conviction of any felonious criminal act.

Starting Date:

Your first day of employment under this offer of employment will be February 26, 2003.

Nature of Relationship:

No provision of this letter shall be construed to create an express or implied employment contract, or a promise of employment for any specific period of time. Your employment with Synta Pharmaceuticals is at-will employment which may be terminated by you or the Company at any time for any reason with or without advance notice.

Our employment offer to you is contingent upon (i) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A), and (ii) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service.

This letter constitutes our entire offer regarding the terms and conditions of your prospective employment with Synta Pharmaceuticals. It supersedes any prior agreements, or other promises or statements (whether oral or written) regarding the offered terms of employment. The terms of your employment shall be governed by the laws of the Commonwealth of Massachusetts. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

A-2

If you accept the above-described offer, please sign and return the original copy of this letter; the second copy is for your records. We look forward to you joining Synta Pharmaceuticals. If you have any questions, please feel free to call me.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ SAFI BAHCALL

-----  
Safi Bahcall, Ph.D.  
Chief Executive Officer

Agreed to and accepted:

Name: /s/ JAMES BARSOUM

Date: 1/22/03

-----  
A-3

EXHIBIT A

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

January 11, 2003

James Barsoum, Ph.D.  
[ADDRESS]

Dear James:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You acknowledge and agree that a business will be deemed competitive with the Company (a "Competitive Business") if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product similar to services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the Term of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information

and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and

A-4

that all such confidential information and training could be used by you to compete with the Company.

(b) COVENANTS NOT TO COMPETE. During the period in which you are employed by the Company (the "Term") and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company, for yourself or on behalf of any other person or entity, directly or indirectly, either as principal, agent, stockholder, employee, consultant, representative or in any other capacity, own, manage, operate or control, or be concerned, connected or employed by, or otherwise associate in any manner with, engage in or have a financial interest in any Competitive Business (as defined above) anywhere in the world (the "Restricted Territory"), except that nothing contained herein shall preclude you from purchasing or owning securities of any such business if such securities are publicly traded, and provided that your holdings do not exceed three (3%) percent of the issued and outstanding securities of any class of securities of such business.

(c) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located within the Restricted Territory with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(d) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(e) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of

A-5

time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(f) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

## 2. PROTECTED INFORMATION.

(a) Confidentiality Obligations. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

## 3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive,

A-6

reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company

Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief,

A-7

or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

A-8

If to the Company: Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421  
Attn: Chief Executive Officer

If to you: To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this

Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

A-9

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS. Powers and Remedies. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such

party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(1) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

A-10

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

-----  
Safi Bahcall, Ph.D.  
Chief Executive Officer

Agreed to and accepted:

/s/ JAMES BARSOUM

-----  
Name:

-----  
Address

Date: 1/22/03  
-----

A-11



April 14, 2004

Jeremy Chadwick  
[ADDRESS]

Dear Jeremy:

On behalf of Synta Pharmaceuticals, I am pleased to offer you a VP, Program Management position reporting to Matthew Sherman, Chief Medical Officer for Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company").

1. EFFECTIVE DATE: The effective date of your employment will be on or about Monday, May 17, 2004.

2. COMPENSATION: Your initial base salary will be \$190,000 annually, payable at a semi-monthly rate of \$7,916.66, from which all applicable taxes and other customary employment-related deductions will be taken. In your first paycheck, you will also receive a \$20,000 lump sum bonus, from which all applicable taxes and other customary employment-related deductions will be taken. This one-time bonus is payable, in full, back to Synta Pharmaceuticals should you choose to leave the company within one year of your start date.

3. BONUSES: You will be eligible to receive annual performance based bonuses. Cash bonuses for fully meeting and exceeding expectations under the Company's proposed bonus program are expected to be in the 10-20% range, with a full target level of 20%. Such bonus, if any, will be granted at the discretion of the Company's Board of Directors.

4. STOCK OPTION: Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase 150,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value on the grant date, which is your first day of employment, and are subject to a vesting schedule over four years (25% vest after the first year and the remainder in equal portions quarterly over the next three years.)

5. BENEFITS: As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to other employees of the Company of similar rank and tenure. All benefits may be changed or modified from time to time at the Company's sole discretion.

6. EMPLOYMENT PERIOD: Your employment with the Company will be at-will, meaning that you will not be obligated to remain employed by the Company for any specified period of time;

likewise, the Company will not be obligated to continue your employment for any specific period and may terminate your employment at any time, with or without cause.

7. CONTINGENCIES: Our employment offer to you is contingent upon (1) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A); (2) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service; and (3) completion of a satisfactory background check. If any of the foregoing conditions are not met, this employment offer shall be null and void.

8. SEVERANCE: In the event the Company terminates your employment without cause

after the first year of your employment, the Company will make a one-time severance payment to you on the date of termination equal to 3 months base pay. If such termination occurs during the first year of employment, the severance payment will be appropriately prorated.

For purposes of this letter, termination "without cause" shall include, but not be limited to, your resignation following a significant and material diminution in your title, salary, duties or responsibilities by the Company or a requirement that you relocate to an office more than 50 miles from Lexington, MA. The preceding sentence notwithstanding, "cause" shall include (but is not limited to): (i) any substantial malfeasance or non-feasance of duty, (ii) any material breach by you of any of the terms of the Confidential Information Agreement and Non-Competition Agreement between you and the Company, (iii) any attempt by you to secure any improper personal profit in connection with the business of the Company or any of its affiliates, (iv) your conviction, or the entry of a pleading of guilty or nolo contendere by you to, any crime involving moral turpitude or any felony, or (v) any conduct substantially injurious or prejudicial to the business of the Company or its affiliates.

Concurrently with the receipt of your severance payment, and as a condition to such receipt, you shall execute and deliver to the Company your written release of the Company from any and all claims and causes of action against the Company arising in connection with your employment with the Company.

9. JURISDICTION AND WAIVER: In the case of any dispute, this offer of employment shall be interpreted under the laws of the Commonwealth of Massachusetts. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

10. ORIENTATION: On your first day of employment, please arrive at 9:30am for benefits enrollment with Human Resources.

Jeremy, we are very enthusiastic about the prospect of your joining us as a Synta Pharmaceuticals employee. Please indicate your acceptance of the foregoing by signing one enclosed copy of this letter and returning it to me within seven days of the date of this letter.

2

After that date, this offer will lapse. If you need additional time to respond to this offer, please let us know immediately.

3

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ SANDRA SMITH

-----

Sandra Smith  
Director of Human Resources

Agreed to and accepted:

Name: /s/ JEREMY CHADWICK

-----

Date: April 15, 2004

4

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

April 14, 2004

Jeremy Chadwick  
[ADDRESS]

Dear Jeremy:

This letter is to confirm our understanding with respect to (i) your agreement not to solicit employees or customers of Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You will devote your full time and efforts to the business of the Company and, during the period of your employment with the Company (the "Term") and for a period of twelve (12) months following termination of your employment (whether such termination is voluntary or involuntary), shall not participate, directly or indirectly, in any capacity, in any business which is competitive with the Company without the prior written consent of the Company. You acknowledge and agree that a business will be deemed competitive with the Company if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product similar to services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the period of your employment with the Company.

5

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the period in which you are employed by

the Company (the "Term") and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate any customer of the Company with which you had any contact at any time during the Term, located anywhere in the world (the "Restricted Territory") with the effect or intention of reducing or limiting the volume of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is under development, developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(d) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the types of activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(e) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

## 2. PROTECTED INFORMATION.

### 6

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference or use of to any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

### 3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

7

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your

behalf and stand to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1,

8

2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company:        Synta Pharmaceuticals Corp.  
                             45 Hartwell Avenue  
                             Lexington, MA 02421  
                             Attn: Chief Executive Officer

If to you:                To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise,

9

(iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict

of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by

10

law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SANDRA SMITH

-----

Sandra Smith

Director of Human Resources

Agreed to and accepted:



JEREMY CHADWICK

Name:

[ADDRESS]

[ADDRESS]

Address

Date: April 15, 2004

-----

/s/ JEREMY CHADWICK

-----

February 16, 2004

Keith Ehrlich  
[ADDRESS]

Dear Keith:

On behalf of Synta Pharmaceuticals, I am pleased to offer you the position of Vice President of Finance & Administration reporting to Safi Bahcall, the Chief Executive Officer of Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company").

1. START DATE: Your first day of employment will be on March 1, 2004.
2. COMPENSATION: Your initial base salary will be \$175,000 annually payable on a semi-monthly basis, from which all applicable taxes and other customary employment-related deductions will be taken.
3. BONUSES: You will be eligible to receive annual performance based bonuses. Cash bonuses for fully meeting and exceeding expectations under the Company's proposed bonus program are expected to be in the 10-20% range, with a full target level of 20%. Such bonus, if any, will be at the discretion of the Company's Board of Directors.
4. STOCK OPTION: Subject to the approval of the Company's Board of Directors, you will be granted a non-qualified stock option to purchase a total of 150,000 shares of the Company's common stock. The shares will vest pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and a formal stock option agreement that you will receive after the grant is approved. All stock option grants shall be priced at the fair market value on the grant date, which will be your first day of employment. Provided that you are still employed by the Company, the Option shall become exercisable in cumulative installments of 43,752 of the Stock Right Shares on the one-year anniversary of your grant date, and thereafter 8,854 of the Stock Rights Shares upon the end of each following calendar quarter.

In the event the Company terminates your employment without cause, the Company will vest your options on an accelerated schedule of monthly vesting over four years, with the grant date of January 1, 2004 and vesting up to your last day of employment. Concurrently with the receipt of these accelerated-vested stock options, and as a condition to such receipt, you shall execute and deliver to the Company your written release of the Company from any and all claims and causes of action against the Company arising in connection with your employment with the Company.

For purposes of this letter, termination "without cause" shall include, but not be limited to, your resignation following a significant and material diminution in your title, salary, duties or responsibilities by the Company or a requirement that you relocate to an office more than 50 miles from Lexington, MA, The preceding sentence notwithstanding, "cause" shall include (but is not limited to): (i) any substantial malfeasance or non-feasance of duty, (ii) any material

A-1

breach by you of any of the terms of the Confidential Information Agreement and Non-Competition Agreement between you and the Company, (iii) any attempt by you to secure any improper personal profit in connection with the business of the Company or any of its affiliates, (iv) your conviction, or the entry of a pleading of guilty or nolo contendere by you to, any crime involving moral turpitude or any felony, or (v) any conduct substantially injurious or prejudicial to the business of the Company or its affiliates.

5. BENEFITS: As an employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to other employees of the Company of similar rank and tenure. All benefits may be changed or modified from time to time at the Company's sole discretion.

6. EMPLOYMENT PERIOD: Your employment with the Company will be at-will, meaning that you will not be obligated to remain employed by the Company for any specified period of time; likewise, the Company will not be obligated to continue your employment for any specific period and may terminate your employment at any time, with or without cause. No provision of this letter shall be construed to create an express or implied employment contract.

7. CONTINGENCIES: Our employment offer to you is contingent upon (1) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A); (2) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service; and (3) completion of a satisfactory background check. If any of the foregoing conditions are not met, this employment offer shall be null and void.

8. JURISDICTION AND WAIVER: In the case of any dispute, this offer of employment shall be interpreted under the laws of the Commonwealth of Massachusetts, By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

9. ORIENTATION: On your first day of employment, please see Human Resources for benefits orientation and enrollment at 9:30am.

We are very enthusiastic about the prospect of your joining us as a Synta Pharmaceuticals employee. Please indicate your acceptance of the foregoing by signing one enclosed copy of this letter and returning it to Human Resources within seven days of the date of this letter. After that date, this offer will lapse. Please contact us immediately if you need additional time to decide.

A-2

Sincerely,

/s/ SAFI BAHCALL

-----

Safi Bahcall  
Chief Executive Officer  
SYNTA PHARMACEUTICALS CORP.

Agreed to and accepted:

Name: /s/ KEITH EHRLICH

Date: 2/19/04

-----

-----

A-3

EXHIBIT A

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

February 16, 2004

Keith Ehrlich  
[ADDRESS]

Dear Keith:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You will devote your full time and efforts to the business of the Company and, during the period of your employment with the Company (the "Term") and for a period of twelve (12) months following termination of your employment (whether such termination is voluntary or involuntary), shall not participate, directly or indirectly, in any capacity, in any business which is competitive with the Company without the prior written consent of the Company. You acknowledge and agree that a business will be deemed competitive with the Company if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product similar to services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the period of your employment with the Company.

A-4

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located within the Restricted Territory with the effect or

intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(d) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(e) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

A-5

## 2. PROTECTED INFORMATION.

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and

without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

### 3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

A-6

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary

and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

A-7

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company: Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421  
Attn: Chief Executive Officer

If to you: To the address set forth on the signature page of this Agreement.

A-8

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties

A-9



hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any, such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

-----  
Safi Bahcall  
Chief Executive Officer

A-10

Agreed to and accepted:

/s/ KEITH EHRLICH

-----  
Name:

Keith S. Ehrlich  
-----

-----  
Address:

Date: February 19, 2004  
-----

November 29, 2002

Wendy E. Rieder, Esq.  
[ADDRESS]

Dear Wendy:

We are pleased to make the following employment offer to you at Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company"). We are looking forward to working with you. The terms of your employment are detailed below.

**Position:** Your position will be Vice President of Intellectual Property and Legal Affairs, and you will work at our office located at 45 Hartwell Avenue, Lexington, Massachusetts. If you continue with the Company, your position and assignments will be subject to change. Synta Pharmaceuticals is a dynamic organization with ever-changing needs, and we will place you where we believe your talents and abilities can be best utilized. As a Synta Pharmaceuticals employee, we expect that you will perform any and all duties and responsibilities normally associated with your position in a satisfactory manner and to the best of your abilities at all times. You will be expected to devote all of your working time to the performance of your duties at the Company throughout your employment. Notwithstanding the above, you shall be permitted to continue as a member of the Board of Directors of Microbiotix, Inc. Your employment at all times remains at-will, as discussed below.

**Salary:** Your initial base pay shall be \$150,000 annually; payable at a semimonthly rate of \$6,250.00, from which all applicable taxes and other customary employment-related deductions will be taken. Additionally, you will qualify to receive annual performance-based bonuses. Bonuses for fully meeting and exceeding expectations will be granted in the 10%-20% range. Any such bonus will be granted at the discretion of the Company's Board of Directors.

**Stock Option:** Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase 300,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value on the grant date and are subject to a vesting schedule. Please refer to the Plan and to your stock option agreement for further information concerning this aspect of your compensation.

**Benefit Plans:** As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the

same terms, conditions and limitations applicable to, other employees of the Company of similar rank and tenure. The Company will provide you with detailed information on its current benefits, holiday schedule, and vacation and sick leave policies on your start date. All benefits, of course, may be changed or modified from time to time and the provision of any benefits to you in no way changes or impacts your status as an at-will employee. Company agrees to award you short term disability benefits for maternity leave, notwithstanding the length of employment requirement stated in the Company's employee handbook.

Severance:

In the event that the Company terminates your employment without cause after the first year of employment following the Transition Period, the Company will make a one-time severance payment to you on the date of termination equal to 3 months base pay. If such termination occurs during the first year of employment following the Transition Period, the severance payment will be appropriately prorated. For the purposes of this section, "cause" means (i) an act of dishonesty demonstrating lack of integrity or moral turpitude, (ii) willful or persistent inattention to the services and duties required in connection with your employment, including failure to comply with all applicable laws and regulations after notice and failure to cure within 30 days or (iii) conviction of any felonious criminal act.

Starting Date:

Your first day of employment under this offer of employment will be December 15, 2002.

Transition Period:

During the time between the Starting Date until January 15, 2003 (the "Transition Period"), you will receive a reduced salary equal to 50% of your base pay in recognition of the fact that you will be completing work undertaken for your previous employer. However, you will be considered a full time employee of Synta Pharmaceuticals during this Transition Period.

Nature of Relationship:

No provision of this letter shall be construed to create an express or implied employment contract, or a promise of employment for any specific period of time. Your employment with Synta Pharmaceuticals is at-will employment which may be terminated by you or the Company at any time for any reason with or without advance notice.

Our employment offer to you is contingent upon (i) your execution of the form of Non-Competition, Confidentiality and Inventions Agreement which is attached hereto as EXHIBIT A, and (ii) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service.

This letter constitutes our entire offer regarding the terms and conditions of your prospective employment with Synta Pharmaceuticals. It supersedes any prior agreements, or other promises or statements (whether oral or written) regarding the offered terms of employment. The terms of your employment shall be governed by the laws of the Commonwealth of Massachusetts. By accepting this

offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

[Remainder of page intentionally left blank]

3

If you accept the above-described offer, please sign and return the original copy of this letter; the second copy is for your records. We look forward to you joining Synta Pharmaceuticals. If you have any questions, please feel free to call me.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ SAFI BAHCALL

-----  
Safi Bahcall, Ph.D.  
Chief Executive Officer

Agreed to and accepted:

Name: /s/ WENDY E. RIEDER  
-----

Date: 1/14/03  
-----

4

EXHIBIT A

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

November 29, 2002

Wendy E. Rieder, Esq.  
[ADDRESS]

Dear Wendy:

This letter is to confirm our understanding with respect to (i) your agreement not to solicit customers or employees of Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the period in which you are employed by the Company ("Term") and for a period of twelve (12) months following termination of your employment,

A-1

whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located anywhere in the world (the "Restricted Territory") with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section I are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(d) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

2. PROTECTED INFORMATION.

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists,

Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

A-2

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

### 3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register; perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section

101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may



be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company:

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421  
Attn: Chief Executive Officer

If to you: To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

A-5

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

A-6

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS. Powers and Remedies. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

A-7

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

-----

Safi Bahcall, Ph.D.

