UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended October 31, 2017

OR

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

For the transition period from _____ to _____.

Commission File No. 001-36830

KALVISTA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-0915291**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
55 Cambridge Parkway Suite 901E Cambridge, Massachusetts	**02142**
(Address of principal executive offices)	**(Zip Code)**

857-999-0075
(Registrant's telephone number, including area code)

One Kendall Square
Building 200, Suite 2203
Cambridge, Massachusetts 02139
(Former name, former address and former fiscal year, if changed since last report)

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☒		

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

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

As of November 30, 2017 the registrant had 10,784,504 shares of common stock, $0.001 par value per share, issued and outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

KalVista Pharmaceuticals, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	October 31, 2017	April 30, 2017
Assets	(Unaudited)	
Current assets:		
Cash and cash equivalents	$ 28,128	$ 30,950
Research and development tax credit receivable	3,718	2,250
Grants and other receivables	893	297
Prepaid expenses and other current assets	1,400	751
Total current assets	34,139	34,248
Property and equipment, net	602	97
Total assets	**$ 34,741**	**$ 34,345**
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,040	$ 1,153
Accrued expenses	2,253	1,865
Capital lease liability - current portion	220	—
Total current liabilities	3,513	3,018
Long-term liabilities:		
Capital lease liability - net of current portion	149	—
Total long-term liabilities	149	—
Commitments and contingencies (Note 4)		
Stockholders' equity		
Common stock, $0.001 par value		
Shares authorized: 100,000,000		
Shares issued and outstanding: 10,783,631	11	10
Additional paid-in capital	99,408	89,815
Accumulated deficit	(65,769)	(55,855)
Accumulated other comprehensive loss	(2,571)	(2,643)
Total stockholders' equity	31,079	31,327
Total liabilities and stockholders' equity	**$ 34,741**	**$ 34,345**

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

KalVista Pharmaceuticals, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended October 31,		Six Months Ended October 31,	
	2017	2016	2017	2016
Revenue	$ 1,127	$ 197	$ 1,223	$ 1,141
Operating Expenses:				
Research and development	4,361	2,929	7,837	6,330
General and administrative	2,703	1,293	4,776	3,946
Total operating expenses	7,064	4,222	12,613	10,276
Operating loss	**(5,937)**	**(4,025)**	**(11,390)**	**(9,135)**
Other income (expense):				
Interest income	1	10	3	24
Foreign currency exchange gain (loss)	83	352	51	1,706
Other income	867	368	1,422	650
Total other income (expense)	951	730	1,476	2,380
Net loss	**$ (4,986)**	**$ (3,295)**	**$ (9,914)**	**$ (6,755)**
Other comprehensive loss:				
Foreign currency translation adjustments	(43)	1,325	72	(2,998)
Comprehensive loss	**$ (5,029)**	**$ (1,970)**	**$ (9,842)**	**$ (9,753)**
Net loss per share to common stockholders, basic and diluted	$ (0.50)	$ (5.98)	$ (1.01)	$ (12.66)
Weighted average common shares outstanding, basic and diluted	10,003,963	709,500	9,858,502	690,719

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

KalVista Pharmaceuticals, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands, unaudited)

	Six Months Ended October 31,	
	2017	**2016**
Cash Flows from Operating Activities		
Net loss	$ (9,914)	$ (6,755)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	79	19
Stock-based compensation	494	67
Foreign currency remeasurement (gain) loss	31	(1,706)
Changes in operating assets and liabilities:		
Research and development tax credit receivable	(1,397)	(650)
Prepaid expenses and other current assets	(636)	272
Grants and other receivables	(590)	148
Accounts payable	(139)	(74)
Accrued expenses	365	(1,122)
Due to related parties	—	(39)
Net cash used in operating activities	(11,707)	(9,840)
Cash Flows from Investing Activities		
Acquisition of property and equipment	(161)	(61)
Net cash used in investing activities	(161)	(61)
Cash Flows from Financing Activities		
Capital lease principal payments	(49)	—
Issuance of common stock	9,100	—
Net cash from financing activities	9,051	—
Effect of exchange rate changes on cash	(5)	(1,177)
Net decrease in cash and cash equivalents	(2,822)	(11,078)
Cash and cash equivalents at beginning of period	30,950	21,764
Cash and cash equivalents at end of period	$ 28,128	$ 10,686
Supplemental Disclosures of Non-cash Financing Activities		
Capital leases	$ 513	—

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

1. The Company

KalVista Pharmaceuticals, Inc. ("KalVista" or the "Company") is a clinical stage pharmaceutical company focused on the discovery, development and commercialization of serine protease inhibitors as new treatments for diseases with significant unmet need. The Company's initial focus is on developing small molecule inhibitors of plasma kallikrein for two indications: hereditary angioedema ("HAE") and diabetic macular edema ("DME"). The strategy in HAE is to develop a portfolio of program candidates in order to create a best-in-class oral therapy. The Company is completing the first clinical study of its first oral HAE candidate, KVD818, and will be commencing a clinical trial for its second planned HAE candidate, KVD900 in early 2018. The Company also intends to advance a third candidate to the clinic in 2018. The Company's intent is to obtain data on multiple molecules prior to making decisions on which program, or programs, to advance into later stage trials.

The Company has also developed KVD001, an intravitreally administered plasma kallikrein inhibitor for DME. In October 2017, the Company's wholly-owned U.K. based subsidiary KalVista Pharmaceuticals Limited ("KalVista Limited) and Merck Sharp & Dohme Corp. ("Merck") entered into an option agreement (the "Option Agreement"). The Company is the guarantor of KalVista Limited's obligations under the Option Agreement. Under the terms of the Option Agreement, the Company granted to Merck an option to acquire KVD001 through a period following completion of a Phase 2 clinical trial. The Company has also granted to Merck a similar option to acquire investigational orally delivered molecules for DME (the "Oral DME Compounds") that it will continue to develop as part of its ongoing research and development activities through a period following the completion of a Phase 2 clinical trial. See discussion in Note 5 to the unaudited interim condensed consolidated financial statements for additional information. The Company anticipates commencing a Phase 2 clinical trial for KVD001 by the end of 2017.

In October, 2017, the Company and Merck also entered into a stock purchase agreement (the "Stock Purchase Agreement") pursuant to which Merck paid approximately $9.1 million to purchase 1,070,589 new unregistered shares of the Company's common stock at a price of $8.50 per share. See further discussion of the arrangement with Merck in Note 5.

The Company has devoted substantially all of its efforts to research and development, including clinical trials of its product candidates. The Company has not completed the development of any product candidates. Pharmaceutical drug product candidates, like those being developed by the Company, require approvals from the U.S. Food and Drug Administration ("FDA") or foreign regulatory agencies prior to commercial sales. There can be no assurance that any product candidates will receive the necessary approvals and any failure to receive approval or delay in approval may have a material adverse impact on the business and financial results. The Company has not yet commenced commercial operations. The Company is subject to a number of risks and uncertainties similar to those of other life science companies developing new products, including, among others, the risks related to the necessity to obtain adequate additional financing, to successfully develop product candidates, to obtain regulatory approval of product candidates, to comply with government regulations, to successfully commercialize its potential products, to the protection of proprietary technology and to the dependence on key individuals.

The Company has funded its operations primarily through the issuance and sale of preferred stock and common stock, the share purchase transaction with Carbylan Therapeutics, Inc.("Carbylan"), the Option Agreement, and grant income. As of October 31, 2017, the Company had an accumulated deficit of $65.8 million and $28.1 million of cash and cash equivalents. The Company's working capital, primarily cash, and the proceeds from the Option Agreement are anticipated to fund the Company's operations for at least the next twelve months from the date these interim condensed consolidated financial statements are issued. Accordingly, the unaudited interim condensed consolidated financial statements have been prepared on a going concern basis.

The Company will need to expend substantial resources for research and development, including costs associated with the clinical testing of its product candidates, and will need to obtain additional financing to fund its operations and to conduct trials for its product candidates. The Company will seek to finance future cash needs through equity offerings, future grants, corporate partnerships and product sales.

The Company has never been profitable and has incurred significant operating losses in each year since inception. Cash requirements may vary materially from those now planned because of changes in the Company's focus and direction of its research and development programs, competitive and technical advances, patent developments, regulatory changes or other developments. Additional financing will be required to continue operations after the Company exhausts its current cash resources and to continue its long-term plans for clinical trials and new product development. There can be no assurance that any such financing can be obtained by the Company, or if obtained, what the terms thereof may be, or that any amount that the Company is able to raise will be adequate to support the Company's working capital requirements until it achieves profitable operations. If adequate additional working capital is not secured when it becomes needed, the Company may be required to make reductions in spending, extend payment terms with

suppliers, liquidate assets where possible and/or suspend or curtail planned research programs. Any of these actions could materially harm the Company's business and prospects.

The Company's headquarters is located in Cambridge, Massachusetts, with substantial research activities located in Porton Down, United Kingdom.

2. Summary of Significant Accounting Policies

Principles of Consolidation: The accompanying unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All intercompany transactions and balances have been eliminated in consolidation.

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Such financial statements reflect all adjustments that are, in management's opinion, necessary to present fairly, in all material respects, the Company's consolidated financial position, results of operations, and cash flows. There were no adjustments other than normal recurring adjustments. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual financial statements. These unaudited interim condensed consolidated financial results are not necessarily indicative of the results to be expected for the year ending April 30, 2018, or for any other future annual or interim period. The accompanying unaudited interim condensed consolidated financial statements should be read in conjunction with the audited financial statements as of and for the year ended April 30, 2017.

Segment Reporting: The Company's Chief Operating Decision Maker, the CEO, manages the Company's operations as a single operating segment for the purposes of assessing performance and making operating decisions.

Net Loss per Share Attributable to Common Stockholders: Basic and diluted net income (loss) per share is presented in conformity with the two-class method required for participating securities. Under the two-class method, basic net income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted-average number of common shares outstanding during the period. Net income (loss) attributable to common shareholders is determined by allocating undistributed earnings between holders of common and convertible preferred shares, based on the contractual dividend rights contained in the Company's preferred share agreement. Where there is an undistributed loss, no amount is allocated to the convertible preferred shares. Diluted net income (loss) per share is computed by dividing net income (loss) by the sum of the weighted average number of common shares and the number of dilutive potential common share equivalents outstanding during the period. Potential dilutive common share equivalents consist of the incremental common shares issuable upon the exercise of vested share options.

Potential dilutive common share equivalents consist of:

	October 31,	
	2017	2016
Preferred Stock	—	24,322,898
Stock Options	261,432	119,765

In computing diluted earnings per share, common share equivalents are not considered in periods in which a net loss is reported, as the inclusion of the common share equivalents would be anti-dilutive. As a result, there is no difference between the Company's basic and diluted loss per share for the periods presented.

Basic and diluted net loss per share (in thousands, except per share and share amounts)	Three Months Ended October 31,		Six Months Ended October 31,	
	2017	2016	2017	2016
Net loss	$ (4,986)	$ (3,295)	$ (9,914)	$ (6,755)
Less: dividend on Series A	—	407		856
Less: dividend on Series B	—	539		1,132
Loss available to common shareholders for the purpose of calculating basic and diluted net loss per share	$ (4,986)	$ (4,241)	$ (9,914)	$ (8,743)
Weighted average common shares, basic and diluted	10,003,963	709,500	9,858,502	690,719
Net loss per share, basic and diluted	$ (0.50)	$ (5.98)	$ (1.01)	$ (12.66)

The weighted average shares outstanding, reported loss per share and potential dilutive common share equivalents for the periods prior to November 21, 2016, the date of the reverse merger arising from the share purchase transaction with Carbylan, have been retrospectively adjusted to reflect historical weighted-average number of common shares outstanding multiplied by the exchange ratio established in the share purchase agreement.

Fair Value Measurement: The Company classifies fair value measurements using a three level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows: Level 1, quoted market prices in active markets for identical assets or liabilities; Level 2, observable inputs other than quoted market prices included in Level 1, such as quoted market prices for markets that are not active or other inputs that are observable or can be corroborated by observable market data; and Level 3, unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, including certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Recently Issued Accounting Pronouncements Not Yet Adopted: In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards update ("ASU") 2014-09, "Revenue from Contracts with Customers," requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. The Company expects to adopt the updated standard in the first quarter of fiscal 2019 using the modified retrospective method of adoption. The Company is assessing the impact that adoption of this new guidance will have on the consolidated financial statements. The Company's only significant revenue generating arrangement is the arrangement with Merck, which is currently being evaluated for the impact that the adoption of this guidance will have on the consolidated financial statements.

In February 2016, the FASB issued new lease accounting guidance in ASU No. 2016-02, "Leases" (Topic 842). Under the new guidance, lessees will be required to recognize for all leases (with the exception of short term leases) at the commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a right of use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted, however, the Company does not intend to early adopt.

Recently Adopted Accounting Prouncements: In March 2016, the FASB issued ASU No. 2016-09, Compensation –Stock Compensation (Topic 718) ("ASU 2016-09") to require changes to several areas of employee share-based payment accounting in an effort to simplify share-based reporting. The update revises requirements in the following areas: minimum statutory withholding, accounting for income taxes and forfeitures. The Company adopted this standard in the quarter ended July 31, 2017. The adoption of this standard did not have a material impact on the unaudited interim condensed consolidated financial statements.

3. Accrued Expenses

Accrued expenses consisted of the following as of (in thousands):

	October 31, 2017	April 30, 2017
Accrued compensation expense	$ 792	$ 1,300
Accrued research expense	1,010	348
Accrued professional fees	309	146
Other accrued expenses	142	71
	$ 2,253	$ 1,865

4. Commitments and Contingencies

Lease Commitments: The Company is party to several operating leases for office and laboratory space as well as a capital lease for certain lab equipment, which commenced in the three months ended October 31, 2017. The capital lease has a term of 24 months, for which the Company made a down payment of approximately $102,000 and will make monthly lease payments of approximately $18,000 over the term of the lease. Rent expense is reflected in general and administrative expenses and research and development expenses as determined by the underlying activities.

Future minimum lease payments under these leases as of October 31, 2017 are as follows (in thousands):

	Capital Leases	Operating Leases
2018	$ 127	$ 110
2019	218	223
2020	55	225
2021	—	228
2022 and thereafter	—	328
Total minimum lease payments	400	$ 1,114
Less amounts representing interest	(31)	
Present value of minimum payments	369	
Current portion	(220)	
Long-term portion	$ 149	

Contingencies: From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business activities. The Company accrues a liability for such matters when it is probable that such expenditures can be reasonably estimated. There are no contingent liabilities requiring accrual at October 31, 2017.