Chief Executive Officer

Agreed to and accepted:

/s/ WENDY E. RIEDER

-----

Name:

-----

-----

Address:

Date: 1/14/03

-----

March 23, 2005

Eric Jacobson, MD  
[ADDRESS]

Dear Dr. Jacobson:

On behalf of Synta Pharmaceuticals, I am pleased to offer you a Vice President, Medical Research position reporting to Dr. Matthew Sherman in the Clinical Group for Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company").

1. EFFECTIVE DATE: The effective date of your employment will be Monday, April 11, 2005.

2. COMPENSATION: Your initial base salary will be \$230,000 annually, payable at a semi-monthly rate of \$9,583.33, from which all applicable taxes and other customary employment-related deductions will be taken.

Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase 100,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value on the grant date and are subject to a vesting schedule over four years (25% vest after the first year and the remainder in equal portions quarterly over the next three years.)

For the first annual performance review following your hire date, all pay-for-performance compensation (such as merit increases and annual stock option grants) will be pro-rated based on your start date and the percentage of the calendar year that you worked. Employees who start after October 31st will not be included in the performance review for that calendar year.

In your first paycheck, you will also receive a \$25,000 lump sum bonus, from which all applicable taxes and other customary employment-related deductions will be taken. This one time bonus is payable, in full, back to Synta Pharmaceuticals should you choose to leave the company within one year of your start date.

3. BONUS: You will be eligible to receive an annual performance based bonus. Cash bonuses for fully meeting and exceeding expectations under the Company's proposed bonus program are expected to be in the 10-20% range, with a full target level of 20%. Such bonus, if any, will be granted at the discretion of the Company's Board of Directors.

4. BENEFITS: As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to other employees of the Company of similar rank and tenure. All benefits may be changed or modified from time to time at the Company's sole discretion.

5. EMPLOYMENT PERIOD: Your employment with the Company will be at-will, meaning that you will not be obligated to remain employed by the Company for any specified period of time; likewise, the Company will not be obligated to continue your employment for any specific period and may terminate your employment at any time, with or without cause.

A-1

6. CONTINGENCIES: Our employment offer to you is contingent upon (1) your

execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A); (2) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service; and (3) completion of a satisfactory background check. If any of the foregoing conditions are not met, this employment offer shall be null and void.

7. JURISDICTION AND WAIVER: In the case of any dispute, this offer of employment shall be interpreted under the laws of the Commonwealth of Massachusetts. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

8. ORIENTATION: On your first day of employment, please arrive at 9:30am for benefits enrollment with Human Resources.

Eric, we are very enthusiastic about the prospect of your joining us as a Synta Pharmaceuticals employee. Please indicate your acceptance of the foregoing by signing one enclosed copy of this letter and returning it to Human Resources within seven days of the date of this letter. After that date, this offer will lapse. If you need additional time to respond to this offer, please let us know immediately.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ STEPHEN GANSLER

-----  
Stephen Gansler  
Vice President, Human Resources

Agreed to and accepted:

Name: /s/ ERIC W. JACOBSON, MD

Date: March 24, 2005

-----

A-2

EXHIBIT A

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

March 23, 2005

Eric Jacobson, MD  
[ADDRESS]

Dear Eric:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed

to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You will devote your full time and efforts to the business of the Company and, during the period of your employment with the Company (the "Term") and for a period of twelve (12) months following termination of your employment (whether such termination is voluntary or involuntary), shall not participate, directly or indirectly, in any capacity, in any business which is competitive with the Company without the prior written consent of the Company. You acknowledge and agree that a business will be deemed competitive with the Company if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product that may be purchased in lieu of purchasing services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the period of your employment with the Company

A-3

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located within the Restricted Territory with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) FIELD OF INTEREST. As used herein, the term "Field of Interest"

means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(d) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(e) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

A-4

## 2. PROTECTED INFORMATION.

-----

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

-----

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all

A-5

such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. ss. 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. ss. 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

A-6

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree



-----  
that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and  
-----

that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.  
-----

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the  
-----

Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that  
-----

you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify

A-7

and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.  
-----

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company:                    Synta Pharmaceuticals Corp.  
   45 Hartwell Avenue  
   Lexington, MA 02421  
   Attn: Chief Executive Officer

If to you:                                To the address set forth on the signature page of  
   this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

A-8

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of

the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall

A-9

not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ STEPHEN GANSLER

-----  
Stephen Gansler  
Vice President, Human Resources

Agreed to and accepted:

/s/ ERIC W. JACOBSON, MD

-----  
Name:

[ADDRESS]

-----  
Address:

Date: March 24, 2005

February 7, 2006

Martin Williams  
[ADDRESS]

Dear Martin:

On behalf of Synta Pharmaceuticals, I am pleased to offer you the position of Senior Vice President, Business and Commercial Development reporting to Safi Bahcall for Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company"). In this position, you will have responsibility for corporate development, commercial development/marketing, corporate communications, and such other duties as the Company may at time to time reasonable assign to you.

1. **EFFECTIVE DATE:** The effective date of your employment will be February 27, 2006.

2. **COMPENSATION:** Your initial base salary will be \$260,000 annually; payable at a semi-monthly rate of \$10,833.34, from which all applicable taxes and other customary employment-related deductions will be taken. You will be eligible to receive an annual performance based bonus. Cash bonuses for fully meeting and exceeding expectations under the Company's proposed bonus program are expected to be in the 10-20% range, with a full target level of 20%. Such bonus, if any, will be granted at the discretion of the Company's Board of Directors.

Subject to the approval of the Company's Board of Directors, you will be granted a stock option to purchase 300,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value on the grant date and are subject to a vesting schedule over four years (25% vest after the first year and the remainder in equal portions quarterly over the next three years.)

For the first annual performance review following your hire date, all pay-for-performance compensation (such as merit increases and annual stock option grants) will be pro-rated to reflect your start date.

In your first paycheck, you will also receive a \$15,000.00 lump sum bonus, from which all applicable taxes and other customary employment-related deductions will be taken. This one time bonus is payable, in full, back to Synta Pharmaceuticals should you choose to leave the company within one year of your start date. This bonus repayment obligation shall not apply if you are terminated "without cause", as explained in Section 3 below.

A-1

3. **SEVERANCE:** In the event the Company terminates your employment without cause after the first six months of your employment, the Company will make a one-time severance payment to you on the date of termination equal to six-months base pay, (b) after three months but before completion of six months of employment, the Company will make a one time severance payment equal to three months base pay, and you will be eligible to continue your health benefits for the period of time covered by the severance payment at the same cost you would have paid if you were an active employee.

For purposes of this letter, termination "without cause" shall include, but not be limited to, (a) your termination after a Change in Control, as defined in the Company's 2001 Stock Plan (as amended and restated), or (b) your resignation following a significant and material diminution in your title, salary, duties or responsibilities by the Company or a requirement that you relocate to an office more than 50 miles from Lexington, MA. The preceding sentence notwithstanding, "cause" shall include (but is not

limited to): (i) any substantial malfeasance or non-feasance of duty, (ii) any material breach by you of any of the terms of the Confidential Information Agreement and Non-Competition Agreement between you and the Company, (iii) any attempt by you to secure any improper personal profit in connection with the business of the Company or any of its affiliates, (iv) your conviction, or the entry of a pleading of guilty or nolo contendere by you to, any crime involving moral turpitude or any felony, or (v) any conduct substantially injurious or prejudicial to the business of the Company or its affiliates.

Concurrently with the receipt of your severance payment, and as a condition to such receipt, you shall execute and deliver to the Company your written release of the Company from any and all claims and causes of action against the Company arising in connection with your employment with the Company.

4. BENEFITS: As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to other employees of the Company of similar rank and tenure. All benefits may be changed or modified from time to time at the Company's sole discretion.

5. EMPLOYMENT PERIOD: Your employment with the Company will be at-will, meaning that you will not be obligated to remain employed by the Company for any specified period of time; likewise, the Company will not be obligated to continue your employment for any specific period and may terminate your employment at any time, with or without cause.

6. CONTINGENCIES: Our employment offer to you is contingent upon (1) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A); (2) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service; and (3) completion of a satisfactory background check. If any of the foregoing conditions are not met, this employment offer shall be null and void.

7. JURISDICTION AND WAIVER: In the case of any dispute, this offer of employment shall be interpreted under the laws of the Commonwealth of Massachusetts. By accepting this offer of

A-2

employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

8. ORIENTATION: On your first day of employment, please arrive at 45 Hartwell Avenue at 8:30am for benefits enrollment with Human Resources.

Martin, we are very enthusiastic about the prospect of your joining us as a Synta Pharmaceuticals employee. Please indicate your acceptance of the foregoing by signing one enclosed copy of this letter and returning it to Human Resources by 12pm, February 13th. After that date, this offer will lapse.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ STEPHEN M. GANSLER

-----  
Stephen M. Gansler  
Vice President of Human Resources

Agreed to and accepted:

Name: /s/ MARTIN WILLIAMS

Date: February 19, 2006

-----

A-3

EXHIBIT A

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421

February 27, 2006

Martin Williams  
[ADDRESS]

Dear Martin:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You will devote your full time and efforts to the business of the Company and, during the period of your employment with the Company (the "Term") and for a period of twelve (12) months following termination of your employment (whether such termination is voluntary or involuntary), shall not participate, directly or indirectly, in any capacity, in any business which is competitive with the Company without the prior written consent of the Company. You acknowledge and agree that a business will be deemed competitive with the Company if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product that may be purchased in lieu of purchasing services performed or products produced,

A-4

manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the period of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information

and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(d) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

A-5

(e) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

## 2. PROTECTED INFORMATION.

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the



event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

(c) SURVIVAL OF ACKNOWLEDGEMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgements and agreements set forth in this Section 2 shall survive the termination of your employment with the Company.

### 3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable,

A-6

copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company

Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

A-7

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify

A-8

and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company:        Synta Pharmaceuticals Corp.  
                             45 Hartwell Avenue  
                             Lexington, MA 02421  
                             Attn: Chief Executive Officer

If to you:                To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

A-9

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are

principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall

A-10

not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ STEPHEN M. GANSLER

-----  
Stephen M. Gansler  
Vice President of Human Resources

Agreed to and accepted:

/s/ MARTIN WILLIAMS

-----  
Name: Martin Williams

[ADDRESS]

-----  
Address:

Date: February 27, 2006

-----  
A-11

## SCIENTIFIC ADVISORY BOARD AGREEMENT

This Agreement, effective as of September 1, 2003 (the "Effective Date"), is made between Synta Pharmaceuticals Corp. (the "Company"), a Delaware corporation, and Judah Folkman, MD (the "Consultant").

### RECITALS

WHEREAS, the Consultant is a member of the faculty at HARVARD MEDICAL SCHOOL ("HMS") and appointed at CHILDREN'S HOSPITAL Boston ("CHILDREN'S HOSPITAL" or "the Institution"), which permit the Consultant to perform limited consulting services for companies;

WHEREAS, the Company desires that the Consultant provide advice and assistance to the Company in his or her area of expertise; and

WHEREAS, the Consultant desires to provide such advice and assistance to the Company under the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Company and the Consultant hereby agree as follows:

#### 1. SERVICES.

-----

a. The Consultant shall render to the Company or its designee such consulting services as the Company may mutually agree from time to time (the "Services"); provided, however, that the Consultant shall not be required to devote more than FIVE (5) days per month in the provision of such Services. Meetings with Consultant shall be scheduled as mutually convenient. Consultant may, but shall not be required to, participate by conference telephone. The Company shall provide the Consultant with reasonable prior notice of any Services the Company requires. The Consultant shall use reasonable efforts not use any facilities, funds, or equipment owned or administered by the Institution in the performance of the Services, except with the prior written consent of the Company and in accordance with all applicable policies of the Institution.

b. It is understood that the purpose of the Consulting is to provide periodic review and advice relevant to certain Company matters, and that neither Consultant nor Company will benefit if Consultant provides inaccurate advice or commentary based on insufficient information. To that end, Company shall provide Consultant, in advance of meetings, with accurate, unbiased and sufficient information for him to review the subject matter thereof, and shall promptly provide further information that Consultant reasonably deems relevant to forming any pertinent conclusions relevant to the matter for discussion. It is expressly understood that Consultant has no fiduciary obligation to Company, but instead a contractual one described by the terms of this Agreement; that his role is to provide independent advice uninfluenced by commercial concerns; and that service as a Consultant does not require him to be an advocate for Company or its products in any forum, public or private. Company expressly agrees that under no circumstances will this role be compromised or inaccurately represented.

#### 2. COMPENSATION.

2.1 CONSULTING FEES. The Company shall pay to the Consultant a consulting fee in the amount of \$50,000.00 per annum for performance of the Services. Such fees shall payable in four (4) equal calendar quarter installments of twelve thousand five hundred dollars (\$12,500.00) each, beginning on SEPTEMBER 1, 2003.

2.2 STOCK OPTIONS. The Company will issue to the Consultant a non-qualified stock option to purchase 100,000 shares of the common stock of the Company, \$.0001 par value per share, at a purchase price of \$2.7108 per share,

such option to vest as follows: 25% vesting on the first anniversary of the grant date of the option (the grant date being the actual date when the Company's Board of Directors grants the option to the Institution) and thereafter 6.25% vesting per quarter over the following three (3) year period, provided that this Agreement remains in effect on the date in which vesting occurs. The option will be subject to the terms and conditions of the Company's 2001 Stock Plan (as amended on August 21, 2002), and shall have additional terms and conditions, as set forth on the stock option agreement certificate to be provided to the Consultant following the grant. Company understands that it is Consultant's intention immediately to transfer such options to Children's Hospital Boston or Children's Medical Center Corporation, pursuant to a transfer agreement approved by the Company, and hereby consents to such transfer.

2.3 REIMBURSEMENT OF EXPENSES. The Company shall reimburse the Consultant for reasonable travel and other out-of-pocket expenses incurred by the Consultant in the performance of the Services, provided that the Consultant shall have submitted to the Company written expense statements and other supporting documentation in a form that is reasonably satisfactory to the Company. Company will accommodate Consultant's request to arrange, at Company's expense, for all of his travel and accommodations in connection with such meetings if they occur outside the Boston metropolitan area. If Consultant makes such arrangements, the Company shall provide the Consultant with a check for any amounts due under this Section within thirty (30) days after the Company receives satisfactory documentation. Notwithstanding the foregoing, the Consultant shall not incur total expenses in excess of \$1,000 per occurrence without the prior written approval of the Company.

2.4 NO BENEFITS. The Consultant acknowledges and agrees that the Company will not provide the Consultant with any employee benefits, including without limitation any employee stock purchase plan, social security, unemployment, medical, or pension payments. The Consultant is an independent contractor and not an employee of the Company. Notwithstanding the foregoing, Company shall indemnify, defend and hold harmless Consultant, and CHILDREN'S HOSPITAL, its corporate affiliates, current or future directors, trustees, officers, faculty, medical and professional staff, employees, students and agents and their respective successors, heirs and assigns (the "Indemnitees"), against any claim, liability, cost, damage, deficiency, loss, expense or obligation of any kind or nature (including without limitation reasonable attorneys' fees and other costs and expenses of litigation) incurred by or imposed upon the Indemnitees or any one of them in connection with any claims, suits, actions, demands or judgments arising out of this Agreement (including, but not limited to, actions in the form of tort, warranty, or strict liability), except to the extent caused by the Consultant's misconduct or negligence.

### 3. TERM AND TERMINATION.

3.1 TERM. This Agreement shall commence on the Effective Date and shall remain in effect for a period of one (1) year, unless earlier terminated as provided in this Article 3; provided, however, that the term of this Agreement shall automatically extend for additional one-year periods until the Consultant gives the Company written notice that the Agreement will not continue, which notice must be received by the Company at least sixty (60) days prior to the expiration of the term.

3.2 TERMINATION WITHOUT CAUSE. Either party may terminate this Agreement for any reason upon sixty (60) days prior written notice to the Consultant.

3.3 TERMINATION WITH CAUSE. In the event that a party commits a material breach of its obligations under this Agreement, the other party may terminate this Agreement upon sixty (60) days prior written notice to the party in breach, unless the breach is cured within such sixty-day notice period. Notwithstanding the foregoing, either party may terminate this Agreement immediately upon written notice if either party breaches or threatens to breach any provision of Article 4 or Sections 6.5 or 6.6..

3.4 SURVIVAL. The following provisions shall survive the expiration or termination of this Agreement: Articles 4 and 5; Sections 6.5., 6.6., 6.10., and 6.12.

#### 4. CONFIDENTIAL INFORMATION AND PROPRIETARY MATERIALS.

##### 4.1 CONFIDENTIAL INFORMATION.

4.1.1 DEFINITION OF CONFIDENTIAL INFORMATION. Confidential Information shall mean, subject to the exceptions below, any technical or business information furnished by the Company to the Consultant in connection with this Agreement or developed by the Consultant within the scope and in the course of performing the Services. Such Confidential Information may include, without limitation, trade secrets, know-how, inventions, technical data or specifications, testing methods, business or financial information, research and development activities, product and marketing plans, and customer and supplier information.

##### 4.1.2 OBLIGATIONS. The Consultant shall

- (a) maintain all Confidential Information in strict confidence;
- (b) use all Confidential Information solely for the purpose of providing the Services as requested by the Company; and
- (c) reproduce the Confidential Information only to the extent necessary for providing the Services as requested by the Company, with all such reproductions being considered Confidential Information.

Notwithstanding anything herein to the contrary, Company agrees that it shall not disclose to Consultant any information which is Company Confidential Information: (i) except to the extent necessary for Consultant to fulfill his obligations to Company under this Agreement; or (ii)

3

unless Consultant has agreed in writing to accept such disclosure. All other information and communications between Company and Consultant shall be deemed to be provided to Consultant by Company on a non-confidential basis. Company agrees that Consultant shall not be liable to Company or to any third party claiming by or through Company for any unauthorized disclosure or use of Company Confidential Information which occurs despite Consultant's compliance with his obligations under this Agreement.

##### 4.1.3 EXCEPTIONS. The obligations of the Consultant under Section 4.1.2. above shall not apply to the extent that such information

- (a) was in the public domain prior to the time of its disclosure under this Agreement;
- (b) entered the public domain after the time of its disclosure under this Agreement through means other than an unauthorized disclosure resulting from an act or omission by the Consultant;
- (c) was independently developed or discovered by the Consultant or others ;
- (d) is or was disclosed to the Consultant at any time, whether prior to or after the time of its disclosure under this Agreement, by a third party having no fiduciary relationship with the Company and having no obligation of confidentiality with respect to such Confidential Information;
- (e) is required to be disclosed to comply with applicable laws or regulations, or with a court or administrative order. To the extent practicable the consultant shall provide Company with prior notice of such disclosure and



cooperate with Company in taking reasonable steps to obtain confidential treatment for such disclosure and, if possible, to minimize the extent of such disclosure;

(f) in the case of information prepared by Consultant, is encompassed within and derived from Consultant's academic and professional commitments to CHILDREN'S HOSPITAL, HMS, and/or any other consulting or research engagement, provided that Confidential Information described in this clause (f) which constitutes Inventions shall be subject to the intellectual property provisions of Section 5 of this Agreement

#### 4.2 PROPRIETARY MATERIALS.

4.2.1 DEFINITION OF PROPRIETARY MATERIALS. "Proprietary Materials" shall mean any tangible chemical, biological, or physical research materials furnished by the Company to the Consultant in connection with this Agreement and any such materials developed by the Consultant solely in the course of performing the Services. (If such materials developed by Consultant are also subject to CHILDREN'S HOSPITAL policies, they shall not be considered Proprietary Materials for purposes of this Section 4, but will instead be governed by the principles stated in Section 5, and Company shall have an option to their use as stated therein.) In the case of biological materials, Proprietary Materials shall also include other materials ordinarily engendered by the original materials, including without limitation any progeny derived from a cell line (including naturally occurring mutants), monoclonal antibodies

4

produced by hybridoma cells, DNA or RNA replicated from isolated DNA or RNA, recombinant proteins produced by a cell line, recombinant proteins produced through use of isolated DNA or RNA, and substances routinely purified from any source material included in the original materials.

4.2.2 LIMITED USE. The Consultant shall use Proprietary Materials solely for the purpose of providing the Services as requested by the Company. The Consultant shall use the Proprietary Materials only in compliance with all applicable governmental laws and regulations, and not for any IN VIVO experiments on human subjects.

4.2.3 LIMITED DISPOSITION. The Consultant shall not transfer or distribute any Proprietary Materials to any third party without the prior written consent of the Company.

4.3 RETURN OF CONFIDENTIAL INFORMATION AND PROPRIETARY MATERIALS. Upon the termination of this Agreement, or earlier at the request of the Company, the Consultant shall return to the Company all originals, copies, and summaries of documents, materials, and other tangible manifestations of Confidential Information in the possession or control of the Consultant, except that Consultant may retain one copy, on a completely confidential basis, for archival purposes. Upon the termination of this Agreement, or earlier at the request of the Company, the Consultant shall at the instruction of the Company either destroy or return any unused Proprietary Materials that remain in his or her possession.

4.4 SURVIVAL OF OBLIGATIONS. The obligations set forth in this Article 4 shall remain in effect for a period of ten (10) years after termination of this Agreement, except that the obligations of the Consultant to return Confidential Information and to return or destroy Proprietary Materials shall survive until fulfilled.

#### 5. INTELLECTUAL PROPERTY.

5.1 Consultant and CHILDREN'S HOSPITAL understand and acknowledge that Company will be providing access to proprietary and valuable information that Consultant might otherwise not receive. In addition, those parties also understand that should Consultant, in the course of his advice, invent or

participate in inventing modifications or improvements to Company technology, Company reasonably seeks to secure such improvements for its own use and practice. At the same time, Company understands and acknowledges that Consultant has pre-existing and on-going obligations to HMS, CHILDREN'S HOSPITAL, and the sponsors of research at CHILDREN'S HOSPITAL (including obligations under grants, contracts and collaborative agreements, generally). These obligations include a duty on the part of Consultant to disclose and assign to CHILDREN'S HOSPITAL any inventions or other proprietary rights arising during the course of such employment or medical staff membership and any overlapping consulting arrangements (including this Agreement), and an obligation to ensure that any consulting agreement he enters into is not in conflict with the CHILDREN'S HOSPITAL Policy on Inventions and Intellectual Property or in conflict with other HMS or CHILDREN'S HOSPITAL commitments, such as Consultant's obligation to publish research results.

5.2 In order to enter into this Agreement with Consultant, Company therefore further acknowledges and agrees that in the event that any conflict should arise between the duties set forth in this Agreement and Consultant's obligations to HMS, CHILDREN'S HOSPITAL or sponsors of research at CHILDREN'S HOSPITAL, Consultant shall necessarily notify

5

CHILDREN'S HOSPITAL immediately, and that Consultant's obligations to CHILDREN'S HOSPITAL and sponsors of research at CHILDREN'S HOSPITAL shall take precedence over the terms of this Agreement.

5.3 However, the parties agree that it is mutually beneficial that Consultant be able to participate fully in his role as an adviser, as stated herein, without being obligated to constrain his comments or contributions based upon the complexities of applying these conflicting obligations to intellectual property ownership. Therefore, in order to reconcile these obligations, and promote Consultant's participation, during the term of this Agreement Consultant shall promptly report and simultaneously disclose to CHILDREN'S HOSPITAL and to the President of Company, or his or her designee, all inventions, improvements, modifications, discoveries, methods and developments, whether patentable or not, made or conceived by Consultant, or by employees or agents of Company under Consultant's direction, during the performance of this Agreement that result directly from Confidential Information provided by Company pursuant to this Agreement and either embody Company technology or are reduced to practice as a modification or improvement to Company technology (hereby designated "Inventions"). Ownership of such Inventions, and any patent rights related thereto, shall reside with CHILDREN'S HOSPITAL, if the Consultant is the sole inventor and the Invention is covered by applicable CHILDREN'S HOSPITAL policies, jointly between CHILDREN'S HOSPITAL and the Company if the Consultant is not the sole inventor, but the Invention is covered by applicable CHILDREN'S HOSPITAL policies, or otherwise with Company. If ownership lies solely or jointly with CHILDREN'S HOSPITAL, then, provided such Inventions are not subject to prior conflicting obligations to sponsors of research at CHILDREN'S HOSPITAL, Company shall have an exclusive option, for 120 days following notice of Consultant's disclosure, to negotiate an exclusive world-wide license, on reasonable terms customary for CHILDREN'S HOSPITAL, to use, practice, license and sublicense rights under patents claiming such Inventions within a mutually agreed field of use. (While the parties believe that conflicting obligations to research sponsors are unlikely, it is conceivable that in the course of such sponsored research Inventions useful to Company may emerge; rather than forego disclosing such fortuitous inventions to Company, to the extent permitted by such sponsorship and related agreements Consultant and CHILDREN'S HOSPITAL will endeavor to disclose and license such Inventions pursuant to this Agreement.)

5.4 THIRD-PARTY INTELLECTUAL PROPERTY. The Consultant acknowledges that the Company does not desire to acquire any trade secrets, know-how, confidential information, or other intellectual property that the Consultant may have acquired from or developed for any third party, including the Institution ("Third-Party IP"). The Company agrees that in the course of providing the

Services, the Consultant shall not be required to use or disclose any Third-Party IP, including without limitation any intellectual property of (i) any former or current employer, (ii) any person for whom the Consultant has performed or currently performs consulting services, or (iii) any other person to whom the Consultant has a legal obligation regarding the use or disclosure of such intellectual property.

5.5 Notwithstanding any other provision of this Agreement, Company understands that Consultant has primary professional, academic and ethical obligations arising in connection with his positions at HMS and CHILDREN'S HOSPITAL, and that Consultant is subject to policies of those institutions which protect academic freedom and preserve ownership of

6

intellectual property rights. Company agrees that Consultant shall be free to publish within the scope of his professional and academic duties with respect to his participation as a Consultant, provided that he does not reveal Confidential Information. Company therefore agrees that in the course of his professional and academic duties, Consultant may discuss such participation at conferences, with colleagues, and with students, residents and fellows as he deems appropriate. In either context, as well as in the scope of his duties under this Agreement, Consultant shall be free to conduct himself without restraint or improper influence, in accordance with HMS and Institutional academic, ethical and publication standards. Solely in order to permit Company an opportunity to determine if Confidential Information or Inventions are therein improperly disclosed, Consultant agrees to use reasonable efforts to (i) provide to Company at least thirty days in advance of submission to a journal any substantially complete manuscript that includes such Confidential Information; (ii) provide notice to Company no later than five working days before submission for publication or to a conference of any substantially final abstract referring to such Confidential Information; and (iii) notify Company thirty days in advance of any conference at which such Confidential Information can foreseeably be revealed. If within that thirty-day period Company requests a delay in publication so that a patent may be filed on Inventions disclosed in the manuscript, Consultant will delay publication for up to an additional sixty days (not to exceed a total of ninety days from the initial submission of a manuscript to Company). Company agrees to hold all such submissions and information in confidence pending publication. Company agrees to notify Consultant promptly if any action is necessary to delete Confidential Information. Company has no other right to request alteration or deletion of any portion of the manuscript or abstract.

6. MISCELLANEOUS.

6.1 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument.

6.2 HEADINGS. All headings in this Agreement are for convenience only and shall not affect the meaning of any provision hereof.

6.3 BINDING EFFECT. This Agreement shall inure to the benefit of and be binding upon the parties and their respective lawful successors, assigns, heirs, and personal representatives.

6.4 ASSIGNMENT. This Agreement may not be assigned by either party without the prior written consent of the other party.

6.5 NO CONFLICT OF INTEREST. The Consultant and Company mutually represent that to the best of their knowledge neither currently has any agreement with, or any other obligation to, any third party that conflicts with the terms of this Agreement. The parties agree that they shall not intentionally enter into any such agreement.

6.6 COMPLIANCE WITH INSTITUTIONAL POLICIES. The Company recognizes that as a faculty member of the Institution, the Consultant is responsible for ensuring that any consulting agreement the Consultant enters into with a for-profit entity is not in conflict with the intellectual property, consulting, conflict-of-interest, and other policies of the Institution. The Consultant

7

represents that to the best of his knowledge this Agreement complies with all such policies in effect on the Effective Date. The Consultant further represents that to the best of his knowledge he or she has made all required disclosures to the Institution and has obtained all necessary approvals of this Agreement from the appropriate authorities at the Institution.

6.7 NOTICES. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been duly given upon the date of receipt if delivered by hand, recognized national overnight courier, or confirmed facsimile transmission, or upon the date sent if mailed by registered or certified mail, return receipt requested, postage prepaid, to the following addresses or facsimile numbers:

If to Consultant:

Judah Folkman, M.D.  
Children's Hospital Boston  
Department of Surgery, Hunnewell - 1  
300 Longwood Avenue  
Boston, MA 02115

If to Company:

Synta Pharmaceuticals Corp.  
45 Hartwell Ave.  
Lexington, MA 02421  
Attn.: Chief Executive Officer

Either party may change its designated address and facsimile number by notice to the other party in the manner provided in this Section.

6.8 AMENDMENT AND WAIVER. This Agreement may be modified, amended, or supplemented only by means of a written instrument signed by both parties. Any waiver of any rights or failure to act in a specific instance shall relate only to such instance and shall not be construed as an agreement to waive any rights or fail to act in any other instance, whether or not similar.

6.9 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts irrespective of any conflict of laws principles.

6.10 SEVERABILITY. In the event that any provision of this Agreement shall, for any reason, be held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had not been included herein. To the extent this Agreement may be construed in accordance with the laws of any state that limits the assignability to the Company of certain inventions, this Agreement shall be interpreted not to apply to any such invention that a court rules or the Company agrees is subject to such state limitation.

6.11 EQUITABLE RELIEF. The parties acknowledge that the restrictions contained in this Agreement are necessary and reasonable, and that breach thereof may cause irreparable harm to the other party. Therefore, in addition to any other remedies that may be available, the aggrieved party may apply for and obtain immediate injunctive relief in any court of competent jurisdiction to restrain the breach or threatened breach of, or otherwise to specifically enforce, any obligations under this Agreement.

8

6.12 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any

and all prior or contemporaneous oral and prior written agreements and understandings.

6.13 Company shall not use Consultant's name or depiction, or the name, logos, trademarks, or depictions of CHILDREN'S HOSPITAL, HMS, or any officer, director, employee, appointee, medical staff member or employee of either, or any adaptation thereof, in any promotional, advertising or marketing literature, or in any other way without the prior written consent of CHILDREN'S HOSPITAL, the individual, or HMS, as appropriate, provided however that in neutral circumstances that do not imply endorsement or advocacy, or otherwise misrepresent the terms of this Agreement or Consultant's role, Company may accurately state that Consultant is a Scientific Advisory Board member and consultant to Company, and list his professional degrees and titles.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as a sealed instrument effective as of the date first written above.

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

-----

Name: Safi Bahcall, Ph.D.

Title: Chief Executive Officer

JUDAH FOLKMAN, MD

/s/ JUDAH FOLKMAN

-----

Accepted and Agreed:

CHILDREN'S HOSPITAL BOSTON

By: /s/ DONALD P. LOMBARDI

-----

Donald P. Lombardi

Chief Intellectual Property Officer

AGREEMENT AND RELEASE

AGREEMENT AND RELEASE dated this 14th day of January, 2005, by and between Dr. Lan Bo Chen ("DR. CHEN") and Synta Pharmaceutical Corp. (the "COMPANY"). Dr. Chen and the Company may be referred to jointly as "THE PARTIES."

WHEREAS, Dr. Chen is a founder of the Company, serves as a member of the Company's board of directors, and is chair of the Company's scientific advisory board;

WHEREAS, during the course of their relationship, the parties (including, in certain cases, various predecessor entities of the Company) have had, or may have had, various oral understandings and arrangements which, because they were not memorialized clearly in writing, have led to lack of clarity about the nature and extent of the parties' obligations to each other under these arrangements; and

WHEREAS, Dr. Chen and the Company wish to resolve, for their mutual benefit, all matters regarding such arrangements, including arrangements relating to (i) the release by Dr. Chen of any and all claims that Dr. Chen and his Affiliates (as defined below) and Associates (as defined below) may have against the Company, its Predecessors (as defined below) and other related parties, (ii) the assignment by Dr. Chen of the benefit of his interests in certain entities to the Company and (iii) Dr. Chen's assignment of inventions, non-competition, non-solicitation and confidentiality agreements with the Company.

NOW, THEREFORE, for good and valuable consideration, as more fully described below, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. AGREEMENT AND RELEASE CONSIDERATION.

As full, complete, and unconditional satisfaction, settlement and accord of all Claims (as defined below) and in consideration of the agreements and releases set forth herein, the Company agrees to pay to Dr. Chen a total sum of Five Hundred Thousand Dollars (\$500,000). Such amount will be paid in twenty (20) equal payments of Twenty-Five Thousand Dollars (\$25,000), the first being made on the date of execution of this Agreement and Release, and the remaining nineteen payments to be made every three months from the date hereof.

2. DEFINITIONS.

For purposes of this Agreement and Release, the following terms shall have the meanings set forth below:

(i) "AFFILIATE" shall mean a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or under common control with another person or entity, and shall include without limitation, both current and former directors and officers of an entity;

(ii) "ASSOCIATE" shall mean (a) any corporation or organization (other than the Company or any of its subsidiaries) of which an individual, as of the date hereof, is a director, executive officer or partner or of which the individual is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities, (b) any trust or other estate in which an individual has a substantial beneficial interest or as to which the individual serves as

trustee or in a similar fiduciary capacity, and (c) an individual's spouse and, either by blood or adoption, the individual's parents, children, siblings,

mothers and fathers-in-law, sons and daughters-in-law, and brothers and sisters-in-law; and

(iii) "PREDECESSOR" shall mean an entity, the major portion of the business and assets of which was acquired by another entity in a single transaction or in a series of related transactions.