As a result of the terms of grant income received in prior years, upon successful regulatory approval and following the first commercial sale of certain products, the Company will be required to pay royalty fees of up to £1 million within 90 days of the first commercial sale of the product subject to certain limitations and follow on payments depending upon commercial success and type of product. Given the stage of development of the current pipeline of products it is not possible to predict with certainty the amount or timing of any such liability.

5. Merck Arrangement

On October 6, 2017, the Company's wholly-owned U.K. based subsidiary KalVista Pharmaceuticals Limited ("KalVista Limited) and Merck Sharp & Dohme Corp. ("Merck") entered into an option agreement (the "Option Agreement"). The Company is the guarantor of KalVista Limited's obligations under the Option Agreement. Under the terms of the Option Agreement, the Company, through KalVista Limited, has granted to Merck an option to acquire KVD001 through a period following completion of a Phase 2 clinical trial. The Company, through KalVista Limited, has also granted to Merck a similar option to acquire investigational orally delivered molecules for DME that the Company will continue to develop as part of its ongoing research and development activities through a period following the completion of a Phase 2 clinical trial. The Company, through KalVista Limited, also granted to Merck a non-exclusive license to use the compounds solely for research purposes, and is required to use its diligent efforts to the develop the two compounds through the completion of Phase 2 clinical trials. The Company will fund and retain control over the planned Phase 2 clinical trial of KVD001 as well as development of the investigational oral DME compounds through Phase 2 clinical trials unless Merck determines to exercise its options earlier, at which point Merck will take responsibility for all development and commercialization activities for the two compounds. The Company's development efforts under the Option Agreement will be governed by a joint steering committee consisting of equal representatives from the Company and Merck.

Under the terms of the Option Agreement, Merck paid a non-refundable upfront fee of $37 million to KalVista Limited in November 2017. If Merck exercises both options under the Option Agreement, KalVista Limited could receive up to an additional $715 million composed of option exercise payments and clinical, regulatory, and sales-based milestone payments. In addition, the Company is eligible for tiered royalties on global net sales ranging from mid-single digits to double digit percentages. Merck may terminate the Option Agreement at any time upon written notice to the Company. KalVista Limited may terminate the Option Agreement in the event of Merck's material breach of the Option Agreement, subject to cure.

Concurrent with the Option Agreement, the Company and Merck also entered into a stock purchase agreement (the "Stock Purchase Agreement") pursuant to which Merck paid approximately $9.1 million to purchase 1,070,589 new shares of the Company's common stock at a price of $8.50 per share.

The Company determined that the Option Agreement and the Stock Purchase Agreement were negotiated and executed contemporaneously, and therefore should be combined as one arrangement for accounting purposes. The Company evaluated the arrangement in accordance with the provisions of ASC 605-25. The Company determined that the arrangement contains the following deliverables: (i) a non-exclusive license to use the two compounds solely for research purposes, (ii) research and development services related to the development of KVD001 through completion of a Phase 2 clinical trial, (iii) research and development services related to the development of the Oral DME Compounds, and (iv) unregistered shares of the Company's common stock.

The Company has determined that Merck's options to acquire KVD001 and the Oral DME Compounds are substantive options. Merck is not contractually obligated to exercise the options. The Company has determined that Merck's options to acquire KVD001 and the Oral DME Compounds are not priced at a significant and incremental discount. Consequently, the Company determined that Merck's options are not deliverables in the arrangement.

The Company further determined that the research license granted did not have standalone value from the respective research and development services, as the license could not be used on its own by Merck for its intended purpose of developing and commercializing KVD001 and the Oral DME Compounds on a standalone basis. As a result, the research license has been combined with the respective research and development services for KVD001 and the Oral DME Compounds as two units of accounting (the "KVD001 Unit of Accounting" and the "Oral DME Unit of Accounting"). The Company has concluded that the common stock deliverable identified at the inception of the arrangement has standalone value from the other deliverables and therefore represents a separate unit of accounting (the "Common Stock Unit of Accounting").

Therefore, the Company has identified three units of accounting under the arrangement as follows: (i) the KVD001 Unit of Accounting, (ii) the Oral DME Unit of Accounting, and (iii) the Common Stock Unit of Accounting. Allocable arrangement consideration at inception of the arrangement is comprised of the non-refundable up-front payment of $37.0 million and the payment for the common stock of $9.1 million. The Company allocated the $9.1 million payment to the common stock, as this represented the fair value of the shares issued based on arms-length negotiations between the Company and Merck. The amount allocated to the common stock is recorded to stockholders' equity at the date of issuance. The Company allocated the remaining allocable consideration of $37.0 million to the remaining units of accounting using the relative-selling price method.

The Company determined that neither vendor-specific objective evidence or third-party evidence is available for any of the units of accounting identified at arrangement inception. Accordingly, the selling price of each unit of accounting was developed using management's best estimate of selling price.

The Company developed the Best Estimate of Selling Price ("BESP") for the KVD001 Unit of Accounting and Oral DME Unit of Accounting by applying a risk-adjusted analysis of discounted cash flows and the allocable arrangement consideration was allocated among the separate units of accounting using the relative selling price method. The amount allocated to each Unit of Accounting will be recognized as revenue on a proportional performance basis. During the three months ended October 31, 2017, the Company recognized approximately $0.9 million of revenue with respect to the arrangement with Merck. As of October 31, 2017, as no cash from the option agreement had been received, no deferred revenue related to the arrangement with Merck has been recorded. Accrued income of approximately $0.9 million has been included within grant and other receivables on the condensed consolidated balance sheet.

6. Grant Income

Grant income is primarily recognized through an agreement with the Technology Strategy Board ("TSB"), a United Kingdom government organization. The Company recognizes revenue for reimbursements of research and development costs as the services are performed up to an agreed upon threshold. The Company records these reimbursements as revenue and not as a reduction of research and development expenses, as the Company has the risks and rewards as the principal in the research and development activities. Any services performed and not yet collected upon are shown as a receivable. During the three months ended October 31, 2017 and 2016, revenue recognized through the TSB grant amounted to $0.3 million and $0.2 million, respectively. The TSB had authorized a total amount of up to $7.3 million over the lifetime of the agreements between the Company and the TSB, to accelerate the development of the oral drug program. As of October 31, 2017, the the development activities related to the TSB grant have been substantially completed and the Company does not anticipate significant further reimbursements.

The Company evaluates the terms of sponsored research agreement grants and federal grants to assess the Company's obligations and if the Company's obligations are satisfied by the passage of time, revenue is recognized as described above. For grants

with refund provisions, the Company reviews the grant to determine the likelihood of repayment. If the likelihood of repayment of the grant is determined to be remote, the grant is recognized as revenue. If the probability of repayment is determined to be more than remote, the Company records the grant as a deferred revenue liability, until such time that the grant requirements have been satisfied.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our unaudited interim condensed financial statements and related notes included elsewhere in this report. This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts contained in this report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "could," "will," "would," "should," "expect," "plan," "anticipate," "believe," "estimate," "intend," "predict," "seek," "contemplate," "potential" or "continue" or the negative of these terms or other comparable terminology. These forward-looking statements, include, but are not limited to, the success, cost and timing of our product development activities and clinical trials as well as other activities we may undertake. Any forward-looking statements in this Quarterly Report on Form 10-Q reflect our current views with respect to future events or our future financial performance, are based on assumptions, and 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. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" in our Annual Report on Form 10-K or described elsewhere in this Quarterly Report on Form 10-Q. These forward-looking statements speak only as of the date hereof. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. Unless the context indicates otherwise, in this Quarterly Report on Form 10-Q, the terms "KalVista," "Company," "we," "us" and "our" refer to KalVista Pharmaceuticals, Inc. and, where appropriate, its consolidated subsidiary.

Management Overview

We are a clinical stage pharmaceutical company focused on the discovery, development and commercialization of serine protease inhibitors as new treatments for diseases with significant unmet need. Our initial focus is on developing small molecule inhibitors of plasma kallikrein for two indications: hereditary angioedema ("HAE") and diabetic macular edema ("DME"). The strategy in HAE is to develop a portfolio of program candidates in order to create a best-in-class oral therapy. We are completing the first clinical study of our first oral HAE candidate, KVD818, and have made the regulatory filing required to commence a clinical trial for the second planned HAE candidate, KVD900. We anticipate this trial for KVD900 will begin to enroll in early 2018 and we also intend to advance a third HAE candidate to the clinic in 2018. Our intent is to obtain data on multiple molecules prior to making decisions on which program, or programs, to advance into later stage trials.

We have also developed KVD001, an intravitreally administered plasma kallikrein inhibitor for DME. In October 2017, our wholly-owned U.K. based subsidiary KalVista Pharmaceuticals Limited ("KalVista Limited) and Merck Sharp & Dohme Corp. ("Merck") entered into an option agreement (the "Option Agreement"). Under the terms of the Option Agreement, we have granted to Merck an option to acquire KVD001 through a period following completion of a Phase 2 clinical trial. We also granted to Merck a similar option to acquire investigational orally delivered molecules for DME (the "Oral DME Compounds") that we will continue to develop as part of our ongoing research and development activities through a period following the completion of a Phase 2 clinical trial. We anticipate commencing a Phase 2 clinical trial for KVD001 by the end of 2017.

Under the terms of the Option Agreement, Merck paid us a non-refundable upfront fee of $37 million in November 2017. If Merck exercises both options under the Option Agreement, we could receive up to an additional $715 million composed of option exercise payments and clinical, regulatory, and sales-based milestone payments. In addition, we are eligible for tiered royalties on global net sales ranging from mid-single digits to double digit percentages. See discussion in Note 5 to the unaudited interim condensed consolidated financial statements.

Concurrent with the Option Agreement, we and Merck also entered into a stock purchase agreement (the "Stock Purchase Agreement") pursuant to which Merck paid approximately $9.1 million to purchase 1,070,589 new shares of our common stock at a price of $8.50 per share.

We have devoted substantially all of our efforts to research and development, including clinical trials of our product candidates. We have not completed the development of any product candidates. Pharmaceutical drug product candidates, like those being developed by us, require approvals from the FDA or foreign regulatory agencies prior to commercial sales. There can be no assurance that any product candidates will receive the necessary approvals and any failure to receive approval or delay in approval may have a material adverse impact on our business and financial results. We are subject to a number of risks and uncertainties similar to those of other life science companies developing new products, including, among others, the risks related to the necessity to obtain adequate additional financing, to successfully develop product candidates, to obtain regulatory approval of product candidates, to comply with government regulations, to successfully commercialize our potential products, to the protection of proprietary technology and to the dependence on key individuals.

We have funded operations primarily through the issuance and sale of preferred stock and common stock, the share purchase transaction with Carbylan Therapeutics, Inc.(“Carbylan”), the Option Agreement, and grant income. As of October 31, 2017, we had an accumulated deficit of $65.8 million and $28.1 million of cash and cash equivalents. Our working capital and the receipt of the proceeds from the Option Agreement are anticipated to fund our operations for at least the next twelve months from the date the unaudited consolidated financial statements are issued.

Our headquarters is located in Cambridge, Massachusetts, with substantial research activities located in Porton Down, United Kingdom.

Financial Overview

Revenue

We have received grant income to support our research and development activies primarily through an agreement with the Technology Strategy Board (“TSB”), a United Kingdom government organization. Under the terms of the grant the TSB had authorized a total amount of up to $7.3 million over the lifetime of the agreements between us and TSB, to accelerate the development of the oral drug program. As of October 31, 2017, the development activities related to the TSB grant have been substantially completed and we do not anticipate any significant further reimbursements.

Other revenue consists of the upfront fees from the Option Agreement, which is recognized as revenue on a proportional performance basis as the related research and development activities are conducted.

Research and Development Expenses

Research and development expenses primarily consist of costs associated with our research activities, including the preclinical and clinical development of product candidates. We contract with clinical research organizations to manage our clinical trials under agreed upon budgets for each study, with oversight by our clinical program managers. We account for all goods and services, including non-refundable advance payments, as expenses, and all research and development costs are expensed as incurred.

We expect to continue to incur substantial expenses related to development activities for the foreseeable future as we conduct clinical development, manufacturing and toxicology studies. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials, additional drug manufacturing requirements, and later stage toxicology studies such as carcinogenicity studies. The process of conducting preclinical studies and clinical trials necessary to obtain regulatory approval is costly and time consuming. The probability of success for each product candidate is affected by numerous factors, including preclinical data, clinical data, competition, manufacturing capability and commercial viability. Accordingly, we may never succeed in achieving marketing approval for any of our product candidates.

Completion dates and costs for clinical development programs as well as our research program can vary significantly for each current and future product candidate and are difficult to predict. As a result, we cannot estimate with any degree of certainty the costs associated with development of our product candidates at this point in time. We anticipate making determinations as to which programs and product candidates to pursue and how much funding to direct to each program and product candidate on an ongoing basis in response to the scientific success of early research programs, results of ongoing and future clinical trials, our ability to enter into collaborative agreements with respect to programs or potential product candidates, as well as ongoing assessments as to each current or future product candidate’s commercial potential.

General and Administrative Expenses

General and administrative expenses consist primarily of the costs associated with general management, obtaining and maintaining our patent portfolio, professional fees for accounting, auditing, consulting and legal services, and general overhead expenses.

We expect ongoing general and administrative expenses to increase in the future as we expand our operating activities, maintain and expand the patent portfolio and incur additional costs associated with the management of a public company and maintaining compliance with exchange listing and requirements of the Securities and Exchange Commission. These potential increases will likely include management costs, legal fees, accounting fees, directors’ and officers’ liability insurance premiums and expenses associated with investor relations, among others.

Other Income

Other income consists of bank interest, research and development tax credits from the United Kingdom government's tax incentive programs set up to encourage research and development in the United Kingdom and realized and unrealized exchange rate gains/losses on cash held in foreign currencies.

Income Taxes

We historically have incurred net losses and have no corporation tax liabilities. We file U.S. Federal tax returns, as well as certain state returns. We also file returns in the United Kingdom. Under the U.K. government's research and development tax incentive scheme, we have incurred qualifying research and development expenses and filed claims for research and development tax credits in accordance with the relevant tax legislation. The research and development tax credits are paid out to us in cash and reported as other income. Because of the operating losses and the full valuation allowance provided on all deferred tax assets, including the net operating losses, no tax provision has been recognized in the periods presented.