### 3. RELEASES.

(a) Dr. Chen on behalf of himself his Affiliates and Associates, and his and their fiduciaries, representatives, agents, estates, trusts, attorneys, executors, administrators, beneficiaries, successors and assigns (hereinafter, the "RELEASORS"), absolutely and unconditionally releases and forever discharges the Company, its Predecessors, Affiliates, Associates, and its and their successors and assigns, as well as all of their past and present attorneys, employees, insurers, representatives and agents, both individually and in any of their official capacities (collectively, the "RELEASEES"), from any and all actions or causes of action, disputes, suits, claims, complaints, contracts, liabilities, agreements, promises, oral or written, debts, judgments and damages, in law or equity, whether existing or contingent, known or unknown, matured or not matured since the Beginning of the World thorough the Date of this Agreement and Release (collectively, "CLAIMS"), including, without limitation: Claims arising out of Dr. Chen's ownership interest in or relationship with any Predecessor of the Company or any entity related to the Company in any manner whatsoever; Claims arising out of Dr. Chen's role as a founder, stockholder and/or director of the Company, as a consultant to the Company, or as an individual who has provided equipment and/or services to the Company; Claims arising from or as a consequence of any actions or omissions to act of the Company's Board of Directors or individual directors of the Company; Claims arising from or as a consequence of any actions or omissions to act of any other Releasee; Claims of breach of fiduciary duty; Claims arising from or concerning Dr. Chen's status as an owner or inventor of any assets, including equipment, intellectual property, biological or chemical materials, processes or know-how, compounds used by the Company, its Predecessors, Affiliates or Associates in their businesses; Claims for compensation, reimbursement or remuneration of any sort (such as, but without limitation, severance payments, license payments, bonus payments, benefits, accrued vacation pay, sick pay, reimbursable expenses, loans to the Company, expense vouchers, obligations or commitments to grant stock options or to issue stock and all other rights to acquire stock, if any such obligations, commitments and/or rights are claimed to exist, and all other payments, commissions, compensations or reimbursements of every kind and description and for whatever reason); Claims involving any federal or state securities laws; Claims involving any federal or state law or regulation relating to employment or employment discrimination (such as those laws or regulations concerning discrimination on the basis of age, alienage, race, color, creed, sex, sexual orientation, religion, national origin, handicap status or veteran status or any military service or application for military service); Claims involving any contract, arrangement or understanding, whether oral or written, express or implied; or common law Claims. This release is intended to be all-encompassing and to act as a full and total release of any and all Claims that any of the Releasers has, may have in the future, or has had against any or all of the Releasees resulting or arising from, relative to, or based on facts, events or occurrences since the Beginning of the World through the date of this Agreement and Release; however, notwithstanding the foregoing, nothing herein is intended to or shall impair, negate or otherwise affect (i) Dr. Chen's ownership in, or title or rights in or to, any equity interest, whether capital stock or options or other rights to acquire capital stock, he, his Affiliates or Associates has or have in the Company; or (ii) any vested interest of Dr. Chen in any retirement plan or pension.

(b) Dr. Chen, on his own behalf and on behalf of the other Releasors, further agrees to release and discharge the Company and all other Releasees from any and all Claims that might be made by any other person or organization on behalf of the Releasors, and specifically waives any right to

2

become, and promises not to become, a member of any class in a case in which any Claim against the Company, or any claim in the name of the Company, is made involving any matters subject to release pursuant to Section 3(a) (or, except as required by law or rule of court, to assist or cooperate in the bringing of any such claim against the Company or any other Releasee).

(c) These releases may be pleaded by any Releasee as a full and complete defense to any released Claim and may be used as the basis for an injunction against any action, suit or proceeding that may be prosecuted, instituted, or attempted in breach hereof. Nothing herein shall be deemed to waive the right of the Company or Dr. Chen to bring an action to enforce the terms of, or recover damages for breach of, any of the terms of this Agreement and Release.

(d) If the parties bring an action barred by, or in order to enforce, these releases, the losing party shall be obligated to reimburse the prevailing party for reasonable attorneys' fees and costs in such action.

(e) Nothing herein is intended to or shall impair, negate or otherwise affect any right to insurance or to indemnification either party may have under applicable law, under the Company's Certificate of Incorporation, as amended, or the Company's By-laws, as amended, or under any future contract specifically with respect to indemnification entered into by the Company and Dr. Chen.

#### 4. ASSIGNMENT AND TRANSFER.

To the extent that Dr. Chen, or any Affiliate or Associate retains any remaining interest, directly or indirectly, in Kava Pharmaceuticals, Inc., Cancer Genomics, Inc., SinglePixel Biomedical, Inc., Three L Enterprises, and CMAC, LLC that could result in or give rise to a distribution or payment to him of anything of value, Dr. Chen hereby irrevocably assigns and transfers to the Company the net benefits received by Dr. Chen or any such Affiliate or Associate in connection with such interests, whenever they are received.

#### 5. CONFIDENTIALITY AND INVENTION ASSIGNMENT.

(a) The parties acknowledge that the Company and the Predecessors have engaged Dr. Chen on an "at-will" basis as a consultant and service provider, and that the Company is currently compensating him for consulting services rendered on a month-to-month schedule (all of the foregoing services being hereinafter referred to as "CONSULTING SERVICES"). In consideration of the payments set forth in Section 1 hereof and the payments received and to be received pursuant to the Consulting Services, Dr. Chen hereby agrees to the confidentiality, non-disclosure and invention assignment provisions set forth below.

##### (b) CERTAIN ACKNOWLEDGEMENTS AND AGREEMENTS.

(i) The parties have discussed, and Dr. Chen hereby recognizes and acknowledges the competitive and proprietary aspects of the business of the Company, its Affiliates and Associates.

(ii) Dr. Chen acknowledges that a business will be deemed "competitive" with the Company if, at the time Dr. Chen enters into a relationship with such business or, at any time



within two years thereafter while Dr. Chen has a relationship with such business it engages in, or is actively planning or developing any service and/or the research, development or commercialization of any product that is the functional equivalent of, or that has or will likely have the effect of materially displacing sales of

services or products which (A) are performed, produced, manufactured, distributed, sold, under research or active development or in active planning by the Company at any time while Dr. Chen is providing Consulting Services or (B) are expressly identified in writing as the subject of Dr. Chen's Consulting Services hereunder. If the Company requests that Dr. Chen provide Consulting Services that he advises the Company may be competitive with the activities of another business with which he then has a relationship, the Company may at its option (x) terminate the Consulting Services and in connection therewith pay to Dr. Chen any fees and reimbursable expenses due for all Consulting Services rendered through the date of termination, or (y) require Dr. Chen to terminate his services with the competitive business or entity.

(iii) Dr. Chen further acknowledges that, while performing Consulting Services to the Company, the Company, its Affiliates and Associates have furnished and will furnish, disclose or make available to him Confidential Information (as defined below) related to the business of the Company and, its Affiliates. Dr. Chen also acknowledges that such Confidential Information has been developed and will be developed by the Company, its Affiliates and Associates through the expenditure by the Company, its Affiliates and Associates of substantial time, effort and money and that all such Confidential Information could be used by him to compete with the Company, its Affiliates and Associates. Further, while Dr. Chen has performed or in the future performs Consulting Services to the Company, he has been or will be introduced to customers and others with important relationships to the Company, its Affiliates and Associates. Dr. Chen acknowledges that any and all "goodwill" created through such introductions belongs exclusively to the Company, its Affiliates and Associates, including, without limitation, any goodwill created as a result of direct or indirect contacts or relationships between himself and any customers or other third parties doing business with the Company, its Affiliates and Associates.

(iv) For purposes of this Agreement and Release, "CONFIDENTIAL INFORMATION" means confidential and proprietary information of the Company, its Predecessors, Affiliates and Associates, whether in written, oral, electronic or other form, including but not limited to, information and facts concerning business plans; current or potential customers, suppliers, licensors, licensees, partners, investors, affiliates or others; training methods and materials; financial information; sales prospects; client lists; inventions; or any other scientific, technical or trade secrets of the Company, its Predecessors Affiliates and Associates or of any third party provided to Dr. Chen or the Company, its Predecessors Affiliates and Associates under a condition of confidentiality; provided that Confidential

Information will not include information that is in the public domain other than through any fault or act by Dr. Chen, his, Affiliates and Associates. The term "TRADE SECRETS," as used in this Agreement and Release, will be given its broadest possible interpretation under the law of the Commonwealth of Massachusetts and will include, without limitation, anything tangible or intangible or electronically kept or stored, which constitutes, represents, evidences or records secret, scientific, technical, merchandising, production or management information, or any design, process, procedure, formula, invention, improvement or other confidential or proprietary information or documents.

(c) NON-COMPETITION; NON-SOLICITATION. While Dr. Chen performs Consulting Services to the Company and for a period of one year following the termination of his service to the Company for any reason or for no reason, he will not, without the prior written consent of the Company:

(i) For himself or on behalf of any other person or entity, directly or indirectly, either as principal, partner, stockholder, officer, director, member, employee, consultant, agent, representative or in any other capacity, own, manage, operate or control, or be concerned, connected or employed by, or otherwise associate in any manner with, engage in or have a financial interest in, any business which is competitive with the business of the Company (each, a "RESTRICTED ACTIVITY") anywhere in the world, except that (A) nothing contained herein will preclude Dr. Chen from purchasing or owning securities of any such business if such securities are publicly traded, and provided that his holdings do not exceed one percent of the issued and outstanding securities of any class of securities of such business and (B) nothing contained herein will prohibit Dr. Chen from engaging in a Restricted Activity for or with respect to any subsidiary, division or affiliate or unit (each, a "UNIT") of an entity if that Unit is not engaged in any business which is competitive with the business of the Company, its Affiliates and Associates, irrespective of whether some other Unit of such entity engages in such competition (as long as Dr. Chen does not engage in a Restricted Activity for such other Unit); or

(ii) Either individually or on behalf of or through any third party, directly or indirectly, solicit, divert or appropriate or attempt to solicit, divert or appropriate, for the purpose of competing with the Company, any customers, licensors, licensees, collaborative partners, or other patrons of the Company, or any such person or entity with respect to which the Company has developed or made a presentation (or similar communication) with a view to developing a business relationship; or

(iii) Either individually or on behalf of or through any third party, directly or indirectly, (A) solicit, entice or persuade or attempt to solicit, entice or persuade any employee of or consultant to the Company to leave the service of the Company for any reason, or (B) employ, cause to be employed, or solicit the employment of, any employee of or consultant to the Company while any such person is providing services to the Company or within six months after any such person has ceased providing services to the Company.

(d) REASONABLENESS OF RESTRICTIONS. Dr. Chen further recognizes and acknowledges that (i) the types of employment which are prohibited by this Section 5 are narrow and reasonable in relation to the skills which represent his principal salable asset both to the Company and to others and (ii) the time period and the geographical scope of the provisions of this Section 5 are reasonable, legitimate and fair to Dr. Chen in light of the Company's need to effectively pursue its business plan and objectives and in light of the limited restrictions on the type of activities prohibited herein compared to the types of activities for which Dr. Chen is qualified to earn his livelihood.

(e) SURVIVAL OF ACKNOWLEDGEMENTS AND AGREEMENTS. Dr. Chen's acknowledgements and agreements set forth in this Section 5 will survive the termination of this Agreement and Release and the termination of Dr. Chen's service to the Company for any reason or for no reason.

(f) PROTECTED INFORMATION. Dr. Chen will at all times, both during the period while he performs Consulting Services to the Company and after the termination of this Agreement and Release and the termination of his service to the Company, for any reason or for no reason, maintain in confidence and will not, without the prior written consent of the Company, use, except as required in the course of performance of his duties for the Company or by court order, disclose or give to others any Confidential Information. In the event Dr. Chen is questioned by anyone not employed by the Company or by an employee of or a consultant to the Company not authorized to receive Confidential Information, in regard

5

to any Confidential Information, or concerning any fact or circumstance relating thereto, Dr. Chen will promptly notify the Company. Upon the termination of Dr. Chen's service to the Company for any reason or for no reason, or if the Company otherwise requests, he will return to the Company all tangible Confidential Information and copies thereof (regardless how such Confidential Information or copies are maintained). The terms of this sub-section are in addition to, and not in lieu of, any statutory or other contractual or legal obligation that he may have relating to the protection of the Company's Confidential Information. The terms of this sub-section will survive indefinitely any termination of this Agreement and Release and/or any termination of Dr. Chen's service to the Company for any reason or for no reason.

(g) PROPERTY OF THE COMPANY.

(i) All ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae in any form known or not yet known throughout the world (collectively, the "INVENTIONS") which may be used or useful in the current or planned business of the Company, whether patentable, copyrightable or not, which Dr. Chen has conceived, reduced to practice or developed, or may conceive, reduce to practice or develop arising out of or in connection with his performance of Consulting Services, employment-related services or other services for the Company or its Predecessors in any capacity (and, if based on or related to any Confidential Information, within one years after termination of such service to the Company for any reason or for no reason), alone or in conjunction with another or others, whether during or out of regular business hours, whether or not on the Company's premises or with the use of its equipment, and whether at the request or upon the suggestion of the Company or otherwise, will be and hereby are the sole and exclusive property of the Company, and Dr. Chen will not publish any of the Inventions without the prior written

consent of the Company. Without limiting the foregoing, Dr. Chen also acknowledges that all original works of authorship which are made by Dr. Chen (solely or jointly with others) within the scope of Dr. Chen's service to the Company and its Predecessors and which are protectable by copyright are "works made for hire" pursuant to the United States Copyright Act (17 U.S.C. Section 101). Dr. Chen hereby assigns to the Company all of his right, title and interest in and to all of the foregoing. Dr. Chen further represents that, to the best of his knowledge and belief, none of the Inventions will violate or infringe upon any right, patent, copyright, trademark or right of privacy, or constitute libel or slander against or violate any other rights of any person, firm or corporation, and that Dr. Chen will not knowingly create any Invention which causes any such violation.

(ii) To the extent that Dr. Chen has any ownership interest in any chemical compounds contained in the Company's compound library, used in any of the Company's past, current or planned research or development activities or which may be used or useful in the current or planned business of the Company, or otherwise located or stored at any of the Company's facilities, he assigns and irrevocably transfers to the Company all right title and interest therein.

(iii) To the extent that Dr. Chen has clear title to equipment located at the Company it will remain his personal equipment, all other ownership interests Dr. Chen may assert in any laboratory or equipment or materials, used in any of the Company's past, current or planned research or development activities or which may be used or useful in the current or planned business of the Company, or otherwise located or stored at any of the Company's

facilities, he assigns and irrevocably transfers to the Company all right title and interest therein.

(h) COOPERATION. At any time during Dr. Chen's service to the Company or after the termination of Dr. Chen's service to the Company for any reason or for no reason, Dr. Chen will cooperate fully with the Company and its attorneys and agents in the preparation and filing of all papers and other documents as may be required to perfect the Company's rights in and to any of such Inventions, including, but not limited to, joining in any proceeding to obtain letters patent, copyrights, trademarks or other legal rights with respect to any such Inventions in the United States and in any and all other countries, provided that the Company will bear the expense of such proceedings, and, if after the termination of Dr. Chen's service to the Company, shall compensate Dr. Chen at his then current per diem rate for his time spent providing such cooperation and assistance, as evidenced by time records in reasonable detail submitted to the Company. Any patent or other legal right so issued to Dr. Chen personally will be assigned by Dr. Chen to the Company without charge by Dr. Chen, his Affiliates and Associates.

(i) LICENSING AND USE OF INVENTIONS. With respect to any Inventions, whenever created, which Dr. Chen has not prepared or originated in the performance of his services to the Company or its Predecessors, but which Dr. Chen provides to the Company or which is incorporated in any Company product or system, Dr. Chen hereby grants to the Company a royalty-free, fully paid-up, non-exclusive, perpetual and irrevocable license throughout the world to use, modify, create derivative works from, disclose, publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all such Inventions. Dr. Chen will not include in any Inventions he delivers to the Company or uses on its behalf, without the prior written approval of the

Company, any material which is or will be patented, copyrighted or trademarked by him or others unless he provides the Company with the written permission of the holder of any patent, copyright or trademark owner for the Company to use such material in a manner consistent with then-current Company policy.

(j) DISCLOSURE TO FUTURE EMPLOYERS. Dr. Chen will provide, and the Company, in its discretion, may similarly provide, a copy of the covenants contained in Section 5 of this Agreement and Release to any business or enterprise which he may, directly or indirectly, own, manage, operate, finance, join, control or in which he may participate in the ownership, management, operation, financing, or control, or with which he may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

(k) COMPANY ACKNOWLEDGEMENT. The Company acknowledges that Dr. Chen is affiliated with Caxton Health Holdings ("Caxton") and that Dr. Chen's affiliation with Caxton is not in violation of this Agreement, provided that Dr. Chen maintains the confidentiality of the Company's Confidential Information and trade secrets and may not engage in a competitive Restricted Activity, individually or in concert with others, in connection with his affiliation with Caxton.

6. NO ADMISSION.

The parties agree and acknowledge that while this Agreement and Release resolves the issues between the parties, it does not constitute an admission by either party of any liability whatsoever. Neither this Agreement and Release nor any of its terms shall be construed to be, or shall be admissible in any proceeding as, evidence of liability by either party. However, this Agreement and Release may be introduced in any proceeding to enforce its terms.

7

7. SEVERABILITY.

The parties agree that each provision herein shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses. Moreover, if one or more of the provisions or subparts contained in this Agreement and Release shall for any reason be held to be excessively broad as to scope or subject matter so as to be unenforceable at law or equity, such provision, provisions or subparts shall be construed by limiting and reducing it or them so as to be enforceable, to the fullest extent compatible with applicable law, in a manner consistent with the parties' intentions.

8. NOTICES AND PAYMENTS.

All payments to Dr. Chen shall be made at the address set forth below, or such other address as he shall inform the Company of in writing or, at the Company's option, shall be made by electronic deposit to a bank account designated by Dr. Chen. All notices and communications shall be given to the parties at the following addresses, or such other addresses as the parties shall provide to each other in writing:

If to Dr. Chen:

Lan Bo Chen, Ph.D.  
[ADDRESS]

If to the Company:

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue

Lexington, MA 02421  
Attention: Chief Executive Officer

9. REPRESENTATIONS AND GOVERNING LAW.

(a) This Agreement and Release, represents the complete understanding between the parties, supersedes any and all agreements and understandings, whether oral or written, and may not be modified, altered, changed or waived, in whole or in part, except upon written consent of both parties. The parties agree that the Company will not have an adequate remedy if Dr. Chen or any other Releasor fails to comply with the provisions hereof, and that damages will not be readily ascertainable for such breach, and that a decree of specific performance or an injunction enjoining a breach of this Agreement and Release is an appropriate remedy for such breach.

(b) Dr. Chen represents that he has carefully read this Agreement and Release, fully understands its terms, and is voluntarily executing same. In entering into this Agreement and Release, Dr. Chen does not rely on any representation, promise or inducement made by the Company, or any of its representatives, agents or attorneys, with the exception of the consideration described in this document.

(c) This Agreement and Release shall in all respects be interpreted, enforced and governed under the internal and domestic laws of the Commonwealth of Massachusetts without giving effect to the principles of conflicts of law thereof. Any dispute hereunder will be adjudicated only in the courts located in Massachusetts. Dr. Chen hereby submits to the jurisdiction of such courts.

(d) The parties agree to cooperate fully in the execution of any and all documents, and the taking of any additional action, which may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement and Release.

8

(e) The language of all parts of this Agreement and Release shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either of the parties.

(f) This Agreement and Release shall not be assigned by either party but shall be binding on the parties hereto and their respective heirs, legal representatives, successors and assigns, and shall inure to the benefit of the Company's successors and assigns by merger or consolidation with another company, by the sale of all or substantially all of the assets or capital stock of the Company, or by any similar transaction in which all or substantially all of the business of the Company is acquired. The parties acknowledge and warrant that they have not assigned to any third party any rights, or claims of any nature against either party or any of the Releasees specified in Section 3.

10. COUNTERPARTS.

This Agreement and Release may be executed in two counterparts, either one of which need not contain the signatures of all parties, but both counterparts when taken together will constitute one and the same agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement and Release to be executed as of the date set forth above.

Lan Bo Chen, Ph.D.

Synta Pharmaceuticals Corp.

By: /S/ Lan Bo Chen  
-----

By: /S/ Safi R. Bahcall  
-----  
Safi R. Bahcall, Ph.D.

[SYNTA PHARMACEUTICALS CORP. LETTERHEAD]

April 18, 2005

Lan Bo Chen, Ph.D.  
[ADDRESS]

Re: CONSULTING AGREEMENT  
-----

Dear Lan Bo:

This letter is to confirm our understanding with respect to (i) your continued service to Synta Pharmaceuticals Corp. (the "Company") as a consultant, (ii) your agreement not to compete with the Company, or any present or future parent, subsidiary or affiliate of the Company (each, a "Company Affiliate" and collectively with the Company, the "Company Group"), (iii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company Group and (iv) your agreement with respect to the ownership of inventions, ideas, copyrights and patents which may be used in the business of the Company Group (the terms and conditions agreed to in this letter are hereinafter referred to as the "Agreement"). In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. SERVICES.

(a) You are hereby engaged by the Company as an independent contractor, and not as an employee, to provide the following services to the Company (the "Consulting Services"):

(i) to serve as Chairman and/or a member of the Company's Scientific Advisory Board;

(ii) to carry out various projects which the Chief Executive Officer or the Board of Directors of the Company may request and assign to you from time to time; and

(iii) to bring to the attention of the Company from time to time information about inventions, scientific developments, research programs, available chemical compounds or biological entities, ideas, formulations, business development opportunities, potential employees, scientific contacts and the like, that may be of interest to the Company in the pursuit of its business as currently conducted or then anticipated or planned (hereinafter, "Business Opportunities")

(b) You shall maintain sole control and discretion as to the exact manner of the performance of the Consulting Services, subject to the following:

(i) The Company and you acknowledge that you currently have, and may continue to have, a consulting arrangement with Caxton Health Holdings LLC



("CHH"), pursuant to which you will provide services to CHH that include identifying potential technologies and related opportunities for investment and development by CHH ("Investment Opportunities"). The Company and you further acknowledge that, upon occasion, an Investment Opportunity that you identify may also constitute a Business Opportunity for the Company. You hereby agree that, if you identify or become aware of any Investment Opportunity that also constitutes a Business Opportunity for the Company, you will endeavor first to bring such Business Opportunity to the attention of the Company, by communicating such opportunity to the Company's Chief Executive Officer, providing the Company with information reasonably available to you about the Business Opportunity, and assisting the Company, to the extent requested, in evaluating the Business Opportunity. Such actions shall hereinafter be referred to as providing the Company with a "Right of First Evaluation". If, however, in any instance you believe that it would violate your obligations to CHH if you were to provide the Company a Right of First Evaluation with respect to a Business Opportunity that also constitutes an Investment Opportunity, you agree to promptly notify the Company of such circumstances.

(ii) You shall satisfy all reasonable deadlines, specifications and requirements set forth by the Company (in consultation with you).

(iii) In performing the Consulting Services under this Agreement, you will (a) use diligent efforts and professional skills and judgment, (b) perform professional services in accordance with recognized industry standards; and (c) comply with the Company's policies applicable to consultants, members of the Scientific Advisory Board, and other personnel and Company representatives, as in effect from time to time. You also shall comply with all federal, state and local employment, labor and taxation laws, regulations and rules relating to the Consulting Services to be performed by you.

2. TERM. This Agreement shall continue until such time as it is terminated by you or by the Company (for any reason or no reason at all), in either case by written notice at least fifteen (15) days in advance (the "Consulting Term").

### 3. COMPENSATION.

(a) CONSULTING FEES. While you continue to provide Consulting Services to the Company, you will be paid a consulting fee of Twenty-Five Thousand Dollars (\$25,000.00) per month (the "Consulting Fee"). Consulting Fees will be paid to you no later than fifteen (15) days following the last day of the month during which such Consulting Fees are earned.

2

(b) REIMBURSEMENT OF EXPENSES. Upon presentation of documentation of such expenses reasonably satisfactory to the Company, the Company will reimburse you for all ordinary and reasonable out-of-pocket business expenses that are reasonably incurred by you in furtherance of the Company's business in accordance with the Company's policies with respect thereto as in effect from time to time.

4. TERMINATION. Upon termination of your service to the Company for any reason or no reason, you shall receive payment of (a) your accrued, but unpaid, Consulting Fees through the date of termination of your service to the Company (the "Termination Date"), and (b) all expense reimbursements due to you through the Termination Date in accordance with established Company policies or applicable law.

### 5. PROHIBITED COMPETITION.

(a) CERTAIN ACKNOWLEDGEMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and

acknowledge the competitive and proprietary aspects of the business of the Company Group.

(ii) You acknowledge that a business will be deemed "competitive" with the Company Group if, at the time you enter into a relationship with such business or, at any time within two years thereafter while you have a relationship with such business, it engages in, or is actively planning or developing, any service and/or the research, development or commercialization of any product that is the functional equivalent of, or that has or will likely have the effect of materially displacing sales of services or products which (A) are performed, produced, manufactured, distributed, sold, under research or active development or in active planning by the Company Group at any time while you are providing Consulting Services or (B) are expressly identified in writing as the subject of your Consulting Services hereunder. If the Company requests that you provide Consulting Services that you advise the Company may be competitive with the activities of another business with which you then have a relationship, the Company may at its option (x) terminate the Consulting Services and in connection therewith pay to you any fees and reimbursable expenses due for all Consulting Services rendered through the date of termination, or (y) require you to terminate your services with the competitive business or entity.

(iii) You further acknowledge that, while you perform Consulting Services hereunder, the Company Group will furnish, disclose or make available to you Confidential Information (as defined below) related to the business of the Company Group and that the Company Group. You also acknowledge that such Confidential Information has been developed and will be developed by the Company Group through the expenditure by the Company Group of substantial time, effort and money and that all such Confidential Information could be used by you to compete with the Company Group. Further, while you perform Consulting Services hereunder, you will be introduced to customers and others with important relationships to the Company Group. You acknowledge that any

3

and all "goodwill" created through such introductions belongs exclusively to the Company Group, including, without limitation, any goodwill created as a result of direct or indirect contacts or relationships between yourself and any customers or other third parties doing business with the Company Group.

(iv) For purposes of this Agreement, "Confidential Information" means confidential and proprietary information of the Company Group, whether in written, oral, electronic or other form, including but not limited to, information and facts concerning business plans; current or potential customers, suppliers, licensors, licensees, partners, investors, affiliates or others; training methods and materials; financial information; sales prospects; client lists; inventions; or any other scientific, technical or trade secrets of the Company Group or of any third party provided to you or the Company Group under a condition of confidentiality; provided that Confidential Information will not include information that is in the public domain other than through any fault or act by you. The term "trade secrets," as used in this Agreement, will be given its broadest possible

interpretation under the law of the Commonwealth of Massachusetts and will include, without limitation, anything tangible or intangible or electronically kept or stored, which constitutes, represents, evidences or records secret, scientific, technical, merchandising, production or management information, or any design, process, procedure, formula, invention, improvement or other confidential or proprietary information or documents.

(b) NON-COMPETITION; NON-SOLICITATION. While you perform Consulting Services hereunder and for a period of one year following the termination of your service to the Company Group hereunder for any reason or for no reason, you will not, without the prior written consent of the Company:

(i) For yourself or on behalf of any other person or entity, directly or indirectly, either as principal, partner, stockholder, officer, director, member, employee, consultant, agent, representative or in any other capacity, own, manage, operate or control, or be concerned, connected or employed by, or otherwise associate in any manner with, engage in or have a financial interest in, any business which is competitive with the business of the Company Group (each, a "Restricted Activity") anywhere in the world, except that (A) nothing contained herein will preclude you from purchasing or owning securities of any such business if such securities are publicly traded, and provided that your holdings do not exceed one percent of the issued and outstanding securities of any class of securities of such business and (B) nothing contained herein will prohibit you from engaging in a Restricted Activity for or with respect to any subsidiary, division or affiliate or unit (each, a "Unit") of an entity if that Unit is not engaged in any business which is competitive with the business of the Company Group, irrespective of whether some other Unit of such entity engages in such competition (as long as you do not engage in a Restricted Activity for such other Unit); or

(ii) Either individually or on behalf of or through any third party, directly or indirectly, solicit, divert or

4

appropriate or attempt to solicit, divert or appropriate, for the purpose of competing with the Company Group, any customers, licensors, licensees, collaborative partners, or other patrons of the Company Group, or any such person or entity with respect to which the Company Group has developed or made a presentation (or similar communication) with a view to developing a business relationship;

(iii) Either individually or on behalf of or through any third party, directly or indirectly, (A) solicit, entice or persuade or attempt to solicit, entice or persuade any employee of or consultant to the Company Group to leave the service of the Company Group for any reason, or (B) employ, cause to be employed, or solicit the employment of, any employee of or consultant to the Company Group while any such person is providing services to the Company Group or within six months after any such person has ceased providing services to the Company Group; or

(iv) Either individually or on behalf of or through any third party, directly or indirectly, interfere with, or attempt to interfere with, the relations between the Company

Group and any licensor, licensee, collaborative partner, customer, vendor or supplier to the Company Group.

(c) REASONABLENESS OF RESTRICTIONS. You further recognize and acknowledge that (i) the types of employment which are prohibited by this Section 5 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company Group and to others and (ii) the time period and the geographical scope of the provisions of this Section 5 is reasonable, legitimate and fair to you in light of the Company Group's need to effectively pursue its business plan and objectives and in light of the limited restrictions on the type of activities prohibited herein compared to the types of activities for which you are qualified to earn your livelihood.

(d) SURVIVAL OF ACKNOWLEDGEMENTS AND AGREEMENTS. Your acknowledgements and agreements set forth in this Section 5 will survive the termination of this Agreement and the termination of your services hereunder for any reason or for no reason.

(e) ACKNOWLEDGEMENT REGARDING CHH AFFILIATION. The Company acknowledges that your affiliation with CHH is not in violation of this Agreement, provided that you (i) maintain the confidentiality of all Confidential Information as required by this Agreement, (ii) may not engage in a competitive Restricted Activity, individually or in concert with others, in connection with your affiliation with CHH, and (iii) abide by your obligations set out in Section 1(b)(i) hereof.

6. PROTECTED INFORMATION. You will at all times, both during the period while you perform Consulting Services hereunder and after the termination of this Agreement and the termination of your service to the Company hereunder for any reason or for no reason, maintain in confidence and will not, without the prior written consent of the Company Group, use, except as required in the course of performance of your duties for the Company Group or by court order, disclose or give to others any Confidential Information. In the event you are questioned

5

by anyone not employed by the Company or by an employee of or a consultant to the Company not authorized to receive Confidential Information, in regard to any Confidential Information, or concerning any fact or circumstance relating thereto, you will promptly notify the Company. Upon the termination of your service to the Company hereunder for any reason or for no reason, or if the Company Group otherwise requests, you will return to the Company Group all tangible Confidential Information and copies thereof (regardless how such Confidential Information or copies are maintained). The terms of this Section 6 are in addition to, and not in lieu of, any statutory or other contractual or legal obligation that you may have relating to the protection of the Company Group's Confidential Information. The terms of this Section 6 will survive indefinitely any termination of this Agreement and/or any termination of your service to the Company Group hereunder for any reason or for no reason.

7. OWNERSHIP OF IDEAS, COPYRIGHTS AND PATENTS.

(a) PROPERTY OF THE COMPANY. All ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae in any form known or not yet known throughout the world (collectively, the "Inventions") which may be used or useful in the current or planned business of the Company Group or which in any way relates to such business, whether patentable, copyrightable or not, which you may conceive, reduce to practice or develop arising out of or in connection with your performance of Consulting Services hereunder (and, if based on or related to any Confidential Information, within

one year after termination of such service to the Company Group for any reason or for no reason), alone or in conjunction with another or others, whether during or out of regular business hours, whether or not on the Company Group's premises or with the use of its equipment, and whether at the request or upon the suggestion of the Company Group or otherwise, will be the sole and exclusive property of the Company Group, and you will not publish any of the Inventions without the prior written consent of the Company Group. Without limiting the foregoing, you also acknowledge that all original works of authorship which are made by you (solely or jointly with others) within the scope of your services to the Company or which relate to the business of the Company Group and which are protectable by copyright are "works made for hire" pursuant to the United States Copyright Act (17 U.S.C. Section 101). You hereby assign to the Company Group all of your right, title and interest in and to all of the foregoing. You further represent that, to the best of your knowledge and belief, none of the Inventions will violate or infringe upon any right, patent, copyright, trademark or right of privacy, or constitute libel or slander against or violate any other rights of any person, firm or corporation, and that you will not knowingly create any Invention which causes any such violation.

(b) COOPERATION. At any time during your service to the Company hereunder or after the termination of your service to the Company hereunder for any reason or for no reason, you will cooperate fully with the Company Group and its attorneys and agents in the preparation and filing of all papers and other documents as may be required to perfect the Company Group's rights in and to any of such Inventions, including, but not limited to, joining in any proceeding to obtain letters patent, copyrights, trademarks or other legal rights with respect to any such Inventions in the United States and in any and

6

all other countries, provided that the Company Group will bear the expense of such proceedings and, if after the termination of your services to the Company Group hereunder, shall compensate you at your then current per diem rate for your time spent providing such cooperation and assistance, as evidenced by time records in reasonable detail submitted to the Company. Any patent or other legal right so issued to you personally will be assigned by you to the Company Group without charge by you.

(c) LICENSING AND USE OF INVENTIONS. With respect to any Inventions, whenever created, which you have not prepared or originated in the performance of your services to the Company Group, but which you provide to the Company Group or incorporate in any Company Group product or system, you hereby grant to the Company Group a royalty-free, fully paid-up, non-exclusive, perpetual and irrevocable license throughout the world to use, modify, create derivative works from, disclose, publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all such Inventions. You will not include in any Inventions you deliver to the Company Group or use on its behalf, without the prior written approval of the Company Group, any material which is or will be patented, copyrighted or trademarked by you or others unless you provide the Company Group with the written permission of the holder of any patent, copyright or trademark owner for the Company Group to use such material in a manner consistent with then-current Company Group policy.

(d) PRIOR INVENTIONS. Listed on EXHIBIT 7(d) to this Agreement are any and all Inventions in which you claim or intend to claim any right, title and interest (collectively, "Prior Inventions"), including, without limitation, patent, copyright and trademark interests, which to the best of your knowledge will be or may be delivered to the Company Group in the course of your service to the

Company, or incorporated into any Company Group product or system. You acknowledge that your obligation to disclose such information is ongoing while you perform Consulting Services hereunder.

8. DISCLOSURE TO FUTURE EMPLOYERS. You will provide, and the Company, in its discretion, may similarly provide, a copy of the covenants contained in Sections 5, 6 and 7 of this Agreement to any business or enterprise which you may, directly or indirectly, own, manage, operate, finance, join, control or in which you may participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

9. RECORDS. Upon termination of your services to the Company Group hereunder for any reason or for no reason and at any other time requested by the Company Group, you will deliver to the Company Group any property of the Company Group which may be in your possession, including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same (regardless of how they are maintained, including whether or not they are in electronic form).