Results of Operations

Comparison of three months ended October 31, 2017 and 2016

The following table sets forth the key components of our results of operations for the three months ended October 31, 2017 and 2016 (in thousands):

	Three Months Ended October 31,		Increase (decrease)
	2017	2016	
Revenue	$ 1,127	$ 197	$ 930
Operating expenses			
Research and development expenses	4,361	2,929	1,432
General and administrative expenses	2,703	1,293	1,410
Other income (expense)			
Interest, exchange rate gain (loss) and other income	951	730	221

Revenue. Revenue was $1.1 million in the three months ended October 31, 2017 compared to $0.2 million for the same period in the prior year. The increase of $0.9 million was due primarily to $0.9 million of revenue from the Option Agreement recognized in the three months ended October 31, 2017 as well as an increase of $0.1 million in grant income which was primarily due to an increase in activity related to the TSB grant in the three months ended October 31, 2017 compared to the same period in the prior year. Reported revenues will increase significantly in future periods as the proceeds from the Option Agreement are recognized as services are performed.

Research and Development Expenses. Research and development expenses were $4.4 million for the three months ended October 31, 2017 compared to $2.9 million for the same period in the prior year, primarily due to an increase in early stage research activities. The impact of exchange rates on research and development expenses was an increase to expenses of approximately $0.1 million in the three months ended October 31, 2017 compared to the same period in the prior year.

Research and development expenses by major programs or categories were as follows (in thousands):

	Three Months Ended October 31,	
	2017	2016
Intravitreal	$ 598	$ 253
Oral	205	651
Additional oral programs	935	750
Early stage research activities	2,623	1,275
Total	**$ 4,361**	**$ 2,929**

Expenses for the intravitreal program were $0.6 million for the three months ended October 31, 2017 compared to $0.3 million for the same period in the prior year due to preparations for the initiation of a Phase 2 clinical trial for KVD001.

Expenses for the oral program were $0.2 million in the three months ended October 31, 2017 compared to $0.7 million for the same period in the prior year as a result of the completion of toxicology studies in the prior year. We expect the expenses to increase significantly in future periods as our first-in-human study for KVD900 commences.

Expenses for the additional oral programs were $0.9 million in the three months ended October 31, 2017 compared to $0.8 million for the same period in the prior year due to the timing of expenses incurred in connection with the progression of multiple candidates through discovery characterization, initial scale-up manufacture and entry into early toxicology assessment.

Expenses for early stage research activities were $2.6 million for the three months ended October 31, 2017 compared to $1.3 million for the same period in the prior year due to increased headcount and additional projects compared to the same period in the prior year. We anticipate that expenses will continue to increase as multiple candidates are assessed in discovery and advanced into early stage development.

General and Administrative Expenses. General and administrative expenses were $2.7 million for the three months ended October 31, 2017 compared to $1.3 million for the same period in the prior year. The increase of $1.4 million was substantially due to $1.2 million of payroll related expenses and $0.2 million of other administrative expenses related to the increased cost of operations as a public company. We expect to continue to incur additional expenses related to our operations as a public company.

Other Income. Other income was $1.0 million for the three months ended October 31, 2017 compared to $0.7 million for the same period in the prior year. The increase of $0.3 million was primarily due to an increase of $0.5 million in income from research and development tax credits, which was somewhat offset by a decrease in foreign currency exchange rate gains of $0.3 million from cash held in USD accounts in our U.K. subsidiary.

Comparison of six months ended October 31, 2017 and 2016

The following table sets forth the key components of our results of operations for the six months ended October 31, 2017 and 2016 (in thousands):

	Six Months Ended October 31,		Increase (decrease)
	2017	2016	
Revenue	$ 1,223	$ 1,141	$ 82
Operating expenses			
Research and development expenses	7,837	6,330	1,507
General and administrative expenses	4,776	3,946	830
Other income (expense)			
Interest, exchange rate gain (loss) and other income	1,476	2,380	(904)

Revenue. Revenue was $1.2 million in the six months ended October 31, 2017 compared to $1.1 million for the same period in the prior year. The increase of $0.1 was due primarily to $0.9 million of revenue recognized from the Option Agreement, which is being recognized as services are being performed, that was mostly offset by a decrease in grant income of $0.8 million related to a decrease in activity related to the TSB and another grant compared to the same period in the prior year.

Research and Development Expenses. Research and development expenses were $7.8 million for the six months ended October 31, 2017 compared to $6.3 million for the same period in the prior year. The increase of $1.5 million was primarily due to an increase of $2.2 million in early stage research activities, offset by a decrease of $1.2 million in the oral program. The impact of exchange rates on research and development expenses was an increase to expenses of approximately $0.2 million in the six months ended October 31, 2017 compared to the same period in the prior year.

Research and development expenses by major programs or categories were as follows (in thousands):

	Six Months Ended October 31,	
	2017	2016
Intravitreal	$ 766	$ 417
Oral	918	2,104
Additional oral programs	1,436	1,360
Early stage research activities	4,717	2,449
Total	**$ 7,837**	**$ 6,330**

Expenses for the intravitreal program were $0.8 million for the six months ended October 31, 2017 compared to $0.4 million for the same period in the prior year due to the preparations for the initiation of a Phase 2 clinical trial for KVD001.

Expenses for the oral program were $0.9 million in the six months ended October 31, 2017 compared to $2.1 for the same period in the prior year as a result of the completion of toxicology studies in the prior year.

Expenses for the additional oral programs were $1.4 million in the six months ended October 31, 2017 which was relatively flat compared to the same period in the prior year, as we incurred similar levels of expenses in connection with the progression of multiple candidates through discovery characterization, initial scale-up manufacture and entry into early toxicology assessment.

Expenses for the early stage research activities were $4.7 million for the six months ended October 31, 2017 compared to $2.5 million for the same period in the prior year due to increased headcount and additional projects compared to the same period in the prior year. We anticipate that research and development expenses will continue to increase as multiple candidates are assessed in discovery and advanced into early stage development.

General and Administrative Expenses. General and administrative expenses were $4.8 million for the six months ended October 31, 2017 compared to $3.9 million for the same period in the prior year. The increase of $0.9 million was substantially due to an increase of $1.7 million of payroll related expenses and an increase of $0.4 million in other administrative expenses such as insurance, which was somewhat offset by a $1.3 million decrease in professional fees. We expect to continue to incur additional expenses related to our operations as a public company.

Other Income. Other income was $1.5 million for the six months ended October 31, 2017 compared to $2.4 million for the same period in the prior year The decrease of $0.9 million was primarily due to a $1.7 million decrease in foreign currency exchange rate gains from cash held in USD accounts in our U.K. subsidiary, offset by a $0.8 million increase in income from research and development tax credits.

Liquidity and Capital Resources

We have devoted substantially all of our efforts to research and development, including clinical trials of our product candidates. We have not completed the development of any product candidates. Pharmaceutical drug product candidates, like those being developed by us, require approvals from the U.S. Food and Drug Administration (“FDA”) or foreign regulatory agencies prior to commercial sales. There can be no assurance that any product candidates will receive the necessary approvals and any failure to receive approval or delay in approval may have a material adverse impact on the business and financial results. We have not yet commenced commercial operations. We are subject to a number of risks and uncertainties similar to those of other life science companies developing new products, including, among others, the risks related to the necessity to obtain adequate additional financing, to successfully develop product candidates, to obtain regulatory approval of product candidates, to comply with government regulations, to successfully commercialize our potential products, to the protection of proprietary technology and to the dependence on key individuals.

We have funded our operations primarily through the issuance and sale of preferred stock and common stock, the share purchase transaction with Carbylan, the Option Agreement, and grant income. As of October 31, 2017, we have received cumulative equity funding totaling $67.7 million, grant income of $9.1 million and have an accumulated deficit of $65.8 million. Our working capital, primarily cash, is anticipated to fund our operations for at least the next twelve months from the date these unaudited interim condensed consolidated financial statements are issued. Accordingly, the unaudited interim condensed consolidated financial statements have been prepared on a going concern basis.

We will need to expend substantial resources for research and development, including costs associated with the clinical testing of our product candidates and will need to obtain additional financing to fund our operations and to conduct trials for our product candidates. We will seek to finance future cash needs through equity offerings, future grants, corporate partnerships and product sales.

We have never been profitable and have incurred significant operating losses in each year since inception. Cash requirements may vary materially from those now planned because of changes in our focus and direction of our research and development programs, competitive and technical advances, patent developments, regulatory changes or other developments. Additional financing will be required to continue operations after we exhaust our current cash resources and to continue our long-term plans for clinical trials and new product development. There can be no assurance that any such financing can be obtained by us, or if obtained, what the terms thereof may be, or that any amount that we are able to raise will be adequate to support our working capital requirements until we achieve profitable operations. If adequate additional working capital is not secured when it becomes needed, we may be required to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible and/or suspend or curtail planned research programs. Any of these actions could materially harm our business and prospects.

Cash Flows

The following table shows a summary of the net cash flow activity for the six months ended October 31, 2017 and 2016 (in thousands):

	Six Months Ended October 31,	
	2017	**2016**
Cash flows used in operating activities	$ (11,707)	$ (9,840)
Cash flows used in investing activities	(161)	(61)
Cash flows provided by financing activities	9,051	—
Effect of exchange rate changes on cash	(5)	(1,177)
Net decrease in cash and cash equivalents	**$ (2,822)**	**$ (11,078)**

Net cash used in operating activities

Net cash used in operating activities of $11.7 million for the six months ended October 31, 2017 consisted primarily of a net loss of $9.9 million, favorable adjustments from non-cash items of $0.6 million and unfavorable net working capital movements of $2.4 million, which consisted primarily of a $1.4 million increase in the research and development tax credit receivable. Cash used in operating activities of $9.8 million for the six months ended October 31, 2016 consisted of a net loss of $6.8 million, adverse working capital movements of $1.5 million consisting primarily of an increase in the research and development tax credit receivable of $0.7 million and a decrease in accrued expenses of $1.1 million and an adjustment of foreign currency remeasurement gains of $1.7 million.

Net cash used in investing activities

The increase in net cash used in investing activities for the six months ended October 31, 2017 compared to the same period in the prior year primarily consisted of the acquisition of laboratory equipment and capital expenditures related to the new office in Cambridge, Massachusetts. We expect to incur additional capital expenditures in the remainder of this fiscal year related primarily to the build out of our new administrative and research facility in Porton Down, United Kingdom.

Net cash provided by financing activities

The increase in net cash provided by finacing activities during the six months ended October 31, 2017 compared to the same period in the prior year was $9.1 million due to the issuance and sale of common stock to Merck in October 2017.

Operating Capital Requirements

To date, we have not generated any product sales revenues and we do not have any products that have been approved for commercialization. We do not expect to generate significant revenue unless and until we obtain regulatory approval for, and commercialize, one of our current or future product candidates. We anticipate that we will continue to incur losses for the foreseeable future, and we expect the losses to increase as we continue the development of, and seek regulatory approvals for, product candidates,

and begin to commercialize any approved products. We are subject to all of the risks inherent in the development of new therapeutic products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. As a result of the completion of the share purchase transaction with Carbylan in November 2016, we incur additional costs associated with operating as a public company. We currently anticipate that, based upon our operating plans, existing capital resources, the additional funding secured through the share purchase transaction and the Option Agreement, we have sufficient funding to operate for at least the next twelve months.

Until such time, if ever, as we can generate substantial revenues, we expect to finance our cash needs through a combination of equity or debt financings, collaborations, strategic partnerships or licensing arrangements. To the extent that additional capital is raised through the sale of stock or convertible debt securities, the ownership interest of existing stockholders will be diluted, and the terms of these newly issued securities may include liquidation or other preferences that adversely affect the rights of common stockholders. Debt financing, if available, may involve agreements that include increased fixed payment obligations and covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends, selling or licensing intellectual property rights and other operating restrictions that could adversely impact our ability to conduct business. Additional fundraising through collaborations, strategic partnerships or licensing arrangements with third parties may require us to relinquish valuable rights to product candidates, including other technologies, future revenue streams or research programs, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate product development or future commercialization efforts or grant rights to develop and commercialize our other product candidates even if we would otherwise prefer to develop and commercialize such product candidates internally.

Contractual Obligations and Commitments

We enter into contracts in the normal course of business with contract research organizations and clinical trial sites for the conduct of clinical trials, preclinical and clinical studies, professional consultants and other vendors for clinical supply manufacturing or other services. These contracts generally provide for termination on notice, and therefore are cancelable contracts and not included in the table of contractual obligations and commitments. We are party to several operating leases for office and laboratory space as well as a capital lease for certain laboratory equipment as of October 31, 2017. See the minimum lease payments schedule in Note 4 to the unaudited interim condensed consolidated financial statements.

Off-Balance Sheet Arrangements

At October 31, 2017 we were not a party to any off-balance sheet arrangements as defined in the rules and regulations of the SEC.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with U.S. GAAP. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our financial statements and the reported revenue and expenses during the reported periods. We evaluate these estimates and judgments, including those described below, on an ongoing basis. We base our estimates on historical experience, known trends and events, contractual milestones and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. See Note 2 to the unaudited interim condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of our significant accounting policies and assumptions used in applying those policies. While the accounting policies and estimates that we deem to be critical are discussed in more detail in the Annual Report on Form 10-K filed on July 27, 2017, the following accounting policies have become critical since the filing of our Annual Report.

Revenue Recognition

We recognize revenue from research and development arrangements and grant income. Revenue is realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the seller's price to the buyer is fixed or determinable; and (iv) collectability is reasonably assured.

Grant income is received for the development and commercialization of product candidates through sponsored research arrangements with non-profit organizations and from federal research and development grant programs. Revenue is recognized as qualifying research and development costs are incurred. The existing grant program is sponsored by the U.K. government and is substantially complete, with no significant further reimbursements anticipated.

For arrangements that involve the delivery of more than one element, such as the Option Agreement, each product, service and/or right to use assets is evaluated to determine whether it qualifies as a separate unit of accounting. This determination is based on whether the deliverable has "stand-alone value" to the customer. The consideration that is fixed or determinable is then allocated to each separate unit of accounting based on the relative selling price of each deliverable. The estimated selling price of each deliverable is determined using the following hierarchy of values: (i) vendor-specific objective evidence of fair value, (ii) third-party evidence of selling price and (iii) best estimate of selling price ("BESP"). The BESP reflects our best estimate of what the selling price would be if the deliverable was regularly sold by us on a stand-alone basis. The consideration allocated to each unit of accounting is recognized as the related goods or services are delivered, limited to the consideration that is not contingent upon future deliverables. Analyzing the arrangement to identify deliverables requires the use of judgment, and each deliverable may be an obligation to deliver services, a right or license to use an asset, or another performance obligation.

Commencing in October 2017, we began recognizing revenue under the Merck arrangement as discussed in Note 5 to the unaudited condensed consoliated financial statements. We determined that the research license granted did not have standalone value from the respective research and development services, as the license could not be used on its own by Merck for its intended purpose of developing and commercializing KVD001 and the Oral DME Compounds on a standalone basis. As a result, the research license has been combined with the respective research and development services for KVD001 and the Oral DME Compounds as two units of accounting (the "KVD001 Unit of Accounting" and the "Oral DME Unit of Accounting"). We allocated the allocable consideration of $37 million to these two units of accounting using the relative-selling price method.

Neither vendor-specific objective evidence or third-party evidence is available for any of the units of accounting identified at arrangement inception. Accordingly, the selling price of each unit of accounting was developed using management's best estimate of selling price ("BESP"). BESP for the KVD001 Unit of Accounting and the Oral DME Unit of Accounting were determined by applying a risk-adjusted analysis of discounted cash flows and the allocable arrangement consideration was allocated among the separate units of accounting using the relative selling price method.

The amount allocated to the KVD001 Unit of Accounting and the Oral DME Unit of Accounting will be recognized as revenue on a proportional performance basis as the research and development activities are conducted through completion of the respective Phase 2 clinical trials. The period of service and estimates of proportional performance did not have a significant impact on the revenue recognized in the quarter ended October 31, 2017 but will have a significant impact on revenue in future periods. If the period over which revenue is attributed changes or the estimates of proportional performance change, the reported revenue could be materially impacted.

Recently Issued Accounting Pronouncements

See discussion in Note 2 to the unaudited interim condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Interest Rate Risk

We have exposure to market risk in interest income sensitivity, which is affected by changes in the general level of interest rates. However, because of the short-term nature of the bank deposit arrangements and the very low interest rates prevailing in the United Kingdom and the United States, a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operations. We do not believe that our cash or cash equivalents have significant risk of default or illiquidity.

Foreign Exchange Rate Risk

We maintain cash balances primarily in both U.S. Dollars ("USD") and British Pound Sterling ("GBP") to fund ongoing operations. Cash and cash equivalents as of October 31, 2017 was $28.1 million and consisted of readily available checking and bank deposit accounts held primarily in both USD and GBP. As of October 31, 2017, 89% of cash and cash equivalents were held in USD and 11% in GBP. We currently incur significant expenses in GBP and convert USD as needed to fund those expenses. We do not believe our cash and cash equivalents are exposed to significant exchange rate risk, though we do not currently engage in exchange rate hedging or other similar activities. A 10% change in the exchange rate would result in a net gain or loss of approximately $0.3 million.

Effects of Inflation

We do not believe that inflation and changing prices had a significant impact on the results of operations for any periods presented herein.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of October 31, 2017. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of October 31, 2017.

Changes in Internal Controls over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended October 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

Item 1A. RISK FACTORS

There have been no material changes to the risk factors described in the section captioned “Part I, Item 1A, Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended April 30, 2017, except as described below. In addition to the other information set forth in this report, you should carefully consider the factors discussed in the section captioned “Part I, item 1A, Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended April 30, 2017, which could materially affect our business, financial condition, or future results. The risks described here and in our Annual Report on form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may have a material adverse effect on our business, financial condition, or operating results.

We may face operational disruptions due to lack of adequate facilities.

We are highly dependent upon our U.K. facility to conduct our scientific research. Our lease on that facility expired on November 30, 2017, and we currently continue to occupy the facility on a month-to-month basis with our landlord, whose master lease on the facility expires on December 22, 2017. Although we believe the risk of being forced to vacate our current facility without the ability to move to a new one is low, we have not yet signed a lease for the new facility to which we plan to move our operations in 2018. If we are forced to vacate our current spaces in advance of our move to a new facility, or if we are unable to obtain a lease for our planned new facility, it could cause a severe disruption to our scientific activities that could materially endanger our business and future prospects.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

As previously disclosed on a Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 10, 2017, we sold 1,070,589 shares of our common stock to Merck at a price of $8.50 per share, for aggregate proceeds of approximately $9.1 million. There were no placement agents used, or any underwriting discounts or commissions paid in connection with the transaction. The sale and issuance of the shares of common stock was made in reliance on the exemption afforded by Section 4(a)(2) under the Securities Act of 1933 and Regulation D promulgated under the Securities Act.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

Not applicable.

Item 6. EXHIBITS

Exhibits

10. 1†	Option Agreement, dated October 6, 2017, by and between KalVista Pharmaceuticals Limited and Merck Sharp & Dohme Corp.
10.2†	Stock Purchase Agreement, dated October 6, 2017, by and between the Registrant and Merck Sharp & Dohme Corp.
10.3	Voting Agreement, dated October 6, 2017, by and between the Registrant and Merck Sharp & Dohme Corp.
10.4	Executive Employment Agreement, dated August 21, 2017, by and between the Registrant and Andreas Maetzel.
31.1	Certification of Principal Executive Officer Required Under Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of Principal Financial Officer Required Under Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
32.1	Certification of Principal Executive Officer and Principal Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. 1350.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
*	This certification is deemed not filed for purpose of section 18 of the Exchange Act or otherwise subject to liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.
†	Registrant has omitted and filed separately with the SEC portions of the exhibit pursuant to a confidential treatment request under Rule 24b-2 promulgated under the Exchange Act.

SIGNATURES

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

KALVISTA PHARMACEUTICALS, INC.

Date: December 14, 2017

By: /s/ T. Andrew Crockett
T. Andrew Crockett
Chief Executive Officer
(Principal Executive Officer)

Date: December 14, 2017

By: /s/ Benjamin L. Palleiko
Benjamin L. Palleiko
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

[***] Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

OPTION AGREEMENT

THIS OPTION AGREEMENT (this "**Agreement**") is entered into as of October 6, 2017 (the "**Effective Date**") by and between KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales, having its principal place of business at Building 227, Tetricus Science Park, Porton Down, SP40JQ, United Kingdom ("**KalVista**"), and Merck Sharp & Dohme Corp., a New Jersey corporation having its principal place of business at 2000 Galloping Hill Road, Kenilworth, NJ 07033 ("**Merck**"). Merck and KalVista are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, KalVista discovered molecules that Specifically Modulate the Target (as each is defined below), including the IVT Compounds and Oral DME Compounds (as each is defined below);

WHEREAS, KalVista has initiated clinical development on certain of such molecules;

WHEREAS, the Parties desire for KalVista to further research and develop such molecules to completion of the first Phase II Clinical Trial (as defined below) for each of the IVT Compounds and Oral DME Compounds;

WHEREAS, the Parties desire for Merck to have an exclusive option for the applicable Option Period (as defined below) to acquire the IVT Compounds and Oral DME Compounds, respectively, all in accordance with the terms and conditions of this Agreement; and

WHEREAS, as a condition and inducement to Merck's willingness to enter into this Agreement, KalVista Pharmaceuticals, Inc., the sole stockholder of KalVista ("**Parent**"), has provided a guarantee (the "**Parent Guarantee**"), dated as of the date hereof, with respect to KalVista's obligations under this Agreement and the other Transaction Documents.

NOW, THEREFORE, in consideration of the foregoing and the premises and conditions set forth herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 "**Act**" means the United States Food, Drug, and Cosmetics Act, together with any rules, regulations and requirements promulgated thereunder.

1.2 "**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

1.3 "**Affiliate**" means, with respect to either Party, a particular Person, corporation, collaboration, or any other entity that controls the Party, is controlled by the Party, or is under common control with such Party. For the purposes of the definition in this Section 1.3, the word "control" (including, with correlative meaning, the terms "controlled by" or "under the common control with") means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of a party or entity, whether by the ownership of at least fifty percent (50%) of the voting stock of such party or entity, or by contract or other means.

1.4 "**Applicable Closing**" means, as and if applicable, the IVT Closing or Oral DME Closing.

1.5 "**Applicable Laws**" means country-level, province-level, state-level and supra-national laws, statutes, rules, orders, judgments and regulations, including any rules, regulations, guidance, guidelines or requirements of any Governmental Authority, national securities exchange or securities listing organization.

1.6 "**Asset Purchase and License Agreement**" means, as applicable, the IVT Asset Purchase and License Agreement or the Oral DME Asset Purchase and License Agreement.

1.7 "**Assets**" means the IVT Assets and the Oral DME Assets.

1.8 "**Biological Materials**" means any biological substances and materials, including any tissues, cells, cell lines, organisms, blood samples, genetic material, antibodies, or plasmids.

1.9 "**Business Day**" means a day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are permitted or required to remain closed.

1.10 "**cGMPs**" means current good manufacturing practice in accordance with (a) the U.S. Federal Food, Drug and Cosmetic Act (21 U.S.C. 301 et seq.), (b) relevant U.S. regulations found in Title 21 of the U.S. Code of Federal Regulations (including Parts 11, 210, 211, 600 and 610), and (c) comparable standards issued by applicable Governmental Authorities outside of the United States, including the EMA and the Pharmaceuticals and Medical Devices Agency of Japan.

1.11 "**Change of Control**" shall mean, with respect to any Person, as applicable, (a) a merger or consolidation in which such Person is not the surviving corporation or in which, if such Person is the surviving corporation, the stockholders of such Person immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, a majority of the voting power of all of the surviving entity's outstanding stock and other securities and the power to elect a majority of the members of such Person's board of directors; or (b) a transaction or series of related transactions (which may include a tender offer for such Person's stock or the issuance, sale or exchange of stock of such Person) if the stockholders of such Person immediately prior to the initiation of such transaction do not, immediately after consummation of such transaction or any of such related transactions, own, directly or indirectly through one or more intermediaries, stock or

other securities of the entity that possess a majority of the voting power of all of such Person's outstanding stock and other securities and the power to elect a majority of the members of such Person's board of directors.

1.12 "**Clinical Development Plan**" means, with respect to the IVT Products, the clinical development plan set forth on Exhibit A for the Phase II Clinical Trial for the IVT Products and, with respect to the Oral DME Products, the activities leading up to a Phase II Clinical Trial design substantially similar to the plan for the IVT Products as set forth on Exhibit A.

1.13 "**Collaboration**" means activities performed by or on behalf of KalVista or its Affiliates with respect to the development of a Product under this Agreement after the Effective Date and prior to the earlier of: (a) Merck making an Option Exercise for both Options; (b) Merck making an Option Exercise for one of the Options and the other Option Period expires; or (c) expiration of both Option Periods without Merck making an Option Exercise.

1.14 "**Combination Product**" means a human therapeutic product that is developed or Commercialized by Merck in the Territory and that comprises, consists of, or incorporates two or more active pharmaceutical ingredients, or a package including two or more different pharmaceutical products, which includes an IVT Compound or Oral DME Compound, as one of the active pharmaceutical ingredients together with any formulation ingredients, regardless of the formulation or mode of administration of such Combination Product. For sake of clarity, a Combination Product is a Product.

1.15 "**Commercialize**" or "**Commercializing**" means to market, promote, distribute, offer for sale, sell, have sold, import, have imported, export, have exported or otherwise commercialize a compound or product. When used as a noun, "**Commercialization**" means any and all activities involved in Commercializing.

1.16 "**Common IP**" means (a) any and all inventions, developments, Improvements, results, know-how and other Information (including physical or chemical materials or Biological Materials) made, conceived, reduced to practice or otherwise acquired or Controlled by KalVista or its Affiliates before the Effective Date or prior to expiration of the applicable Option Period; and (b) any Patents, copyrights, or trademarks Controlled by KalVista or its Affiliates before the Effective Date or prior to expiration of the applicable Option Period, in either case of clauses (a) and (b) that (i) relates to the composition of matter, development, manufacture, use, sale or importation of the IVT Compounds or Oral DME Compounds, as applicable, (ii) is incorporated prior to the expiration of the applicable Option Period into, or used in connection with, any Product or its development, manufacture or use, or (iii) is necessary for the identification, manufacture, development or commercial use or sale of any Product, in each case of clauses (i) through (iii), to the extent not constituting Intellectual Property Rights.

1.17 "**Competing Transaction Proposal**" means any inquiry, proposal, indication of interest, offer or agreement from or with any Third Party with respect to any transaction involving any direct or indirect purchase, sale, exclusive license or other disposition of all or any material portion of (a) the IVT Assets, (b) the Oral DME Assets or (c) the Assets, in each case, other than (i) the transactions contemplated by this Agreement and the other Transaction Documents or (ii) a transaction that would constitute a Change of Control of Parent and in which the successor thereof

would assume or KalVista would retain all obligations under this Agreement and the other Transaction Documents.

1.18 "**Competitor**" shall have the meaning set forth in Section 13.7(b).

1.19 "**Confidential Information**" shall have the meaning set forth in Section 10.1.

1.20 "**Confidentiality Agreement**" means the Mutual Confidential Disclosure Agreement, dated January 27, 2017, by and between Merck and Parent.

1.21 "**Control**" means, with respect to any item of Information, Regulatory Documentation, material, Patent or other intellectual property right, possession of the right, whether directly or indirectly and whether by ownership, license or otherwise (other than by operation of the license grants in Section 2.2), to grant a license, sublicense or other right (including the right to reference Regulatory Documentation) to or under such Information, Regulatory Documentation, material, Patent or other intellectual property right as provided for herein or the Asset Purchase and License Agreements, as applicable, without violating the terms of any agreement or other arrangement with any Third Party.

1.22 "**Data Packages**" means the information packages provided by KalVista following the first Phase II Clinical Trial for IVT Products and Oral DME Products containing clinical data (tables, figures and listings) with respect to the relevant Phase II Clinical Trial and all data and results (including toxicology data) from the activities listed in Exhibit B, including all data and results (including toxicology data) resulting from the activities included in the applicable Clinical Development Plan.

1.23 "**Designated Senior Officers**" shall have the meaning set forth in Section 13.14(a).

1.24 "**Diligence Period**" shall have the meaning set forth in Section 4.5(a).