10. INSURANCE. While you are performing Consulting Services to the Company Group hereunder, you shall be solely responsible for securing, paying for and maintaining any insurances, licenses and/or permits necessary to perform any of the Consulting Services required under this Agreement, including, but not limited to, general liability insurance (bodily injury and

7

property damage), professional liability insurance and workers' compensation insurance. Upon request, you will furnish to the Company all applicable certificates of insurance contemplated by this section.

11. INDEPENDENT CONTRACTOR STATUS. You and the Company agree that your Consulting Services are made available to the Company Group on the basis that you will retain your individual professional status and that your relationship with the Company Group is that of an independent contractor and not that of an employee. You acknowledge will not be eligible for any employee benefits, nor will the Company make deductions from its fees to you for taxes, insurance, bonds or any other subscription of any kind. The Company will record payments to you on, and provide to you, an Internal Revenue Service Form 1099, and the Company will not withhold any employment taxes on your behalf. Payment of all federal, state and local income, employment and other taxes (including unemployment insurance, social security taxes and federal, state and local withholding taxes) are your sole responsibility. You will indemnify and hold harmless the Company Group and its officers, directors, security holders, partners, members, employees, agents and representatives against loss, damage, liability or expense arising from any claim based on your failure to pay any or all taxes due from you to any applicable taxing authorities.

12. REPRESENTATIONS AND ACKNOWLEDGEMENTS. You hereby represent and warrant to the Company that you understand this Agreement, that you enter into this Agreement voluntarily and that your service to the Company Group under this Agreement will not conflict with any legal duty owed by you to any other party, or with any agreement to which you are a party or by which you are bound, including, without limitation, any non-competition or non-solicitation provision contained in any such agreement. You will indemnify and hold harmless the Company Group and its officers, directors, security holders, partners, members, employees, agents and representatives against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

13. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder which are required to be provided, or which

the sender elects to provide, in writing, will be addressed to the receiving party's address set forth above or to such other address as a party may designate by notice hereunder, and will be either (i) delivered by hand, (ii) sent by overnight courier, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid. All notices, requests, consents and other communications hereunder will be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party, (ii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iii) if sent by registered or certified mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT.

(i) It is hereby acknowledged that the Company and you have entered into an Agreement and Release, dated January 14, 2005 (the "Agreement and Release"), arising out of your services to the Company, its Affiliates and Predecessors (as such terms

8

are defined therein) during the period prior to the date hereof. The Company and you hereby acknowledge and agree that certain provisions of the Agreement and Release (E.G., the confidentiality, non-competition, non-solicitation and inventions assignment provisions) are substantially the same as corresponding provisions of this Agreement, except that such provisions of the Agreement and Release are intended to be effective and apply to matters arising out of the period of your services to the Company, its Affiliates and Predecessors prior to the date of this Agreement, and the corresponding provisions of this Agreement are intended to be effective and apply to matters arising out of the period commencing on the date hereof. The parties agree that this Agreement shall not be deemed to supersede the Agreement and Release except if, and to the extent that, (A) a provision of this Agreement contains substantially equivalent terms to a corresponding provision of the Agreement and Release, and (B) the application of such provision of this Agreement alone (I.E., without continued effectiveness and application of the corresponding provision of the Agreement and Release) will provide the same protection to the Company Group as would be the case if both the provision in this Agreement and the corresponding provision in the Agreement and Release continued to be effective and apply. All other terms and provisions of the Agreement and Release shall continue in full force and effect.

(ii) Subject to subparagraph (i) above, this Agreement, together with the other agreements specifically referred to herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement will affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent will be deemed to be or will constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar.

Each such waiver or consent will be effective only in the specific instance and for the purpose for which it was given, and will not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved, or to any Company Affiliate. You may not assign your rights and obligations under this Agreement without the prior written consent of the Company, and any such attempted assignment by you without the prior written consent of the Company will be void.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement will be binding on the parties hereto and will inure to the

9

benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement will be construed to create any rights or obligations except between the Company and you, except for your obligations to the Company Group as set forth herein, and no person or entity (except for a Company Affiliate as set forth herein) will be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder will be construed in accordance with and governed by the law of the Commonwealth of Massachusetts, without giving effect to the conflict of law principles thereof.

(h) JURISDICTION, VENUE AND SERVICE OF PROCESS. Any legal action or proceeding with respect to this Agreement that is not subject to arbitration pursuant to Section 13(i) below will be brought in the courts of the Commonwealth of Massachusetts or of the United States of America for the District of Massachusetts. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts.

(i) ARBITRATION. Any controversy, dispute or claim arising out of or in connection with this Agreement, other than a controversy, dispute or claim arising under Section 5, 6 or 7 hereof, will be settled by final and binding arbitration to be conducted in Boston, Massachusetts pursuant to the national rules for the resolution of employment disputes of the American Arbitration Association then in effect. The decision or award in any such arbitration will be final and binding upon the parties and judgment upon such decision or award may be entered in any court of competent jurisdiction or application may be made to any such court for judicial acceptance of such decision or award and an order of enforcement. In the event that any procedural matter is not covered by the aforesaid rules, the procedural law of Massachusetts will govern. Any disagreement as to whether a particular dispute is arbitrable under this Agreement shall itself be subject to arbitration in accordance with the procedures set forth herein.

(j) WAIVER OF JURY TRIAL. ANY ACTION, DEMAND, CLAIM OR COUNTERCLAIM ARISING UNDER OR RELATING TO THIS AGREEMENT THAT IS NOT SUBJECT TO ARBITRATION PURSUANT TO SECTION 13(i) ABOVE WILL BE RESOLVED BY A JUDGE ALONE AND EACH OF YOU AND THE COMPANY WAIVE ANY RIGHT TO A JURY TRIAL THEREOF.

(k) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement is to any extent declared illegal or unenforceable by a duly



authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected thereby, and each portion and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision, the geographic area covered thereby, or other aspect or scope of such provision, the court making such determination will have the power to reduce the duration, geographic area of such provision, or other aspect or scope of such

10

provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form, such provision will then be enforceable and will be enforced.

(l) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

(m) INJUNCTIVE RELIEF. You hereby expressly acknowledge that any breach or threatened breach of any of the terms and/or conditions set forth in Section 5, 6 or 7 of this Agreement will result in substantial, continuing and irreparable injury to the Company Group. Therefore, in addition to any other remedy that may be available to the Company Group, the Company Group will be entitled to injunctive or other equitable relief by a court of appropriate jurisdiction in the event of any breach or threatened breach of the terms of Section 5, 6 or 7 of this Agreement. The period during which the covenants contained in Section 5 will apply will be extended by any periods during which you are found by a court to have been in violation of such covenants.

(n) NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, will operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, will preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto will not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement will entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(o) COUNTERPARTS. This Agreement may be executed in two or more counterparts, and by different parties hereto on separate counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

(p) OPPORTUNITY TO REVIEW. You hereby acknowledge that you have had adequate opportunity to review these terms and conditions and to reflect upon and consider the terms and conditions of this Agreement, and that you have had the opportunity to consult with counsel of your own choosing regarding such terms. You further acknowledge that you fully understand the terms of this Agreement and have voluntarily executed this Agreement.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this Agreement.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ Safi R. Bahcall

-----  
Safi R. Bahcall, Ph.D.  
President and Chief Executive  
Officer

Accepted and Approved:

/s/ Lan Bo Chen

-----  
Lan Bo Chen, Ph.D.

April 18, 2005

-----  
Date

EXHIBIT 7(d)  
PRIOR INVENTIONS

January 27, 2006

Matthew Sherman  
[ADDRESS]

Dear Matthew:

The purpose of this letter agreement is to set forth our mutual understanding and agreement with respect to your separation from employment with Synta Pharmaceuticals Corp.. (the "Company"). In consideration of the mutual covenants set forth herein, the receipt and sufficiency of which you acknowledge, we have agreed as follows:

1. SEPARATION FROM EMPLOYMENT. Your separation from employment shall be effective as of the close of business on Friday, January 27, 2006 (your "separation date"), and you shall have relinquished as of that date any and all positions that you have held with the Company. You shall not be considered an employee of the Company for any purpose after that date.
2. TERMINAL PAY. You agree that you have received all compensation to which you are entitled in connection with your employment through your separation date. You agree to make no claims for further compensation from the Company of any type, including bonus payments, commission payments, and vacation pay. You acknowledge that, except to the extent provided herein, the Company is under no obligation to provide you with the benefits described below.
3. SALARY CONTINUATION. You will be paid a lump sum of \$285,000 less all applicable federal, state or local tax withholding, F.I.C.A., and any other applicable payroll deductions, which is equal to 12 months of base pay at your current annual rate, subject to the following conditions: (a) the Company's receipt of this Agreement signed by you, and (b) the expiration of the seven-day revocation period referenced in Paragraph 19 of this Agreement without you providing notice of revocation of this Agreement.
4. INSURANCE CONTINUATION: Your medical and life insurance and short term and long term disability coverage terminates on your last day of employment. At your option, you may continue to be covered under the Company's group medical insurance plan up to eighteen (18) months after your separation date, subject to the terms and conditions provided for in the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended "COBRA." See enclosed letter describing your COBRA options. During the period from January 28, 2006 through January 27, 2007 your cost for medical coverage will be the same as it would be had you continued as an active employee subject to the following conditions: (a) the Company's receipt of this Agreement signed by you, and (b) the expiration of the seven-day revocation period referenced in Paragraph 16 of this Agreement without you providing notice of revocation of this Agreement. You will be responsible for the full

COBRA premium for medical coverage for the balance of the 18 month COBRA period if you choose the coverage.

5. STOCK OPTIONS. You may exercise any stock options that are vested on the last day of active employment pursuant to the terms of the applicable option agreement and the Synta Pharmaceutical 2001 Stock Plan. Copies of the Plan and option exercise forms are attached.

6. TRANSFER OF RESPONSIBILITIES. You shall cooperate fully with the Company and its personnel to provide an orderly transfer of your duties and responsibilities. This cooperation includes but is not limited to timely compliance with all reasonable requests for information.
7. EMPLOYMENT AT THE COMPANY. You agree that you shall not seek or accept employment with the Company either now or in the future and the Company has no obligation to employ you in any capacity.
8. CONFIDENTIALITY. You agree, to the extent permitted by law, to keep confidential and not to disclose the existence or terms of this letter agreement or sums paid under this letter agreement to anyone (in the company or outside) or to any organization, except you may disclose such information to your spouse, attorney, and financial advisor, provided you have received in advance their promises to maintain this information in strict confidence; provided, however, that nothing in this Agreement will prevent you from cooperating with or participating in any proceeding before the EEOC, the MCAD or any other federal, state or local agency or entity. You also agree that you will not, without the Company's prior written consent, reveal or disclose to any person or entity outside of the Company or use for your own benefit or for the benefit of any other person or entity, any confidential information concerning the business or affairs of the Company, or concerning the Company's customers, clients, or employees ("Confidential Information").
9. RETURN OF PROPERTY. You acknowledge that you will return to the Company all property of the Company that is in your possession or under your control, including, without limitation, computer accessories, pager, corporate credit card, telephone card, fax machine, Company keys, and any and all files, documents and other information with respect to the Company's management, business operations or customers, including all files, documents, or other information containing Confidential Information.
10. MODIFICATION TO EXHIBIT A OF FEBRUARY 12, 2004 EMPLOYMENT OFFER. You and the Company agree to delete the last sentence of Paragraph 1(a)(ii) of Exhibit A and replace it with the following: A BUSINESS WILL BE DEEMED COMPETITIVE WITH THE COMPANY ONLY IF IT ENGAGES IN THE RESEARCH, DEVELOPMENT, MANUFACTURE, DISTRIBUTION AND/OR SALE OF ANY OF THE PRODUCTS RESEARCHED, DEVELOPED, MANUFACTURED, DISTRIBUTED AND/OR SOLD BY THE COMPANY WITHIN THE FIELD OF INTEREST (AS DEFINED BELOW) DURING THE PERIOD OF YOUR EMPLOYMENT WITH THE COMPANY. FOR CLARITY, PRODUCTS RESEARCHED, DEVELOPED, MANUFACTURED, DISTRIBUTED AND/OR SOLD BY THE COMPANY WITHIN THE FIELD OF INTEREST DURING THE PERIOD OF YOUR EMPLOYMENT WITH THE COMPANY INCLUDE THE COMPANY'S

HSP90 INHIBITORS, HSP70 INDUCERS, CRAC INHIBITORS, MT INHIBITORS, INCLUDING THOSE THAT DISRUPT VASCULATURE, C-REL INHIBITORS AND IL-12/23 INHIBITORS.

11. JOB FINDING ASSISTANCE. The Company agrees to pay an amount up to \$10,000.00 to an organization to provide you with job finding and other outplacement assistance.
12. ADDITIONAL PAYMENT RELATED TO CONSULTING SERVICES. Subject to satisfying the provisions of a Consulting Agreement dated January 30, 2006, the Company agrees to pay you the following additional amounts: (a) \$20,000.00 on April 1, 2006, (b) \$10,000.00 on May 1, 2006 and (c) \$10,000.00 on June 1, 2006. It is agreed that any of the amounts described above will not be payable if you become employed on a full

time basis prior to the date on which the payment is earned.

13. NON-DISPARAGEMENT.

(a) You further agree, to the extent permitted by law, that you will not, at any time after the date hereof, make any remarks or comments, orally or in writing, to actual or potential customers, investors, collaborators, regulators or others, which or who have or could reasonably be anticipated to have, business dealings with the Company, which remarks or comments reasonably could be construed to be derogatory or disparaging to the Company or any of its shareholders, officers, directors, employees, attorneys or agents, or which reasonably could be anticipated to be damaging or injurious to the Company's reputation or good will or to the reputation or good will of any person associated with the Company.

(b) The Company further agrees, to the extent permitted by law, that it will not, at any time after the date hereof, make any remarks or comments, orally or in writing, to actual or potential employers, associates or others, which or who have, or could reasonably be anticipated to have, business dealings with you, which remarks or comments reasonably could be construed to be derogatory or disparaging to you, or which reasonably could be anticipated to be damaging or injurious to the your reputation or good will or to the reputation or good will of any person associated with you in a business relationship.

14. NON-DISCLOSURE AND RELATED UNDERSTANDINGS. You acknowledge the validity and continuing applicability of the agreements and covenants contained in the Confidentiality and Inventions Agreement concerning the non-use and return of confidential information and non-competition with the Company, except as modified by paragraph 10 above.

15. COOPERATION IN LITIGATION. At the Company's request, you agree to assist, consult with, and cooperate with the Company in any litigation or administrative procedure or inquiry that involves the Company, subject to reimbursement for your reasonable out of pocket expenses, such as travel, meals, or lodging. In the event that you become a party to any litigation or administrative proceeding or inquiry by virtue of your status as an officer and/or employee of the Company, the Company agrees that the defense and indemnification rights set forth in the Company's By-Laws, and pursuant to any

applicable insurance policies, remain in full force and effect and are not altered in any respect by this letter agreement.

16. BREACH OF AGREEMENT. You understand and agree that any breach of your obligations under this letter agreement will immediately render the Company's obligations and agreements hereunder null and void, and, to the extent permitted by law, you shall repay to the Company all sums you have been paid or sums paid on your behalf pursuant to paragraph 3 & 4. The Company also reserves the right to take appropriate legal action against you if warranted under the circumstances.

17. (A). GENERAL RELEASE OF COMPANY. You, for yourself and your heirs, legal representatives, beneficiaries, assigns and successors in interest, hereby knowingly and voluntarily release, remise and forever discharge the Company and its successors, assigns, former, current or future officers, directors, employees, agents, attorneys and representatives, whether in their individual or official capacities ("the Company Released Parties), from any and all actions or causes of action, suits, debts, claims, complaints, contracts, controversies,

agreements, promises, damages, claims for attorneys' fees, costs, interest, punitive damages or reinstatement, judgments and demands whatsoever, in law or equity, you now have, may have or ever had, whether known or unknown, suspected or unsuspected, from the beginning of the world to this date, including, without limitation, any claims under the Age Discrimination in Employment Act, 29 U.S.C.ss.621 et seq., Title VII of the Civil Rights Act of 1964, 42 U.S.C.ss.2000e et seq.; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C.ss.1000 et seq., Massachusetts General Laws, Chapter 151B; the Americans with Disabilities Act, 42 U.S.C.ss. 12101 et seq.; claims for breach of contract or based on tort; and any other statutory, regulatory or common law causes of action. YOU HEREBY ACKNOWLEDGE AND UNDERSTAND THAT THIS IS A GENERAL RELEASE AND THAT YOU ARE RELEASING ALL RIGHTS TO SUE THE COMPANY RELEASED PARTIES FOR ANY ACTION OR OMISSION UP TO AND INCLUDING THE DATE OF THE EXECUTION OF THIS AGREEMENT.

(B). GENERAL RELEASE OF EMPLOYEE. The Company and its successors, assigns, former or current shareholders, officers, directors, employees, agents, attorneys, and representatives hereby knowingly and voluntarily release, remise, and forever discharge you and your heirs, legal representatives, beneficiaries, assigns, and successors in interest ("Employee Released Parties") from any and all actions or causes of action, suits, debts, claims, complaints, contracts, controversies, agreements, promises, damages, claims for attorneys fees, costs, interest, punitive damages or reinstatement, judgments, and demands whatsoever, in law or equity, the Company now has, may have, or ever had, whether known or unknown, suspected or unsuspected, from the beginning of the world to this date (the "Released Claims"). THE COMPANY HEREBY ACKNOWLEDGES AND UNDERSTANDS THAT THIS IS A GENERAL RELEASE AND THAT THE COMPANY IS RELEASING ALL RIGHTS TO SUE YOU FOR ANY. ACTION OR OMISSION UP TO AND INCLUDING THE DATE OF THE EXECUTION OF THIS AGREEMENT

18. (A). COVENANT NOT TO SUE COMPANY RELEASED PARTIES. To the extent permitted by law, you specifically agree not to commence any legal action against any of the Company Released Parties arising out of or in connection with the Released Claims. To the extent permitted by law, you expressly agree that if you continece such an action in violation

of this Agreement, you shall indemnify the Company Released Parties for the full and complete costs of defending such an action and enforcing this Agreement, including reasonable attorneys' fees (whether incurred in a third party action or in an action to enforce this Agreement), court costs, and other related expenses. You further agree that, to the extent permitted by law, if you commence such an action despite the provisions of this Agreement, you shall be obligated to return to the Company the full amount of all sums paid to you, or on your behalf, pursuant to Paragraph 3 & 4.

B. COVENANT NOT TO SUE EMPLOYEE RELEASED PARTIES. To the extent permitted by law, the Company specifically agrees not to commence any legal action against any of the Employee Released Parties arising out of or in connection with the Released Claims. To the extent permitted by law, the Company expressly agrees that if the Company or its successors,. assigns, former or current shareholders, officers, directors, employees, agents, attorneys, or representatives commence such an action in violation of this Agreement, the Company shall indemnify the Employee Released Parties for the full and complete costs of defending such an action and enforcing this Agreement, including reasonable attorneys fees (whether incurred in a third party action or in an action to enforce this Agreement), court costs, and other related expenses. The Company agrees that if the Company or its

successors, assigns, former or current shareholders, officers, directors, employees, agents, attorneys, or representatives commence such an action despite the provisions of this Agreement, the Company shall relinquish all rights under. this Agreement (including without limitation the last sentence of paragraph 15a) to obtain a return of any sums paid to you, or on your behalf, pursuant to Paragraphs 3 and 4.

19. ACKNOWLEDGMENT. You acknowledge and agree that you understand the meaning of this Agreement and that you freely and voluntarily enter into it and the General Release contained herein. You agree that no fact, evidence, event, or transaction occurring before the execution of this Agreement, which is currently unknown to you, but which may hereafter become known to you, shall affect in any manner the final and unconditional nature of the. agreements and releases set forth herein. You acknowledge that you have been advised to consult with an attorney prior to executing this Agreement and that you have twenty-one (21) days to consider this Agreement. For a period of seven (7) days after executing this Agreement, you may revoke this Agreement by providing written notice of such revocation to Stephen M. Gansler. This Agreement shall not become effective or enforceable until this (7) seven-day period has expired. The revocation of this Agreement by you shall render this Agreement null and void.
20. MISCELLANEOUS. This letter agreement shall be construed in accordance with the laws of the Commonwealth of Massachusetts without regard to choice or conflict of law principles. A waiver of any breach of or failure to comply fully with any provision of this letter agreement by either party shall not operate or be construed as a waiver of any subsequent breach thereof or failure so to comply. If any portion or provision of this letter agreement shall to any extent be deemed invalid or unenforceable, the remainder of this letter agreement shall not be affected thereby and each portion and provision of this letter agreement shall be valid and enforceable to the fullest extent permitted. To avoid any possible misunderstanding, the Company intends this letter agreement to be a comprehensive statement of the terms of your separation. This letter agreement

5

supersedes any prior understanding or statement made to you by the Company regarding your positions with the Company or your arrangements with the Company for the period after your separation. For the same reason, any modifications of the terms set forth in this letter agreement must be in writing and signed by you and by me on behalf of the Company.

Please indicate your agreement to the terms of this letter agreement by signing and dating the last page of the enclosed copy of this letter agreement, and return it to Stephen M. Gansler not later than the close of business on February 14, 2006. In the event that you do not understand any terms or conditions specified in this letter of agreement, the Company urges you to seek legal counsel prior to signing and returning this letter.

Sincerely,

/s/ STEPHEN M. GANSLER

-----  
Stephen M. Gansler  
Vice President, Human Resources

AGREED TO AND EXECUTED UNDER SEAL THIS 31 day of January, 2006.

/s/ MATTHEW SHERMAN

-----

Matthew Sherman

Signed before me on January 31, 2006 by Matthew Sherman, Personally known to me.

Wendy Rieder



Standard Synta Form  
 Consultant from Industry/Academia (Master)  
 Approved March 2005

CONSULTANT:	MATTHEW SHERMAN, MD
SYNTA CONTACT:	ERIC JACOBSON
EFFECTIVE DATE:	JANUARY 30, 2006

-----

SYNTA  
 PHARMACEUTICALS

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (together with any Consulting Services Exhibits, the "Agreement") is made as of the date set forth above (the "Effective Date") by and between Synta Pharmaceuticals Corp., a Delaware corporation with a principal place of business at 45 Hartwell Avenue, Lexington, MA 02421 (Tel: 781-274-8200; Fax: 781-274-8228) ("Synta") and the consultant named on the signature page ("Consultant").

1. BACKGROUND. This Agreement contains general terms and conditions under which Synta may, from time to time, engage Consultant to provide consulting services to Synta ("Consulting Services"). Synta and Consultant have agreed that Consultant will provide the Consulting Services specified in the attached exhibit (the "Consulting Services Exhibit") and in any future Consulting Services Exhibits that the parties may mutually agree to and execute. Once executed, a Consulting Services Exhibit becomes part of this Agreement, although the terms in that exhibit will govern only the Consulting Services described in that exhibit. A Consulting Services Exhibit may not change any term in this Agreement. Each Consulting Services Exhibit will describe the Consulting Services, the time for completion of those services, any Proprietary Materials (defined below) to be provided by Synta in connection those services, and information about the compensation for the Consulting Services.

2. DEFINITIONS. The following terms have the meanings set forth below:

2.1 "CONFIDENTIAL INFORMATION" means any non-public scientific, technical, business or financial information furnished by or on behalf of Synta to Consultant in connection with any Consulting Services or developed by Consultant in the course of performing the Consulting Services. Confidential Information may include, without limitation, trade secrets, know-how, inventions, technical data or specifications, testing methods, business or financial information, information relating to research and development activities, product and marketing plans, and customer and supplier information. Confidential Information will also include the existence and content of this Agreement, any Consulting Services Exhibits, and any of the terms and conditions contained therein. Confidential Information does

not include information that (a) was in the public domain prior to the time of its disclosure under this Agreement; (b) entered the public domain after the time of its disclosure under this Agreement through means other than an unauthorized disclosure resulting from an act or omission by Consultant; (c) was independently developed or discovered by Consultant without use or reference to Confidential Information; or (d) is or was disclosed to Consultant at any time, whether prior to or

after the time of its disclosure under this Agreement, by a third party having no fiduciary relationship with Synta and having no obligation of confidentiality to Synta with respect to that information.

- 2.2 "DEVELOPMENTS" means any and all inventions, developments, data, discoveries, improvements, ideas, concepts, computer programs, algorithms, protocols, systems and related documentation, and any other works of invention or authorship (whether or not patentable, copyrightable, or entitled to or eligible for other forms of legal protection) that Consultant has conceived, devised, written, invented, discovered, developed, or reduced to practice or tangible medium (whether alone, jointly with others, or under his or her direction) (a) during the course of rendering the Consulting Services or (b) through the use of Synta's equipment, facilities, Confidential Information or Proprietary Materials, or at Synta's expense.
- 2.3 "PROPRIETARY MATERIALS" means all tangible materials furnished by Synta, all materials developed by Consultant as a result of rendering the Consulting Services and all materials, the cost of which are reimbursed to Consultant by Synta hereunder. Materials include, in the case of biological materials, all progeny and unmodified derivatives of those materials, and in the case of chemical materials, all analogs, formulations, mixtures and compositions of those materials.
3. CONSULTING SERVICES. Consultant agrees to perform the Consulting Services as set forth in the applicable Consulting Services Exhibit. Any changes to the Consulting Services (and any related compensation adjustments) under any particular Consulting Services Exhibit must be agreed to in writing by Consultant and Synta prior to commencement of those changes. Consultant understands and agrees that it is not the intent of Synta that this Agreement or any actions of Synta be construed as imposing any duty or obligation, express or implied, on Consultant to use, purchase, prescribe, or recommend any Synta product.
4. CONSULTING RELATIONSHIP. Consultant agrees, as a condition of this Agreement, to the following terms:
- 4.1 ABSENCE OF RESTRICTIONS. Consultant is under no contractual or other obligation or restriction which is inconsistent with Consultant's execution of this Agreement or the performance of the Consulting Services. During the Term (defined below), Consultant will not enter into any Agreement, either written or oral, in conflict with Consultant's obligations under this Agreement. Consultant will arrange to provide the Consulting Services in such manner and at such times that the

Consulting Services will not conflict with Consultant's responsibilities under any other Agreement, arrangement or understanding or pursuant to any employment or other relationship Consultant has at any time with any third party.

- 4.2 CONSULTANT PERSONNEL. In the event that others are, or may hereafter become, associated with Consultant or are used by Consultant in connection with the Consulting Services ("Consultant Personnel"), Consultant agrees to procure from them agreements containing obligations substantially identical in form and content to those in this Agreement, and Consultant agrees to cooperate with Synta in procuring execution by them of assignments and other papers as may be required by the terms of this Agreement.
- 4.3 COMPLIANCE WITH POLICIES AND REGULATIONS. In performing the Consulting Services, Consultant will, and will cause Consultant Personnel to, comply with all business conduct, regulatory, and health and safety

guidelines or regulations established by Synta or any governmental authority with respect to Synta's business. If Consultant is a faculty member at or employee of a university or hospital ("Institution") or of another company, Consultant represents and warrants that pursuant to Institution's or company's policies concerning professional consulting and additional workload, Consultant is permitted to enter into this Agreement. If Consultant is required by Consultant's Institution to disclose to it any proposed agreements with industry, Consultant has made that disclosure.

4.4 ABSENCE OF DEBARMENT. Consultant represents that neither Consultant nor any Consultant Personnel has been debarred, and to the best of Consultant's knowledge, is not under consideration to be debarred, by the U.S. Food and Drug Administration from working in or providing consulting services to any pharmaceutical or biotechnology company under the Generic Drug Enforcement Act of 1992.

5. COMPENSATION; PAYMENT. As full consideration for Consulting Services rendered under a Consulting Services Exhibit, Synta agrees to pay Consultant the compensation set forth in the applicable Consulting Services Exhibit. Payment of all undisputed amounts will be made within thirty (30) days from Synta's receipt of Consultant's invoice. Invoices will contain such detail as Synta may reasonably require and will be payable in U.S. Dollars.

6. CONFIDENTIALITY OBLIGATIONS. During the Term and for a period of five (5) years thereafter, Consultant agrees to:

a. maintain all Confidential Information in strict confidence and not disclose Confidential Information to any third parties, except to Consultant Personnel who have a need to know such Confidential Information in the course of performing their duties under the applicable Consulting Services Exhibit, and who are bound to protect the confidentiality of the Confidential Information consistent with the terms of this Agreement;

3

b. use all Confidential Information solely for the purpose of providing the Consulting Services as requested by Synta; and

c. reproduce the Confidential Information only to the extent necessary to provide the Consulting Services, with all reproductions being considered Confidential Information.

If required by law, Consultant may disclose Confidential Information to a governmental authority, provided that reasonable advance notice is given to Synta and Consultant reasonably cooperates with Synta to obtain confidentiality protection of that information.

7. DEVELOPMENTS.

7.1 OWNERSHIP. All Developments will be the exclusive property of Synta. All work products resulting from the Consulting Services that are "Works Made for Hire" as defined in the U.S. Copyright Act and other copyrightable works will be deemed, upon creation, to be assigned to Synta. Synta may use or pursue them without restriction or additional compensation. Consultant will promptly and fully disclose to Synta all Developments. Consultant will keep and maintain complete written records of all Developments and of all work or investigations done or carried out by Consultant. Consultant may keep one (1) copy of these records in Consultant's files solely for reference purposes. Consultant assigns and agrees to assign to Synta all of Consultant's right, title and interest in and to any Developments. During and after the Term, Consultant will cooperate fully, and will cause Consultant Personnel to cooperate fully, in obtaining patent and other

proprietary protection for the Developments, all in the name of Synta and at Synta's cost and expense, and, without limitation, will execute and deliver all requested applications, assignments and other documents, and take such other measures as Synta will reasonably request, in order to perfect and enforce Synta's rights in the Developments. Consultant appoints Synta its attorney to execute and deliver any such documents on Consultant's or Consultant's Personnel's behalf in the event Consultant or Consultant Personnel fails to do so.

- 7.2 PROPRIETARY MATERIALS. For Consulting Services which involve laboratory work or experiments, Consultant agrees not to use or evaluate Proprietary Materials for any purpose other than as directed by Synta, nor transfer the Proprietary Materials to any third party without the prior consent of Synta. Consultant will use the Proprietary Materials in compliance with all applicable laws and regulations.
- 7.3 THIRD PARTY INTELLECTUAL PROPERTY. The performance of the Consulting Services does not and will not breach any agreement which obligates Consultant to keep in confidence any confidential or proprietary information of any third party or to refrain from competing, directly or indirectly, with the business of any third party. Consultant will not disclose to Synta any such confidential or proprietary information. Unless covered by an appropriate agreement between any third party and Synta, Consultant will not engage in any activities or use any third party facilities or intellectual property in performing the Consulting Services which

4

could result in claims of ownership to any Developments being made by a third party.

- 7.4 AGREEMENT WITH INSTITUTION. This Agreement is made subject to the understanding that Consultant, if affiliated with an Institution, may be required to fulfill certain obligations, including teaching, directing laboratory operations, conducting research, and publishing work. It is further understood that Consultant may have signed an agreement concerning inventions with Institution, under which Consultant may be obligated to assign to Institution certain inventions which arise out of or otherwise relate to Consultant's work at or for Institution or from Consultant's use of certain of its facilities or intellectual property. In performing the Consulting Services, Consultant agrees not to utilize Institution facilities or intellectual property if the result of such use is that any Developments will not be assignable solely to Synta.
8. PUBLICATIONS AND PRESENTATIONS. If the performance of the Consulting Services gives rise to results that are publishable in scientific or other journals, or presentable at professional conferences or other meetings, such publications and presentations by the Consultant will be permissible only with the prior written approval of Synta. A copy of each proposed publication or any proposed presentation material will be provided to Synta at least thirty (30) days in advance of submission to third parties to enable Synta to determine if patentable Developments or any Confidential Information of Synta would be disclosed. Consultant will cooperate with Synta in this respect and will delete from the manuscript or other disclosure any Confidential Information if requested by Synta, and will assist Synta in filing for patent protection for any patentable Developments described in those documents, prior to publication or other disclosure. Synta will also receive final drafts of any proposed publication or presentation material and Synta will be named in the publication or presentation as Synta and the Consultant agree is appropriate.
9. TERM AND TERMINATION.

- 9.1 TERM. This Agreement will commence on the Effective Date and will expire on the later of (a) two (2) years from the Effective Date or (b) the completion of all Consulting Services under the last Consulting Services Exhibit executed by the parties prior to the second anniversary of the Effective Date ("Term"). This Agreement may be extended by mutual agreement of the parties or earlier terminated in accordance with Section 9.2 or 9.3 below.
- 9.2 TERMINATION BY SYNTA. Synta may immediately terminate this Agreement at any time upon written notice to Consultant in the event of a breach or threatened breach of this Agreement by Consultant which cannot be cured (such as breach or threatened breach of any confidentiality obligations hereunder). Further, Synta may terminate this Agreement or any Consulting Services Exhibit at any time upon thirty (30) days' prior written notice to Consultant.
- 9.3 TERMINATION BY CONSULTANT. Consultant may terminate this Agreement upon two (2) weeks' prior written notice to Synta, or as otherwise agreed by the parties.

5

- 9.4 EFFECT OF EXPIRATION/TERMINATION. Upon expiration or termination of this Agreement, neither Consultant nor Synta will have any further obligations under this Agreement, or in the case of expiration or termination of a Consulting Services Exhibit, under that exhibit, except that (a) Consultant will terminate all Consulting Services in progress in an orderly manner as soon as practical and in accordance with a schedule agreed to by Synta, unless Synta specifies in the notice of termination that Consulting Services in progress should be completed, (b) Consultant will deliver to Synta any Proprietary Materials in its possession or control and all Developments made through expiration or termination, (c) Synta will pay Consultant any monies due and owing Consultant, up to the time of expiration or termination, for Consulting Services actually performed and all authorized expenses actually incurred (as specified in the applicable Consulting Services Exhibit), (d) Consultant will immediately return to Synta all Confidential Information and copies thereof provided to Consultant under this Agreement or under any Consulting Services Exhibit which has expired or been terminated, except for one (1) copy which Consultant may retain solely to monitor Consultant's surviving obligations of confidentiality, and (e) the terms of Sections 2, 6, 7, 8, 9.4, 10.2, 10.3, 10.5, and 10.7 through 10.11, will survive.