1.25 "**Diligent Efforts**" means, with respect to the efforts to be expended by a Person to accomplish any objective, the reasonable, diligent, good faith efforts to accomplish such objective as such Person would normally use to accomplish a similar objective under similar circumstances. It is understood and agreed that, with respect to the development and Commercialization of a Product by or on behalf of either Party, such efforts shall be substantially equivalent to those efforts and resources commonly used by such Party for pharmaceutical products owned by it or to which it has rights, which product is at a similar stage in its development or product life and is of similar market potential taking into account efficacy, safety, approved labelling, the competitiveness of alternative products in the marketplace, the patent and other proprietary position of the product, the likelihood of regulatory approval given the Regulatory Authority involved, the profitability of the product including the amounts payable to licensors of patent or other intellectual property rights, alternative products and other relevant factors. Diligent Efforts shall be determined on a market-by-market basis for a particular Product, and it is anticipated that the level of effort will be different for different Products and markets, and will change over time, reflecting changes in the status of the Product and the market(s) involved.

1.26 "**Disclosure Schedules Deadline**" shall have the meaning set forth in Section 3.3(b).

1.27 "**DME**" means diabetic macular edema.

1.28 "**EMA**" means the European Medicines Agency or any successor agency thereto.

1.29 "**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

1.30 "**First Commercial Sale**" means the first sale of a Product by Merck, its Affiliates or its or their licensees or sublicensees for use, consumption or resale of such Product in a country in the Territory where Regulatory Approval of such Product has been obtained. Sale of a Product by or among Merck, its Affiliates or its or their licensees or sublicensees shall not constitute a First Commercial Sale unless such Affiliate, licensee or sublicensee is the end user of such Product. Also, sale of a Product by Merck, its Affiliates or its or their licensees or sublicensees in a country in the Territory where Regulatory Approval for that Product has not yet been attained shall not constitute a First Commercial Sale under this Agreement. In the event that, in a given country with respect to a Product, Merck (a) has received all approvals, licenses, registrations or authorizations, other than Price Approval, which are necessary to constitute Regulatory Approval for such Product and (b) despite the lack of Price Approval, has initiated a commercial launch of such Product (provided that sales solely to named patients or other limited launches shall not be considered a commercial launch), then the first sale of such Product in connection with such commercial launch by Merck, its Affiliates or its or their licensees or sublicensees for use, consumption or resale of such Product in such country shall be deemed to be the "First Commercial Sale" of such Product.

1.31 "**Generic Product**" means, with respect to a Product, any pharmaceutical or biological product that (a) is distributed by a Third Party under a Regulatory Approval approved by a Regulatory Authority in reliance, in whole or in part, on the prior approval (or on safety or efficacy data submitted in support of the prior approval) of such Product, including any product authorized for sale (i) in the U.S. pursuant to Section 505(b)(2) or Section 505(j) of the Act (21 U.S.C. 355(b)(2) and 21 U.S.C. 355(j), respectively), (i) in the EU pursuant to a provision of Articles 10, 10a or 10b of Parliament and Council Directive 2001/83/EC as amended (including an application under Article 6.1 of Parliament and Council Regulation (EC) No 726/2004 that relies for its content on any such provision) or (iii) in any other country or jurisdiction pursuant to all equivalents of such provisions, (b) incorporates the same active pharmaceutical ingredient as a Product and is approved for the same indication as a Product, and (c) is otherwise substitutable under Applicable Laws for such Product when dispensed without the intervention of a physician or other health care provider with prescribing authority.

1.32 "**Governmental Authority**" means any court, agency, department, authority or other instrumentality of any supranational, national, state, county, city or other political subdivision.

1.33 "**HAE**" means hereditary angioedema and acute bradykinin-mediated angioedema of unknown origin.

1.34 "**Health Care Reform Act Fees**" means the fees described in Section 9008 of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by Section 1404 of the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152.

1.35 "**Improvement**" means any invention, discovery, development or modification with respect to any IVT Compound or Oral DME Compound or relating to the exploitation thereof, whether or not patented or patentable, including any enhancement in the efficiency, operation, manufacture, ingredients, preparation, presentation, formulation, means of delivery or dosage of such IVT Compound or Oral DME Compound, any discovery or development of any new or expanded indications for such IVT Compound or Oral DME Compound, or any discovery or development that improves the stability, safety or efficacy thereof.

1.36 "**IND/CTA**" means an Investigational New Drug / Clinical Trial Authorization application for a Product under this Agreement filed with a Regulatory Authority in a country in the Territory necessary to commence human clinical trials in conformance with Applicable Laws of such country.

1.37 "**Indemnitees**", used in the context of indemnification, shall have the meaning set forth in Section 8.1.

1.38 "**Information**" means information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, including databases, inventions, practices, methods, techniques, specifications, formulations, formulae, knowledge, know-how, skill, experience, test data (including pharmacological, biological, chemical, biochemical, toxicological and clinical test data, analytical and quality control data, stability data, studies and procedures), and Patent, intellectual property and other legal related information or descriptions.

1.39 "**Initial Schedules**" shall have the meaning set forth in Section 3.3(a).

1.40 "**Intellectual Property Rights**" means, with respect to the IVT Compounds or Oral DME Compounds, as applicable: (a) any and all inventions, developments, Improvements, results, know-how and other Information (including physical or chemical materials or Biological Materials) made, conceived, reduced to practice or otherwise acquired or Controlled by KalVista or its Affiliates before the Effective Date or prior to expiration of the applicable Option Period; and (b) any Patents, copyrights, or trademarks Controlled by KalVista or its Affiliates before the Effective Date or prior to expiration of the applicable Option Period, in either case of clauses (a) and (b) that exclusively relates to the composition of matter, development, manufacture, use, sale or importation of the IVT Compounds or Oral DME Compounds, as applicable.

1.41 "**IVT Asset Purchase and License Agreement**" shall have the meaning set forth in Section 6.2(a).

1.42 "**IVT Assets**" has the meaning ascribed to "Purchased Assets" in the IVT Asset Purchase and License Agreement.

1.43 "**IVT Closing**" means the "Closing" under and as defined in the IVT Asset Purchase and License Agreement.

1.44 "**IVT Compounds**" means KalVista's molecule identified as KVD001, and all closely related molecules as described in the Patents listed on Exhibit C.

1.45 "**IVT Inventions**" shall have the meaning set forth in Section 2.2(b).

1.46 "**IVT Option**" shall have the meaning set forth in Section 3.1(a).

1.47 "**IVT Option Period**" shall have the meaning set forth in Section 3.1(a).

1.48 "**IVT Product**" means a pharmaceutical or biologic product (in any and all dosage forms) containing an IVT Compound (or any derivative thereof developed directly through use of (i) an IVT Compound and (ii) KalVista Confidential Information) alone or in combination, together with any formulation ingredients, regardless of the mode of administration of such product, and for sale by prescription or over-the-counter or any other method.

1.49 "**Joint Invention**" shall mean any invention that was jointly conceived by both KalVista and Merck during the performance of the Collaboration.

1.50 "**Joint Know-How**" shall have the meaning set forth in Section 9.2.

1.51 "**Joint Patent Committee**" or "**JPC**" shall have the meaning set forth in Section 2.4(c).

1.52 "**Joint Patents**" shall have the meaning set forth in Section 9.2.

1.53 "**Joint Process Development Committee**" shall have the meaning set forth in Section 2.4(c).

1.54 "**Joint Steering Committee**" **or** "**JSC**" shall have the meaning set forth in Section 2.4(a).

1.55 "**KalVista Patent Estate**" means the estate of Patents comprising KalVista Patents.

1.56 "**KalVista Patents**" means all Patents owned by KalVista or its Affiliates as of the Effective Date or during the Term directed to an IVT Compound or Oral DME Compound or a therapeutic treatment involving the administration of an IVT Compound or Oral DME Compound.

1.57 "**Losses**", used in the context of indemnification, shall have the meaning set forth in Section 8.1.

1.58 "**Major European Countries**" means France, Germany, Italy, Spain and the United Kingdom.

1.59 [***]

1.60 "**MTA**" has the meaning set forth in Section 2.1(b).

1.61 "**NDA/MAA**" means a New Drug Application / Marketing Authorization Application / Biologics License Application submitted and filed with a Regulatory Authority in a country or group of countries in the Territory necessary for approval of a Product for commercial sale in such country or group of countries in conformance with Applicable Laws.

1.62 "**Net Sales**" means [***].

1.63 "**Non-Binding Interest Notice**" shall have the meaning set forth in Section 3.3(b).

1.64 "**Options**" means the IVT Option and Oral DME Option.

1.65 "**Option Exercise**" shall have the meaning set forth in Section 3.2.

1.66 "**Option Period**" means the IVT Option Period or the Oral DME Option Period.

1.67 "**Oral DME Asset Purchase and License Agreement**" shall have the meaning set forth in Section 6.2(b).

1.68 "**Oral DME Assets**" has the meaning ascribed to "Purchased Assets" in the Oral DME Asset Purchase and License Agreement.

1.69 "**Oral DME Closing**" means a "Closing" under and as defined in the Oral DME Asset Purchase and License Agreement.

1.70 "**Oral DME Compounds**" means all molecules developed by or on behalf of KalVista or its Affiliates as of the Effective Date or during the Option Periods that Specifically Modulate the Target other than the IVT Compounds, Oral HAE Compounds or Successor Compounds.

1.71 "**Oral DME Inventions**" shall have the meaning set forth in Section 2.2(b).

1.72 "**Oral DME Option**" shall have the meaning set forth in Section 3.1(b).

1.73 "**Oral DME Option Period**" shall have the meaning set forth in Section 3.1(b).

1.74 "**Oral DME Product**" means a pharmaceutical or biologic product (in any and all dosage forms) containing an Oral DME Compound (or any derivative thereof developed directly through use of (i) an Oral DME Compound and (ii) KalVista Confidential Information) alone or in combination, together with any formulation ingredients, regardless of the mode of administration of such product, and for sale by prescription or over-the-counter or any other method.

1.75 "**Oral HAE Compounds**" means [***] molecules developed by or on behalf of KalVista or its Affiliates as of the Effective Date or during the Option Periods that are directed against and Specifically Modulate the Target and are [***]

1.76 "**Parent**" shall have the meaning set forth in the recitals to this Agreement.

1.77 "**Parent Guarantee**" shall have the meaning set forth in the recitals to this Agreement.

1.78 "**Party**" **or "Parties**" shall have the meaning set forth in the first paragraph of this Agreement.

1.79 "**Patent**" means (a) an unexpired letters patent (including inventor's certificates) issued anywhere in the world which has not been held invalid or unenforceable by a court of competent jurisdiction from which no appeal can be taken or has been taken within the required time period, including any divisional, continuation-in-part, substitution, extension, registration, confirmation, reissue, re-examination, renewal, revalidation, supplementary protection certificate or any like filing thereof, or (b) a pending application for a letters patent pending anywhere in the world,

including any continuation, division or continuation-in-part thereof and any provisional applications.

1.80 "**Permitted Seller**" means Merck and any Affiliate, licensee or sublicensee of Merck (excluding any distributor) having authorization to sell Product.

1.81 "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a Governmental Authority.

1.82 "**Phase II Clinical Trial**" means a human clinical trial conducted in the United States, in the United Kingdom, in any member state of the European Union or in any of Norway, Iceland, Liechtenstien and Switzerland that would satisfy the requirements of 21 C.F.R. 312.21(b).

1.83 "**Price Approval**" means, in any country in the Territory where a Regulatory Authority authorizes reimbursement for, or approves or determines pricing for, pharmaceutical or biologic products, receipt (or, if required to make such authorization, approval or determination effective, publication) of such reimbursement authorization or pricing approval or determination (as the case may be).

1.84 "**Product**" means, collectively, the IVT Products and Oral DME Products.

1.85 "**Regulatory Approval**" means any and all approvals (including NDA/MAAs, supplements, amendments, pre- and post-approvals, pricing and reimbursement approvals (including Price Approvals), and labelling approvals), licenses, registrations or authorizations of any Governmental Authority, that are necessary for the manufacture, distribution, use or Commercialization of a Product under this Agreement in a regulatory jurisdiction in the Territory. For the sake of clarity, Regulatory Approval will not be achieved for a Product in a country until all applicable Price Approvals have also been obtained for such Product in such country; provided that if, in a given country with respect to a Product, Merck (a) has received all approvals, licenses, registrations or authorizations, [***], which are necessary to constitute Regulatory Approval for such Product and (b) despite [***], then the first sale of such Product in connection with such commercial launch by Merck, its Affiliates or its or their licensees or sublicensees for use, consumption or resale of such Product in such country shall be deemed to be receipt of "Regulatory Approval" of such Product.

1.86 "**Regulatory Approval in the EU**" means (a) if Regulatory Approval is sought through the centralized EMA procedure, receipt of Regulatory Approval by the EMA and receipt of Price Approval in at least one of the Major European Countries and (b) if Regulatory Approval is not sought through the centralized EMA procedure, receipt of Regulatory Approval in [***].

1.87 "**Regulatory Authority**" means any applicable Governmental Authority involved in granting approvals for the manufacturing, marketing, reimbursement or pricing of a Product in the Territory, including, in the United States, the FDA or any successor Governmental Authority having substantially the same function(s).

1.88 "**Regulatory Documentation**" means all (a) Regulatory Filings, applications (including all IND/CTAs and drug approval applications), registrations, licenses, authorizations and approvals (including Regulatory Approvals); (b) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all adverse event files and complaint files; (c) investigator brochure, clinical study protocols, trial master files, clinical study reports, publications or abstracts presented to date, IND/CTA annual reports, investigational medicinal product dossiers (IMPDs), summary of safety information (periodic safety update report (PSURs) and development safety update reports (DSURs), patient level adverse event (AE) and serious adverse event (SAE) tables and listings, detailed reports for all SAEs, non-clinical and quality related correspondence, pharmacovigilance plans, risk management plans, pediatric investigation plans, list of regulatory partners', contractors' and contract research organizations' and cGMP inspection reports from partners, contractors and contract research organizations, and (d) pre-clinical and other data contained or relied upon in any of the foregoing, in each case ((a), (b), (c) and (d)) relating to any IVT Compound, Oral DME Compound or Product, as applicable.

1.89 "**Regulatory Filing**" means any NDA/MAA, IND/CTA or any other filings required by any Governmental Authority in a regulatory jurisdiction relating to the study, development, manufacture or Commercialization of any Product, IVT Compound or Oral DME Compound.

1.90 "**RoFN Assets**" shall have the meaning set forth in Section 4.6.

1.91 "**RoFN Notice**" shall have the meaning set forth in Section 4.6.

1.92 "**Royalty Term**" shall have the meaning set forth in Section 6.6.

1.93 "**Section 4.7 Contract**" shall have the meaning set forth in Section 3.3(d).

1.94 "**Sensitive Information**" shall have the meaning set forth in Section 13.7(b).

1.95 "**Specifically Modulate**" means, with respect to a compound, that [***] For clarity, [***].

1.96 "**Successor Compound(s)**" means any compound that Specifically Modulates the Target and that is owned or controlled by the successor of a Change of Control of KalVista or Parent, as applicable, to the extent the compound was developed prior to such Change of Control by that portion of the surviving entity or Affiliate that was not KalVista or Parent, as applicable (prior to such Change of Control).

1.97 "**Target**" means Plasma Kallikrein.

1.98 "**Term**" shall have the meaning set forth in Section 12.1.

1.99 "**Territory**" means worldwide.

1.100 "**Third Party**" means any individual, corporation, collaboration, limited liability company or other entity other than (i) Merck, (ii) KalVista or (iii) an Affiliate of either of Merck or KalVista.

1.101 "**Third Party Claim**" has the meaning set forth in Section 8.2(a).

1.102 "**Third Party License Floor**" shall have the meaning set forth in Section 6.5(b)(2).

1.103 "**Transaction Documents**" means, collectively, this Agreement, the Parent Guarantee, the Asset Purchase and License Agreements and all agreements contemplated to be entered into pursuant to the Asset Purchase and License Agreements (including the Bills of Sale, Intellectual Property Assignments and other Transfer Documents (each as defined in the Asset Purchase and License Agreements)) and all exhibits and schedules hereto and thereto.

1.104 "**Transfer**" shall have the meaning set forth in Section 4.6.

1.105 "**Updated Schedules**" shall have the meaning set forth in Section 3.3(b).

1.106 "**Upfront Payment**" shall have the meaning set forth in Section 6.1.

1.107 "**Valid Patent Claim**" shall mean a claim of an issued, unexpired and in-force patent included within the Assets that claims an IVT Compound or Oral DME Compound, as applicable, as a composition of matter which has not been revoked or held unenforceable or invalid by a decision of a court or other Governmental Authority of competent jurisdiction (which decision is not appealable or has not been appealed within the time allowed for appeal), and which claim has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, re-examination, supplemental examination or disclaimer or otherwise.

ARTICLE 2
COLLABORATION

2.1 Overview.

(a) Goals. The general goals and intent of the Collaboration are for KalVista to research and develop Products under this Agreement. Following the Collaboration, provided Merck makes an Option Exercise and the Applicable Closing occurs, Merck would research and develop, with the ultimate goal of manufacturing and Commercializing at least one (1) IVT Product and one (1) Oral DME Product. KalVista does not guarantee that the research and development of Products under the Collaboration will be successful.

(b) For the avoidance of doubt, all work to be conducted under the Collaboration is to be performed by KalVista. From time to time during the Option Period, Merck may request, and upon such request the parties shall mutually agree on the scope of work and the quantity and timing for KalVista to deliver to Merck such quantities of IVT Compounds, Oral DME Compounds and related materials (e.g., assays) pursuant to a material transfer agreement substantially in the form attached hereto as Exhibit D (the "**MTA**").

2.2 Grant of Rights.

(a) During the Option Periods, KalVista hereby grants to Merck a non-exclusive, worldwide, non-sublicensable (except to Merck's Affiliates or its or its Affiliates' respective subcontractors that are subject to confidentiality and non-use obligations at least as protective as those contained in ARTICLE 10 and obligations regarding assignment of intellectual property generated in the exercise of such license to Merck consistent with Section 2.2(b)) license to use the IVT Compounds, Oral DME Compounds, Intellectual Property Rights and Common IP solely for research purposes.

(b) If, in the course of exercise of the rights under the license granted in clause (a) above, Merck (or Merck's Affiliates or its or its Affiliates' respective subcontractors) conceives of any invention (whether or not patentable) which claim exclusively or relate exclusively to the composition of matter, use or a process for manufacturing any IVT Compound ("**IVT Inventions**") or Oral DME Compound ("**Oral DME Inventions**"), as applicable, and (i) Merck does not exercise the IVT Option during the IVT Option Period, then Merck hereby grants, effective as of the date of the expiration of the IVT Option Period, to KalVista under any Patent or other intellectual property rights covering IVT Inventions, a worldwide, non-exclusive, sublicensable (through multiple tiers), royalty-free, fully paid up license to practice such IVT Inventions to research, develop or Commercialize the IVT Products; or (ii) Merck does not exercise the Oral DME Option during the Oral DME Option Period, then Merck hereby grants, effective as of the date of the expiration of the Oral DME Option Period, to KalVista under any Patent or other intellectual property rights covering such Oral DME Inventions, a worldwide, non-exclusive, sublicensable (through multiple tiers), royalty-free, fully paid up license to practice such Oral DME Inventions to research, develop or Commercialize the Oral DME Products.

2.3 Independence. The activities and resources of each Party shall be managed by such Party, acting independently and in its individual capacity. The relationship between Merck and KalVista is that of independent contractors and neither Party shall have the power to bind or obligate the other Party in any manner, or be or become or be deemed to be liable or responsible for the debts, liabilities or obligations of the other Party, except as set forth in this Agreement.

2.4 Joint Steering Committee.

(a) During the Collaboration, management of the Collaboration shall be vested in the Joint Steering Committee (the "**JSC**"), with responsibility for managing and directing KalVista's development efforts under the Collaboration, as further discussed in this ARTICLE 2.

(b) **Membership.** The JSC shall be composed of four (4) members, two (2) members appointed by each Party. Each Party shall designate its initial JSC representatives within [***] after the Effective Date. Each Party may replace its JSC representatives at any time upon written notice to the other Party. KalVista will designate one of its initial JSC representatives as the chairperson of the JSC. The chairperson shall be responsible for scheduling meetings, preparing and circulating an agenda in advance of

each meeting, and preparing and issuing minutes of each meeting within [***] thereafter. Both parties may have other representatives attend as non-members in order to enable all area-specific expertise to be well represented.

(c) Subcommittees. The JSC shall have the authority to form subcommittees (e.g., regulatory subcommittee) and determine such subcommittees' membership. The JSC shall, within [***] following the Effective Date, form, as subcommittees of the JSC, a Joint Patent Committee ("**Joint Patent Committee**" or "**JPC**") and a Joint Process Development Committee ("**Joint Process Development Committee**"). Each subcommittee shall be subject to the governance and decision-making provisions set forth in this Section 2.4. Each subcommittee shall be comprised of an equal number of members of each Party. Each Party may replace its subcommittee representatives at any time upon written notice to the other Party.

(1) Joint Patent Committee. The Joint Patent Committee shall discuss and decide the strategies and other commercial aspects of the filing, maintenance, prosecution and enforcement described in Section 9.3, Section 9.4 and Section 9.5.

(2) Joint Process Development Committee. The Joint Process Development Committee shall, among other things, oversee the Chemistry, Manufacturing and Controls ("CMC") work plan that is to be included in the Data Packages.

(d) Meetings; Responsibilities. The JSC shall meet quarterly unless otherwise agreed by the Parties, with the scheduling of such meeting to be made at least [***] in advance (unless agreed to by the Parties) and the location of such meetings alternating between locations in the United States designated by Merck and by KalVista. No later than [***] prior to each such meeting, KalVista shall deliver to Merck a written update, in reasonable detail, on the research, development, regulatory and manufacturing activities conducted by or on behalf of KalVista in furtherance of its obligations under Section 2.8 (including its progress in the selection of Oral HAE Compounds and the designation of Oral DME Compounds), as well as an update on any such other items which are expected to be discussed at such meeting. The JSC shall:

(1) assess the ongoing strategy for the Collaboration;

(2) evaluate the progress of the Collaboration;

(3) review the molecule selection process for the Oral HAE Compounds and review and approve the molecule selection process for the Oral DME Compounds, in each case, including reviewing the pre-clinical data generated in preparation for the selection process;

(4) review and approve potential Third Party candidates for manufacturing clinical IVT Product and Oral DME Product through phase III clinical trials, and any manufacturing contracts between KalVista or its Affiliates and any such Third Party contract manufacturers;

(5) review and approve the patent filing and prosecution strategy for any IVT Compounds and Oral DME Compounds;

(6) serve as the initial forum to resolve any disputes that may arise under this Agreement solely with regard to the Collaboration (and not, for clarity, any dispute as to whether any provision of this Agreement or any other Transaction Document has been breached); and

(7) subject to the restrictions in Section 11.4(a)(5), review and approve changes to the Clinical Development Plan.

(e) Decision Making of JSC and Dispute Resolution. During the Collaboration, the Parties will endeavour to make all decisions of the JSC by mutual agreement with each Party's representatives collectively having one vote and each Party considering the other Party's input in good faith. If the JSC cannot reach mutual agreement, [***] except with respect to [***] provided that if the JSC is unable to reach mutual agreement on an issue relating to any matter set forth in items (3), (4), (5) or (7) of Section 2.4(d) within [***] following the meeting at which such issue was first discussed, either Party may refer the issue to the Designated Senior Officers pursuant to Section 13.14(a); provided, further that if the Designated Senior Officers do not resolve such dispute in accordance with Section13.14(a), (i) [***]in a manner consistent with this Agreement and (ii) for disputes relating to matters set forth in item (7) of Section 2.4(d), no changes to the Clinical Development Plan shall be made. For clarity, item (7) of Section 2.4(d) and subsection (ii) of this Section 2.4(e) address only changes to the Clinical Development Plan (as is set forth on Exhibit A) and not operational or logistical implementation matters that are not addressed in the Clinical Development Plan.

(f) Limitation on Authority. The Parties agree that matters explicitly reserved to the consent, approval or other decision-making authority of one or both Parties, as provided in this Agreement, are beyond the authority of the JSC, including amendment, modification or waiver of compliance with this Agreement or any other Transaction Document.

2.5 Meetings of JSC and Subcommittees. JSC and subcommittee meetings shall be held in person, or, with the consent of both Parties, by audio or video teleconference. Meetings of the JSC or any subcommittees thereof shall be effective only if at least one representative of each Party is present or participating. Each Party shall be responsible for all of its own expenses of participating in the JSC or any subcommittees thereof.

2.6 Pharmacovigilance. During the Collaboration, KalVista shall have sole responsibility for pharmacovigilance reporting to Third Parties including any Regulatory Authorities.

2.7 Responsibilities of Parties During Collaboration. During the Collaboration, KalVista shall be solely responsible at its sole cost, for all research, manufacturing and development activities of the Collaboration.

2.8 Diligence by KalVista. KalVista shall use Diligent Efforts to develop an IVT Product and an Oral DME Product, in both cases through the completion of a Phase II Clinical Trial and completion of the activities listed in Exhibit B. The Parties recognize and agree that (i) the relative level of effort required by KalVista with respect to an IVT Product and Oral DME Product may shift over time, (ii) [***] (iii) based on current circumstances, [***] KalVista shall perform its

activities under this Agreement in good scientific manner. Notwithstanding any provision of this Agreement to the contrary, KalVista shall be relieved of the obligations set forth in this Section 2.8 with respect to an IVT Product or Oral DME Product, as applicable, to the extent that KalVista or its Affiliates receives or generates any safety, tolerability or other data that, in the determination of the JSC, reasonably indicates, as measured by KalVista's safety and efficacy evaluation criteria and methodology, or signals that the applicable IVT Product or Oral DME Product has or would have an unacceptable risk-benefit profile or is otherwise not reasonably suitable for continuation of clinical trials. For clarity, in the case that the foregoing applies to only one class of Products (e.g., IVT Products), it will not relieve KalVista of the obligations under this Section 2.8 with respect to the other class of Products (e.g., Oral DME Products).

2.9 Development Records and Reports; Audit Rights.

(a) During the Collaboration, KalVista shall, and shall cause its Affiliates and any Third Parties contracted by KalVista with respect to any IVT Compound, Oral DME Compound or Product (including any contract manufacturers) to, maintain complete and accurate records of all work conducted and all results, data and other developments made pursuant to its or their efforts. Such records and developments shall be complete and accurate and shall fully and properly reflect all work done and results achieved in the performance of the development of the Products in sufficient detail and in good scientific manner appropriate for Patent and regulatory drug development and approval purposes.

(b) At the request of Merck, KalVista shall, and shall cause its Affiliates and any Third Parties that KalVista enters into agreements with after the Effective Date with respect to any IVT Compound, Oral DME Compound or Product (including any contract manufacturers), to permit Merck, at reasonable times and upon reasonable notice, to inspect the records maintained pursuant to this Section 2.9 (which inspection right may be provided via access to a data room); provided that none of KalVista, any Affiliate of KalVista or any such Third Party shall be required to provide such access to Merck more than once per year; provided, however, that if Merck identifies any issues in such inspection that indicate any such records do not comply with Section 2.9(a), Merck shall be permitted to conduct an additional inspection of such Person to confirm that such issues have been addressed. With respect to any Third Party that KalVista has entered into agreements with prior to the Effective Date, KalVista shall provide the foregoing access to the fullest extent permitted under such agreements and, if such agreements do not permit KalVista to provide Merck with access pursuant to and fully consistent with this Section 2.9(b), KalVista shall use its commercially reasonable efforts to amend or modify such agreements in order to enable KalVista to provide access to Merck that is fully consistent with this Section 2.9(b).

(c) Upon request by Merck, KalVista shall provide, and cause any Third Party manufacturers that KalVista enters into agreements with after the Effective Date to provide, Merck with reasonable access to observe and inspect the facilities and procedures used for the manufacture, release and stability testing, and warehousing of any Product and to audit the facilities used therefor for compliance with cGMP and other Applicable Laws. In addition, upon a reasonable request by Merck, KalVista shall make available for review by Merck quality control documentation and acceptance test results for any Product, on a batch-by-batch basis, and provide such other access and assistance as Merck may reasonably request to audit and verify the adherence by KalVista and its Third Party manufacturers to the applicable quality control

procedures for such Product. Such audit and reviews shall be on reasonable prior notice and conducted during business hours and in a manner that does not unreasonably disrupt the business or operations of KalVista and such Third Party manufacturers. With respect to any Third Party manufacturers that KalVista has entered into agreements with prior to the Effective Date, KalVista shall provide the foregoing access to the fullest extent permitted under such agreements and, if such agreements do not permit KalVista to provide Merck with access pursuant to and fully consistent with this Section 2.9(c), KalVista shall use its commercially reasonable efforts to amend or modify such agreements in order to enable KalVista to provide access to Merck that is fully consistent with this Section 2.9(c).