10. MISCELLANEOUS.

10.1 INDEPENDENT CONTRACTOR; TAXES.

- a. INDEPENDENT CONTRACTOR. All Consulting Services will be rendered by Consultant as an independent contractor and this Agreement does not create an employer-employee relationship between Synta and Consultant. Consultant will have no rights to receive any employee benefits, such as health and accident insurance, sick leave or vacation which are accorded to regular Synta employees. Consultant will not in any way represent himself to be an employee, partner, joint venturer, agent or officer with or of Synta. Neither Synta nor Consultant will have any obligation, responsibility or authority to act on behalf of or in the name of the other, or to bind the other in any manner whatsoever. Any representation to the contrary to Consultant or the Synta or the employees or agents of either, will be sufficient grounds for immediate termination of this Agreement.
- b. TAXES. Consultant will pay all required taxes on Consultant's income from Synta under this Agreement. Consultant will provide

Synta with Consultant's taxpayer identification number or social security number, as applicable. Failure to furnish such information may result in withholding of payments to Consultant in accordance with Internal Revenue Service regulations.

- 10.2 PUBLICITY. Consultant consents to the use by Synta of Consultant's name and likeness in written materials and oral presentations to current or prospective customers, partners, investors or others, provided that such materials or presentations accurately describe the nature of Consultant's relationship with or

6

contribution to Synta. Synta consents to the use by Consultant of Synta's name on lists of its clients provided that the nature of the Consulting Services is accurately described and that Synta has had the opportunity to review and approve the publicity.

- 10.3 NOTICES. All notices must be written and sent to the address or facsimile number identified in this Agreement or a subsequent notice. All notices must be given (a) by personal delivery, with receipt acknowledged, (b) by facsimile followed by hard copy delivered by the methods under (c) or (d), (c) by prepaid certified or registered mail, return receipt requested, or (d) by prepaid recognized next business day delivery service. Notices will be effective upon receipt or as stated in the notice. Notices to Synta must be marked "ATTENTION: VICE PRESIDENT, LEGAL AFFAIRS".
- 10.4 ASSIGNMENT. This Agreement is a personal services agreement, and the rights and obligations hereunder, may not be assigned or transferred by either party without the prior written consent of the other party. Synta may, however, assign this Agreement, in whole or in part, to a subsidiary or affiliate, or in connection with a merger, consolidation, or a sale or transfer of all or substantially all of the assets to which this Agreement relates.
- 10.5 ENTIRE AGREEMENT. This Agreement (together with the Consulting Services Exhibits) constitutes the entire agreement of the parties with regard to its subject matter, and supersedes all previous written or oral representations, agreements and understandings between Synta and Consultant.
- 10.6 NO MODIFICATION. This Agreement may be changed only by a writing signed by authorized representatives of both parties.
- 10.7 SEVERABILITY; REFORMATION. Each provision in this Agreement is independent and severable from the others, and no provision will be rendered unenforceable as a result of any other provision(s) being held to be invalid or unenforceable in whole or in part. If any provision of this Agreement is invalid, unenforceable or too broad, that provision will be appropriately limited and reformed to the maximum extent permitted by applicable law.
- 10.8 GOVERNING LAW. This Agreement will be construed and interpreted and its performance governed by the laws of the Commonwealth of Massachusetts, without giving effect to the doctrine of conflict of laws.
- 10.9 WAIVER. No waiver of any term, provision or condition of this Agreement (whether by conduct or otherwise) in any one or more instances will be deemed to be or construed as a further or continuing waiver of any such term, provision or condition of this Agreement.
- 10.10 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will constitute one and the same instrument.

10.11 HEADINGS. This Agreement contains headings only for convenience and the headings do not constitute or form a part of this Agreement, and should not be used in the construction of this Agreement.

SYNTA PHARMACEUTICALS CORP.

MATTHEW SHERMAN, MD

By: /s/ JEREMY CHADWICK

/s/ MATTHEW SHERMAN

Print Name: Jeremy G. Chadwick

Print Name: Matthew Sherman

Title: Vice President, Program Management &  
Clinical Operations duly authorized

#### CONSULTING SERVICES EXHIBIT

This CONSULTING SERVICES EXHIBIT (the "Consulting Services Exhibit") is made and entered into as of the date set forth above ("Exhibit Effective Date") by and between Synta Pharmaceuticals Corp. ("Synta") and the consultant identified above (the "Consultant") and upon execution will be incorporated into the Agreement between Synta and Consultant dated as of the Agreement Effective Date set forth above ("Agreement"),

1. Consultant will provide medical Consulting Services to Synta. Such services may include, but will not be limited to:
  - 1.) Completing the draft Clinical Development Plan for the melanoma indication for STA-4783
  - 2.) Assist with review and interpretation of the STA-4783 sarcoma data
  - 3.) Create high level "Clinical Development Plan" for Hsp90 program
    - i. Create plan for initial indication(s) with rationale for indications chosen
    - ii. Design high level clinical trial synopsis/synopses for "First in person" studies
  - 4.) Assist with phase 3 development strategy for STA-5326 in Crohn's disease
  - 5.) Participate as core team member for the Hsp90 program (meetings every other Wednesday 10 am to noon)
  - 6.) Assist with transition of CMO responsibilities

Consultant will be available to render Consulting Services two (2) days per week on-site (Tuesdays and Wednesdays), or on a schedule to be determined by mutual arrangement between Consultant and the Synta Contact named above, to whom Consultant will report. In addition, Consultant will be available for a reasonable number of telephone and/or written consultations.

Synta will provide the following Proprietary Materials to Consultant in connection with the Consulting Services: Clinical Development Plans, Protocols, Study Data, and other documents needed for Consultant to provide Consulting Services.

2. COMPENSATION AND EXPENSES:

As full compensation for the Consulting Services, Synta will pay Consultant \$312 per hour during the Consulting Services Tenn. The amount of such payment

9

represents the fair market value for the Consulting Services that Consultant has agreed to render.

The compensation under this Consulting Services Exhibit it will not exceed \$94,864, without the prior written approval of Synta (17 weeks x 16 hours per week x \$312 per hour = \$84,864 + \$10,000 estimated travel expenses).

Synta will reimburse Consultant for all reasonable travel and other expenses incurred by Consultant in rendering the Consulting Services, provided that such expenses are agreed upon in writing in advance, and are confirmed by appropriate written expense statements and other supporting documentation.

On a monthly basis, Consultant will invoice Synta for Consulting Services rendered and expenses incurred during the preceding month. All invoices will be sent to: Accounts Payable, Synta Pharmaceuticals Corp., 45 Hartwell Ave., Lexington, MA 02421 and will contain the detail required by Synta.

3. CONSULTING SERVICES TERM. The term of this Consulting Services Exhibit will be for an initial period of four (4) months, beginning on the Exhibit Effective Date, and may be extended by mutual agreement of Consultant and Synta or earlier terminated in accordance with Section 9 of the Agreement.

4. AGREEMENT. All terms and conditions of the Agreement will apply to the Consulting Services rendered under this Consulting Services Exhibit.

AGREED TO AND ACCEPTED BY:

Synta Pharmaceuticals Corp.

Matthew Sherman, MD

By: /s/ JEREMY CHADWICK  
-----

/s/ MATTHEW SHERMAN  
-----

Print Name: JEREMY G. CHADWICK  
-----

Print Name: MATTHEW SHERMAN  
-----

Title: VICE PRESIDENT, PROGRAM MANAGEMENT  
& CLINICAL OPERATIONS  
duly authorized

-----  
SYNTA PHARMACEUTICALS

PURCHASE ORDER NO.

060266

Please include this number on  
all correspondence, invoices,  
reports, payments, etc.,



regarding this agreement

-----

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between SYNTA PHARMACEUTICALS CORP., a Delaware corporation (the "CORPORATION"), and \_\_\_\_\_ ("AGENT").

RECITALS

WHEREAS, Agent performs a valuable service to the Corporation in his capacity as [a director/an officer] of the Corporation;

WHEREAS, the Corporation has adopted provisions in its Certificate of Incorporation (the "Charter") and bylaws (the "BYLAWS") providing for the indemnification of the directors, officers, employees and other agents of the Corporation, including persons serving at the request of the Corporation in such capacities with other corporations or enterprises, as authorized by the Delaware General Corporation Law, as amended (the "CODE");

WHEREAS, the Charter, the Bylaws and the Code, by their non-exclusive nature, permit contracts between the Corporation and its agents, officers, employees and other agents with respect to indemnification of such persons; and

WHEREAS, in order to induce Agent to serve as [a director/an officer] of the Corporation, the Corporation has determined and agreed to enter into this Agreement with Agent.

NOW, THEREFORE, in consideration of Agent's service as [a director/an officer] of the Corporation after the date hereof, the parties hereto agree as follows:

AGREEMENT

1. SERVICES TO THE CORPORATION. Agent will serve, at the will of the Corporation or under separate contract, if any such contract exists, as [a director/an officer] of the Corporation or as a director, officer or other fiduciary of an affiliate of the Corporation (including any employee benefit plan of the Corporation) faithfully and to the best of his ability so long as he [is duly elected and qualified in accordance with the provisions of the Bylaws or other applicable charter documents/is a duly appointed officer] of the Corporation or such affiliate; PROVIDED, HOWEVER, that Agent may at any time and for any reason resign from such position (subject to any contractual obligation that Agent may have assumed apart from this Agreement) and that the Corporation or any affiliate shall have no obligation under this Agreement to continue Agent in any such position.

2. INDEMNITY OF AGENT. The Corporation hereby agrees to hold harmless and indemnify Agent to the fullest extent authorized or permitted by the provisions of the Charter, the Bylaws and the Code, as the same may be amended from time to time (but, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than the Charter, the Bylaws or the Code permitted prior to adoption of such amendment).

3. ADDITIONAL INDEMNITY. In addition to and not in limitation of the indemnification otherwise provided for herein, and subject only to the exclusions set forth in Section 4 hereof, the Corporation hereby further agrees to hold harmless and indemnify Agent:

(a) against any and all expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement and any other amounts that Agent becomes legally obligated to pay because of any claim or claims made against or by him in connection with any threatened, pending or

completed action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative (including an action by or in the right of the Corporation) to which Agent is, was or at any time becomes a party or a witness, or is threatened to be made a party or a witness, by reason of the fact that Agent is, was or at any time becomes a director, officer, employee or other agent of the Corporation, or is or was serving or at any time serves at the request of the Corporation as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise; and

(b) otherwise to the fullest extent as may be provided to Agent by the Corporation under the non-exclusivity provisions of the Code, the Charter and the Bylaws.

4. LIMITATIONS ON ADDITIONAL INDEMNITY. No indemnity pursuant to Section 3 hereof shall be paid by the Corporation:

(a) on account of any claim against Agent for an accounting of profits made from the purchase or sale by Agent of securities of the Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law;

(b) on account of Agent's conduct that is established by a final judgment as knowingly fraudulent or deliberately dishonest or that constituted willful misconduct;

(c) on account of Agent's conduct that is established by a final judgment as constituting a breach of Agent's duty of loyalty to the Corporation or resulting in any personal profit or advantage to which Agent was not legally entitled;

(d) for which payment is actually made to Agent under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, bylaw or agreement, except in respect of any excess beyond payment under such insurance, clause, bylaw or agreement;

(e) if indemnification is not lawful (and, in this respect, both the Corporation and Agent have been advised that the Securities and Exchange Commission believes that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication); or

(f) in connection with any proceeding (or part thereof) initiated by Agent, or any proceeding by Agent against the Corporation or its directors, officers, employees or other agents, unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the Corporation, (iii) such

2

indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the Code, or (iv) the proceeding is initiated pursuant to Section 9 hereof.

5. CONTINUATION OF INDEMNITY. All agreements and obligations of the Corporation contained herein shall continue during the period Agent is a director, officer, employee or other agent of the Corporation (or is or was serving at the request of the Corporation as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative, by reason of the fact that Agent was serving in the capacity referred to herein.

6. PARTIAL INDEMNIFICATION. Agent shall be entitled under this Agreement to indemnification by the Corporation for a portion of the expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement and any other amounts that Agent becomes legally obligated to pay in connection with any action, suit or proceeding referred to in Section 3 hereof even if not entitled hereunder to indemnification for the total amount thereof, and the Corporation shall indemnify Agent for the portion thereof to which Agent is entitled.

7. NOTIFICATION AND DEFENSE OF CLAIM. Not later than thirty (30) days after Agent becomes aware, by written or other overt communication, of any pending or threatened litigation, claim or assessment, Agent will, if a claim in respect thereof is to be made against the Corporation under this Agreement, notify the Corporation of such pending or threatened litigation, claim or assessment; but the omission so to notify the Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such pending or threatened litigation, claim or assessment as to which Agent notifies the Corporation of the commencement thereof:

(a) the Corporation will be entitled to participate therein at its own expense;

(b) except as otherwise provided below, the Corporation may, at its option and jointly with any other indemnifying party similarly notified and electing to assume such defense, assume the defense thereof, with counsel reasonably satisfactory to Agent. After notice from the Corporation to Agent of its election to assume the defense thereof, the Corporation will not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof except for reasonable costs of investigation or otherwise as provided below. Agent shall have the right to employ separate counsel in such action, suit or proceeding but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by the Corporation, (ii) Agent shall have reasonably concluded, and so notified the Corporation, that there is an actual conflict of interest between the Corporation and Agent in the conduct of the defense of such action or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of Agent's separate counsel shall be at the expense of the Corporation. The Corporation shall not be entitled to assume the defense of

3

any action, suit or proceeding brought by or on behalf of the Corporation or as to which Agent shall have made the conclusion provided for in clause (ii) above; and

(c) the Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any action or claim effected without its written consent, which shall not be unreasonably withheld. The Corporation shall be permitted to settle any action or claim except that it shall not settle any action or claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent, which may be given or withheld in Agent's sole discretion.

8. EXPENSES. The Corporation shall advance, prior to the final disposition of any proceeding, promptly following request therefor, all expenses incurred by Agent in connection with such proceeding upon receipt of an undertaking by or on behalf of Agent to repay said amounts if it shall be determined ultimately that Agent is not entitled to be indemnified under the provisions of this Agreement, the Charter, the Bylaws, the Code or otherwise.

9. ENFORCEMENT. Any right to indemnification or advances granted by this Agreement to Agent shall be enforceable by or on behalf of Agent in any court of competent jurisdiction if (i) the claim for indemnification or advances is

denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. Agent, in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. It shall be a defense to any action for which a claim for indemnification is made under Section 3 hereof (other than an action brought to enforce a claim for expenses pursuant to Section 8 hereof, PROVIDED that the required undertaking has been tendered to the Corporation) that Agent is not entitled to indemnification because of the limitations set forth in Section 4 hereof. Neither the failure of the Corporation (including its Board of Directors or its stockholders) to have made a determination prior to the commencement of such enforcement action that indemnification of Agent is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors or its stockholders) that such indemnification is improper shall be a defense to the action or create a presumption that Agent is not entitled to indemnification under this Agreement or otherwise.

10. SUBROGATION. In the event of payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Agent, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Corporation effectively to bring suit to enforce such rights.

11. NON-EXCLUSIVITY OF RIGHTS. The rights conferred on Agent by this Agreement shall not be exclusive of any other right which Agent may have or hereafter acquire under any statute, provision of the Corporation's Certificate of Incorporation or Bylaws, agreement, vote of stockholders or directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding office.

12. SURVIVAL OF RIGHTS.

(a) The rights conferred on Agent by this Agreement shall continue after Agent has ceased to be a director, officer, employee or other agent of the Corporation or to serve

4

at the request of the Corporation as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, and shall inure to the benefit of Agent's heirs, executors and administrators.

(b) The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

13. SEPARABILITY. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof. Furthermore, if this Agreement shall be invalidated in its entirety on any ground, then the Corporation shall nevertheless indemnify Agent to the fullest extent provided by the Charter, the Bylaws, the Code or any other applicable law.

14. GOVERNING LAW. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

15. AMENDMENT AND TERMINATION. No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

16. IDENTICAL COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original

but all of which together shall constitute but one and the same Agreement. Only one such counterpart need be produced to evidence the existence of this Agreement.

17. HEADINGS. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

18. NOTICES. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered by hand to the party to whom such communication was directed or (ii) upon the third business day after the date on which such communication was mailed if mailed by certified or registered mail with postage prepaid:

(a) If to Agent, at the address indicated on the signature page hereof.

(b) If to the Corporation, to:

Synta Pharmaceuticals Corp.  
45 Hartwell Avenue  
Lexington, MA 02421  
Attention: Chief Executive Officer

5

or to such other address as may have been furnished to Agent by the Corporation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

SYNTA PHARMACEUTICALS CORP.

By:

-----

Name:

Title:

AGENT

-----  
[Name]

Address:

-----  
-----

6

Exhibit 21.1

SUBSIDIARY  
-----

Synta Securities Corp.  
Synta Limited

JURISDICTION OF  
INCORPORATION  
-----

Massachusetts  
Incorporated in the United Kingdom

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors  
Synta Pharmaceuticals Corp.:

We consent to the use of our report dated January 27, 2006, with respect to the consolidated balance sheets of Synta Pharmaceuticals Corp. as of December 31, 2005 and 2004, and the related consolidated statements of operations, stockholders' equity (deficit) and comprehensive loss, and cash flows for each of the years in the three-year period ended December 31, 2005 and the period from inception (March 10, 2000) through December 31, 2005, included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Boston, Massachusetts  
December 1, 2006