2.10 Regulatory Documentation and Filings During the Collaboration. During the Collaboration, KalVista shall keep Merck informed through the JSC on an ongoing basis regarding the schedule and process for Regulatory Documentation and Regulatory Filings. KalVista shall furnish Merck with drafts of all Regulatory Documentation and Regulatory Filings at least [***]in advance of being filed with or submitted to the applicable Regulatory Authority and will consider in good faith any comments Merck provides to such drafts. KalVista will provide Merck with at least [***] prior notice (or, such lesser period of notice if KalVista is not provided with [***] prior notice) of (a) any scheduled meeting (including any advisory committee meetings) with any Regulatory Authority relating to any IVT Compound, Oral DME Compound or Product and (b) any inspection by any Regulatory Authority of KalVista or any Third Party contracted by KalVista relating to any IVT Compound, Oral DME Compound or Product, or any facility at which any IVT Compound, Oral DME Compound or Product (or any component thereof) is manufactured, and in each case ((a) and (b)), to the extent permitted by Applicable Law, permit representatives of Merck to be present at, and participate in, such meeting or inspection; provided that, with respect to Third Party manufacturers that KalVista has entered into agreements with prior to the Effective Date, KalVista shall provide access to Merck representatives to the full extent permitted under such agreements and, if such agreements do not permit KalVista to provide Merck with access pursuant to and fully consistent with this Section 2.10, KalVista shall use its commercially reasonable efforts to amend or modify such agreements in order to enable KalVista to provide access to Merck that is fully consistent with this Section 2.10. KalVista shall also provide to Merck, within [***] (or within [***] if material to the Collaboration or any IVT Compound, Oral DME Compound or Product) following KalVista's or any of its Affiliates' receipt thereof (i) written copies of any meeting minutes or other written records of any meetings, conferences, or discussions (including any advisory committee meetings) with any Regulatory Authority relating to any IVT Compound, Oral DME Compound or Product, (ii) written inspectional observations (e.g., observations on Form FDA 483) that the FDA or any other Governmental Authority issues to KalVista, any of its Affiliates or any Third Party contracted by KalVista as a result of any such inspection relating to any IVT Compound, Oral DME Compound or Product or any facility at which any IVT Compound, Oral DME Compound or Product (or any component thereof) is manufactured and (iii) other material correspondence or communications received from any Regulatory Authority relating to any IVT Compound, Oral DME Compound or Product (including, with respect to any written correspondence or communication, a copy thereof).

2.11 Merck Technology. In connection with the Collaboration, Merck may, but is not obligated to, make available to KalVista technology that is Controlled by Merck (the "**Merck Technology**") in order to help advance the development of the Products under the Collaboration. If Merck notifies KalVista that it desires to make any Merck Technology available to KalVista,

Merck shall grant and hereby grants to KalVista a worldwide, non-exclusive, non-sublicensable (except to KalVista's contract research organizations or service providers that are providing services in connection with the Collaboration), royalty-free, fully paid license to use the Merck Technology to develop the Products under the Collaboration.

2.12 Selection of Oral HAE Compounds. KalVista will be conducting further research and development on molecules that Specifically Modulate the Target in order to select the Oral HAE Compounds. [***].

ARTICLE 3

OPTION EXERCISE RIGHTS

3.1 Merck's Option Rights. KalVista hereby grants to Merck the IVT Option right set forth in Section 3.1(a) and the Oral DME Option set forth in Section 3.1(b), in each case exercisable at Merck's sole discretion (collectively, the "**Options**").

(a) KalVista hereby grants to Merck the exclusive option (the "**IVT Option**") commencing on the Effective Date and continuing until 11:59 p.m. (Eastern Time) [***] (the "**IVT Option Period**") to acquire the IVT Assets in accordance with Section 6.2(a).

(b) KalVista hereby grants to Merck the exclusive option (the "**Oral DME Option**") commencing on the Effective Date and continuing until 11:59 p.m. (Eastern Time) [***] (the "**Oral DME Option Period**") to acquire the Oral DME Assets in accordance with Section 6.2(b).

For clarity, (i) the [***] specified in Section 3.1(a) shall not commence until [***] and (ii) the [***] specified in Section 3.1(b) shall not commence until [***].

3.2 Option Exercise. Merck may exercise the IVT Option or Oral DME Option (each an "**Option Exercise**") by providing written notice to KalVista within the applicable Option Period. Merck shall state in its written notice of Option Exercise whether, in its reasonable determination, [***]. If, within ten (10) Business Days after KalVista provides such written notice, the Parties are unable to resolve the disagreement, they shall refer the disagreement to a mutually agreed upon law firm of national reputation or a mutually agreed upon law firm with a national reputation as local Delaware counsel for resolution. The chosen law firm shall deliver its determination within ten (10) Business Days of being engaged, and its determination shall be final, conclusive and binding upon the Parties. The Parties shall each bear fifty percent (50%) of the chosen law firm's fees and disbursements in connection with such determination. In the event the Parties, or the law firm, as applicable, [***]. For clarity, nothing in this Agreement shall be deemed to require Merck to exercise an Option, which shall be within Merck's sole and absolute discretion.

(a) **IVT Option Exercise.** If the Option Exercise is for the IVT Option, then Merck shall make the payments, and the Parties shall conduct their obligations, as set forth in Section 6.2(a).

(b) **Oral DME Option Exercise.** If the Option Exercise is for the Oral DME Option, then Merck shall make the payments, and the Parties shall conduct their

obligations, as set forth in Section 6.2(b). In the event that, at the time of an Oral DME Closing, KalVista has not yet [***], KalVista shall, and the Oral DME Asset Purchase and License Agreement shall be revised to provide that KalVista shall:

(1) upon an Oral DME Closing, transfer to Merck those molecules that are Oral DME Compounds pursuant to Section 2.12 prior to such Oral DME Closing and all Oral DME Assets related to such molecules;

(2) transfer to Merck those molecules which become Oral DME Compounds pursuant to Section 2.12 following such first Oral DME Closing and all Oral DME Assets related to such molecules within [***]after each such designation; and

(3) transfer to Merck any molecules which become Oral DME Compounds [***],

in the case of each of (1) through (3), without any consideration in addition to the payments identified in Section 6.2(b).

3.3 Disclosure Schedules; Other Information; Certain Contracts.

(a) Concurrently with its execution of this Agreement, KalVista has delivered to Merck a schedule of disclosures and exceptions to the representations and warranties made by KalVista contained in ARTICLE 11 of this Agreement and to be made in Article IV of the Asset Purchase and License Agreements and schedules pursuant to Section 1.1(aa) and Section 6.5(a) of the Asset Purchase and License Agreements, in each case as of the Effective Date (the "**Initial Schedules**").

(b) As soon as practicable, but in no event later than [***] (the "**Disclosure Schedules Deadline**") following delivery, at any time during the applicable Option Period, by Merck to KalVista of a written notice of Merck's nonbinding interest in exercising the IVT Option or the Oral DME Option, as specified therein (a "**Non-Binding Interest Notice**"), and one-time only with respect to the IVT Asset Purchase and License Agreement and one-time only with respect to the Oral DME Asset Purchase and License Agreement, KalVista shall deliver to Merck updated schedules containing disclosures and exceptions to the representations and warranties to be made by KalVista in Article IV of the IVT Asset Purchase and License Agreement and schedules pursuant to Section 1.1(aa) and Section 6.5(a) of the IVT Asset Purchase and License Agreement, if the Non-Binding Interest Notice relates to the IVT Option, or Article IV, Section 1.1(aa) and Section 6.5(a) of the Oral DME Asset Purchase and License Agreement, if the Non-Binding Interest Notice relates to the Oral DME Option (the "**Updated Schedules**"), as if such representations and warranties were made as of the date of delivery of such Updated Schedules; provided, that, from time to time before the Disclosure Schedules Deadline, KalVista may, in its discretion, provide drafts to Merck of updated schedules for review and comment by Merck, which shall be labelled as drafts and shall not be considered the Updated Schedules. If KalVista fails to deliver the Updated Schedules by the Disclosure Schedules Deadline and Merck subsequently makes an Option Exercise with respect to such Option, then, the Initial Schedules shall be deemed to be the Updated Schedules for all

purposes of the applicable Asset Purchase and License Agreement and all references to the Updated Schedules in the applicable Asset Purchase and License Agreement shall be deemed to refer to the Initial Schedules.

(c) During the Option Period, KalVista shall, as soon as reasonably practicable, provide all information in KalVista's possession that is reasonably requested by Merck and that is relevant to its decision whether to make an Option Exercise; provided that no such request shall be deemed to extend the applicable Option Period unless otherwise agreed by the Parties.

(d) KalVista shall [***] to be amended, supplemented or modified as reasonably requested by Merck.

3.4 Manufacturing Technology Transfer. Prior to an Option Exercise, when and as requested by Merck, KalVista shall, and shall cause its Affiliates to, transfer to Merck or its designee (which designee may be a Permitted Seller or a Third Party manufacturer) all Information Controlled by KalVista relating to the manufacture, release and stability testing of any IVT Product or Oral DME Product, as applicable, including: (a) all documentation regarding the then-current process for the manufacture, release and stability testing of the relevant Product(s) and any improvements or enhancements to such processes which have been made but not yet implemented, including all development reports underlying Critical Process Parameters and Critical Quality Attributes; and (b) support as may be necessary or reasonably useful to Merck or its designee to use and practice the manufacturing process, including by assisting Merck or its designee to enter into agreements with any of KalVista's Third Party manufacturers. In order to facilitate such transfer, KalVista, shall (i) participate in a reasonable number of meetings (including video-conference and in person meetings) between the Parties' experts in the critical aspects of the execution of such technology transfer (e.g., DS, DP and analytical methods); and (ii) participate in up to [***] consultations among the Parties' experts via phone or video-conference. Each Party shall bear its own costs and expenses in connection with any transfer made pursuant to this Section 3.4; provided that, with respect to KalVista's costs and expenses incurred under clause (b) of the immediately preceding sentence, the [***] of activities and support and the up to [***].

3.5 Effects of Closing. Following the IVT Closing, with respect to the IVT Assets, and following an Oral DME Closing, with respect to the Oral DME Assets, ARTICLE 4 shall apply and ARTICLE 5 shall not apply under this Agreement to such Assets.

3.6 No Option Exercise By Merck. Should Merck not make an Option Exercise within the applicable Option Period, then upon expiration of the applicable Option Period, (a) the applicable Option and Merck's rights to acquire the applicable Assets shall terminate, (b) the license granted by KalVista to Merck under Section 2.2(a) shall terminate, and (c) ARTICLE 4 shall not apply, and ARTICLE 5 shall apply under this Agreement.

ARTICLE 4

POST-CLOSING OBLIGATIONS

4.1 Responsibilities In The Event of A Closing. Except as otherwise provided in the Transaction Documents or in the event that KalVista reacquires the Assets pursuant to Section 4.6

or otherwise, in the event of an Applicable Closing, as between the Parties, Merck shall subsequently be solely responsible for all future development, manufacture and Commercialization activities of the applicable IVT Compounds or Oral DME Compounds (as applicable).

4.2 Regulatory Affairs Following A Closing. Except as otherwise provided in the Transaction Documents or in the event that KalVista reacquires the Assets pursuant to Section 4.6 or otherwise, following the IVT Closing, with respect to the IVT Products, and an Oral DME Closing, with respect to the Oral DME Products, as between the Parties, Merck shall be solely responsible for developing Regulatory Documentation and preparing and submitting Regulatory Filings, seeking Regulatory Approvals, and maintaining Regulatory Approvals for the applicable Products, including preparing all reports necessary as part of any filing required for Regulatory Approval. All such Regulatory Documentation, Regulatory Filings and Regulatory Approvals shall be owned solely by and filed solely in the name of Merck or a Permitted Seller and Merck shall be responsible for all regulatory activities and requirements and maintaining Regulatory Approvals.

4.3 Regulatory Filing Transfer, Right Of Reference. Following the IVT Closing, with respect to the IVT Products, and an Oral DME Closing, with respect to the Oral DME Product, KalVista shall file with all applicable Regulatory Authorities, within [***] all documents necessary to transfer to Merck ownership and the right of reference to all Regulatory Filings for the applicable Products, subject to the requirements and restrictions of the applicable Regulatory Authority. KalVista shall promptly furnish Merck with drafts of all such documents sufficiently in advance of being filed with or submitted to the applicable Regulatory Authority and will consider in good faith any comments Merck provides to such drafts. It is the intention of the Parties that KalVista shall have no ownership of any Regulatory Filing and no right of reference to any Regulatory Filing after the Applicable Closing with respect to the IVT Compounds, Oral DME Compounds or Products, as applicable.

4.4Pharmacovigilance. Except to the extent otherwise provided in a Transition Plan (as defined in the applicable Asset Purchase and License Agreement), after the IVT Closing, with respect to the IVT Assets, and after an Oral DME Closing, with respect to the Oral DME Assets, Merck shall have sole responsibility for pharmacovigilance reporting to Third Parties, including any Regulatory Authorities, with respect to the IVT Compounds, Oral DME Compounds or Products, as applicable.

4.5 Diligence by Merck.

(a) Following the IVT Closing and continuing through the end of the Diligence Period (as defined below), and subject to Section 4.5(b), Merck shall use Diligent Efforts to develop, obtain Regulatory Approval for and Commercialize one (1) IVT Product, if the IVT Closing has occurred. Following the Oral DME Closing and continuing through the end of the Diligence Period (as defined below), and subject to Section 4.5(b), Merck shall use Diligent Efforts to develop, obtain Regulatory Approval for and Commercialize one (1) Oral DME Product, if an Oral DME Closing has occurred. Merck shall perform its activities under this Agreement in good scientific manner. Within [***] after each of June 30 and December 31 of each year following an Applicable Closing until (a) if Merck only

exercised the IVT Option, then the First Commercial Sale of an IVT Product, (b) if Merck only exercised the Oral DME Option, then the First Commercial Sale of an Oral DME Product or (c) if Merck exercised both Options, then upon the First Commercial Sale of the first IVT Product and the First Commercial Sale of the first Oral DME Product (such applicable period, clause (a) through (c), the "**Diligence Period**"), Merck shall prepare and provide KalVista with a summary written report of Merck's development activities conducted under this Agreement with respect to the IVT Product or the Oral DME Product, as applicable, and the results thereof, through the date of such report. The obligations of Merck set forth in this Section 4.5(a) are the only diligence obligations of Merck or its Affiliates with respect to the Products, and except for such obligations, the development, manufacture, regulatory approval or Commercialization of any Product shall be in Merck's sole discretion. Any information provided by Merck to KalVista pursuant to this Section 4.5(a) shall be deemed to be Merck's Confidential Information.

(b) Notwithstanding any provision of this Agreement to the contrary, Merck shall be relieved of the obligations set forth in Section 4.5(a) with respect to an IVT Product or Oral DME Product, as applicable, to the extent that (i) Merck or its Affiliates or KalVista or its Affiliates receives or generates any safety, tolerability or other data reasonably indicating, as measured by Merck's safety and efficacy evaluation criteria and methodology, or signalling that the applicable IVT Product or Oral DME Product has or would have an unacceptable risk-benefit profile or is otherwise not reasonably suitable for continuation of clinical trials; or (ii) Merck or its Affiliates or KalVista or its Affiliates receives any notice, information or correspondence from any applicable Regulatory Authority, or any applicable Regulatory Authority takes any action, that reasonably indicates that the applicable IVT Product or Oral DME Product is unlikely ultimately to receive Regulatory Approval. For clarity, in the case that the events or circumstances described in the foregoing clause (i) or (ii) apply to only one class of Products (e.g., IVT Products), it will not relieve Merck of the obligations under Section 4.5(a) with respect to the other class of Products (e.g., Oral DME Products).

(c) KalVista understands and acknowledges that Merck may have present or future initiatives or opportunities, including initiatives or opportunities with its Affiliates or Third Parties, involving products, programs, technologies or processes that are similar to, and in some instances may compete with, an IVT Compound, an Oral DME Compound, a Product, program, technology or process covered by this Agreement. Subject to compliance with Section 11.3(b), KalVista acknowledges and agrees that nothing in this Agreement or any other Transaction Document will be construed as a representation, warranty, covenant, agreement or inference that Merck will not itself develop, manufacture or Commercialize or enter into business relationships with one or more of its Affiliates or Third Parties to develop, manufacture or Commercialize products, programs, technologies or processes that are similar to or that may compete with any IVT Compound, Oral DME Compound, Product, program, technology or process covered by this Agreement.

4.6 Right of First Negotiation. In the event that, following the IVT Closing, with respect to the IVT Assets, or an Oral DME Closing, with respect to the Oral DME Assets, Merck proposes to sell, assign, transfer, exclusively license or otherwise dispose of ("**Transfer**") all or substantially all of the applicable Assets then owned by Merck or its Affiliates (the "**RoFN Assets**") to a Third

Party, then, subject to this Section 4.6, Merck shall deliver to KalVista a [***]. For the avoidance of doubt (a) this Section 4.6 shall not apply [***], and (b) [***].

4.7 Third Party Obligations. Notwithstanding anything in this Agreement or any other Transaction Document to the contrary, KalVista shall be responsible for all financial obligations to Third Parties owing under agreements entered into by KalVista prior to the exercise of the applicable Option with respect to any IVT Compound, Oral DME Compound or Product, except to the extent that Merck assumes any such obligation at or following the Applicable Closing under the applicable Asset Purchase and License Agreement.

ARTICLE 5

EXPIRATION OF OPTION PERIOD WITHOUT AN APPLICABLE CLOSING

5.1 Responsibilities In The Event of No Option Exercise Or No Applicable Closing. Following the Collaboration, in the event that Merck does not make an Option Exercise within the applicable Option Periods or, if Merck does make an Option Exercise, an Applicable Closing does not occur, then, on an Option-by-Option basis, all rights granted to Merck under this Agreement to acquire the rights to the underlying Products shall terminate and KalVista shall retain all rights to such Products; provided that the foregoing shall not affect any other rights or remedies Merck may have under this Agreement or any other Transaction Document.

5.2 Regulatory Affairs In The Absence of An Option Exercise Or Applicable Closing. Merck covenants that, on an Option-by-Option basis, following expiration of the applicable Option Period without Merck having made an Option Exercise or, if Merck does make an Option Exercise, the failure of an Applicable Closing to occur, Merck shall not submit any Regulatory Documentation or Regulatory Filings or have any meetings or correspondence with any Regulatory Authorities regarding the applicable Products, except to the extent that Merck would otherwise have a right to do as an independent company outside of this Agreement.

5.3 Joint IP. Following the Collaboration, in the event that Merck does not make an Option Exercise within the applicable Option Periods or, if Merck does make an Option Exercise, an Applicable Closing does not occur, each Party shall have the right, without any duty of accounting, to freely exploit, transfer, license or encumber its rights in any Joint Invention (or the Patent and other intellectual property rights therein) without the consent of, or compensation or accounting to, the other Party.

ARTICLE 6

CONSIDERATION

6.1 Upfront Payment. Within [***] following the Effective Date, Merck shall pay to KalVista the following three non-refundable non-creditable payments (collectively the "**Upfront Payment**"):

(a) thirty million dollars ($30,000,000) [***];

(b) three and a half million dollars ($3,500,000) [***]; and

(c) three and a half million dollars ($3,500,000) [***].

6.2 Option Exercise Fee; Maintenance Fee.

(a) If Merck makes an Option Exercise for the IVT Option (i) Merck shall make a one-time, noncreditable and nonrefundable payment of [***] at the IVT Closing, in accordance with the terms and conditions of the IVT Asset Purchase and License Agreement, and (ii) within [***] following the Option Exercise for the IVT Option, the Parties shall execute the IVT Asset Purchase and License Agreement attached hereto as Exhibit E (the "**IVT Asset Purchase and License Agreement**").

(b) If Merck makes an Option Exercise for the Oral DME Option (i) Merck shall make a one-time, noncreditable and nonrefundable payment of [***] at the first Oral DME Closing, in accordance with the terms and conditions of the Oral DME Asset Purchase and License Agreement, and (ii) within [***] following the Option Exercise for the Oral DME Option, the Parties shall execute the Oral DME Asset Purchase and License Agreement attached hereto as Exhibit F (the "**Oral DME Asset Purchase and License Agreement**").

(c) Merck shall pay to KalVista an Oral DME Option maintenance fee [***] to be paid as follows depending on the applicable scenario [***]:

(1) [***];

(2) [***]; or

(3) [***]

6.3 Earnout Milestone Payments.

(a) Provided that the IVT Closing occurs, Merck shall pay KalVista each of the following non-refundable and non-creditable milestone payments, but only once, for the first time that such milestone event is achieved under this Agreement:

(1) [***].

(2) [***].

(3) [***].

(b) Provided that an Oral DME Closing occurs, Merck shall pay KalVista each of the following non-refundable and non-creditable milestone payments, but only once, for the first time that such milestone event is achieved under this Agreement:

(1) [***].

(2) [***].

(c) For the avoidance of doubt, under no circumstances shall (i) any one of milestones set forth in Sections 6.3(a) or 6.3(b) be paid more than once, regardless of the number of times such milestones may be achieved by the same or different Products, or (ii) annual Net Sales of multiple IVT Products be aggregated for purposes of milestones (2) or (3) set forth in Section 6.3(a).

6.4 Notice of Achievement of Milestone Events and Payment of Milestone Payments. In the case that the IVT Closing occurs, Merck shall notify KalVista within [***] after the occurrence of any milestone event described in Section 6.3(a) above and, subject to Section 6.8, shall pay the applicable milestone payment within [***] (if the milestone event in Section 6.3(a)(1) shall have occurred) or [***] (if the milestone event in Section 6.3(a)(2) or (3) shall have occurred), in each case, after the occurrence of such milestone event. In the case that an Oral DME Closing occurs, Merck shall notify KalVista within [***] after the occurrence of any milestone event described in Section 6(b) above and, subject to Section 6.8, shall pay the applicable milestone payment within [***] after the occurrence of such milestone event. Any dispute that relates to whether or not a milestone event has occurred shall be referred to and resolved pursuant to Section 13.14.

6.5 Royalty Obligations. In the event of an Applicable Closing occurs, Merck shall pay KalVista, on an applicable Product-by-Product and country-by-country basis, during the Royalty Term, a running earned royalty as set forth in this Section 6.5.

(a) **Royalty Rates.** Merck shall pay KalVista royalties in an amount equal to the following percentage of Net Sales of the applicable IVT Product and aggregate Net Sales of all Oral DME Products:

Annual Net Sales of an IVT Product:	**Royalty Rate Applicable to Such Product's Annual Net Sales:**
Less than or equal to $[***]:	[***]
Greater than $[***]:	[***]

Aggregate Annual Net Sales of all Oral DME Products:	**Royalty Rate Applicable to Such Product's Annual Net Sales:**
Less than or equal to $[***]:	[***]
Greater than $[***], but less than or equal to $[***]:	[***]
Greater than $[***], but less than or equal to $[***]:	[***]

Greater than $[***]:	[***]

(b) Certain Adjustments.

(1) Generic Products. If, in any country in the Territory in which a Generic Product and a Product are sold, the [***] of such Product in such country in any [***] during the Royalty Term equal less than [***] of the [***] of such Product in such country during the [***] immediately prior to the [***] in which a Generic Product first was sold in such country, then, for such Product in such country, the royalty rate to be paid by Merck under Section 6.5(a) for such [***] shall be [***].

(2) Third Party Licenses. If Merck enters into an agreement with a Third Party in order to obtain a license or other right to a Patent or other intellectual property right of such Third Party that covers the formulation, composition of matter or use of the IVT Compound or Oral DME Compound contained in a Product in any country in the Territory that Merck, in its reasonable discretion, determines is required for Merck to develop or Commercialize such Product, IVT Compound or Oral DME Compound, as applicable, in such country, then Merck shall be entitled to deduct from any sales-based milestones payable pursuant to Section 6.3 or royalties payable pursuant to Section 6.5(a) with respect to such Product in such country an amount equal to fifty percent (50%) of all sales-based milestone payments and royalties paid to such Third Party in respect of such agreement, in each case, to the extent reasonably allocable to such Third Party license or right; provided, however, that Merck shall not reduce the amount of the sales-based milestones or royalties theretofore paid or then payable to KalVista pursuant to Section 6.3 or Section 6.5(a), respectively, by reason of this Section 6.5(b)(2), with respect to sales of a Product in a country, to less [***] of the sales-based milestone or royalties that would otherwise be due pursuant to Section 6.3 or Section 6.5(a), respectively (as adjusted by Section 6.5(b)(1), if applicable) (the "**Third Party License Floor**"); provided, further, that any amount not so applied to reduce such sales-based milestones or royalties as a result of the Third Party License Floor shall be carried forward and applied to reduce any subsequent payments of sales-based milestones or royalties owed to KalVista pursuant to Section 6.3 or Section 6.5(a), respectively, taking into account the Third Party License Floor at such time.

(3) Compulsory Licenses. If a compulsory license is granted to a Third Party with respect to a Product in any country in the Territory with a royalty rate lower than the royalty rate provided by Section 6.5(a) (as adjusted by Section 6.5(b)(1) or (2), if applicable), then the royalty rate to be paid by Merck on Net Sales of such Product in such country under Section 6.5(a) shall be reduced to the rate paid by the compulsory licensee.

All reductions set forth in this Section 6.5(b) shall be applied to the royalty rate payable to KalVista under Section 6.5(a) in the order in which the event triggering such reduction occurs.

(c) All royalties payable pursuant to this Section 6.5 are subject to the following conditions:

(1) only one royalty shall be due with respect to the same unit of Product;

(2) no royalties shall be due upon the sale or other transfer among Merck and the Permitted Sellers, but in such cases the royalty shall be due and calculated upon Merck's or the Permitted Sellers' Net Sales to the first independent Third Party that is not a Permitted Seller;

(3) no royalties shall accrue on the sale or other disposition of Product by Merck or the Permitted Sellers for use in a clinical trial; and

(4) no royalties shall accrue on the disposition of Product in reasonable quantities by Merck or the Permitted Sellers as samples (promotion or otherwise) or as donations (for example, to non-profit institutions or government agencies for a non-commercial purpose).

6.6 Royalty Term. Royalties under Section 6.5 shall be payable on a country-by-country basis beginning upon the First Commercial Sale of a Product in a country in the Territory until the later of (i) the expiration of the last to expire Valid Patent Claim in such country or (ii) the [***] anniversary of the First Commercial Sale of that Product in that country (the "**Royalty Term**").

No Guarantee of Success

6.8 . Merck and KalVista acknowledge and agree that the payments to KalVista pursuant to Section 6.3 and Section 6.5: (a) have been included in this Agreement on the basis that they are only payable if the conditions to payment in Section 6.3 or Section 6.5, as applicable, are satisfied; (b) are solely intended to allocate monetary amounts between the Parties if payment is required pursuant to the terms of Section 6.3 or Section 6.5; (c) are not intended to be used and will not be used as a measure of liquidated damages if this Agreement is terminated for any reason, including pursuant to Merck's right to terminate hereunder, before any such success is achieved and such amounts become due; and (d) will only be triggered, and will only be relevant as provided, in accordance with the terms and conditions of such provisions. Merck and KalVista further acknowledge and agree that nothing in this Agreement will be construed as representing any estimate or projection of (i) the successful development or Commercialization of any Product under this Agreement, (ii) the number of Products that will or may be successfully developed or Commercialized under this Agreement, or (iii) the damages, if any, that may be payable if this Agreement is terminated for any reason. Merck makes no representation, warranty or covenant, either express or implied, that (A) it will successfully develop, manufacture or Commercialize or continue to develop, manufacture or Commercialize any Product in any country, other than as expressly required under Section 4.5(a), or (B) Merck will devote, or cause to be devoted, any level of diligence or resources to developing or Commercializing any Product in any country, or generally worldwide, other than as expressly required under Section 4.5(a).

6.8 [***]

ARTICLE 7

RECORDS; REPORTS AND PAYMENTS

7.1 Royalty Reports. Within [***] after the end of each calendar quarter during the Term following the First Commercial Sale of a Product, Merck shall furnish to KalVista a written report showing the gross sales of all Products subject to royalty payments sold by Merck or the Permitted

Sellers in the Territory during the reporting period, the calculation of Net Sales from such gross sales (including the aggregate amount of deductions) and the royalties payable under this Agreement. Merck shall keep complete and accurate records in sufficient detail to enable the royalties payable hereunder to be determined. All royalties shown to have accrued by each royalty report provided under this Section 7.1 shall be payable on the date such royalty report is due.

7.2 Payment Method. All payments from Merck to KalVista hereunder shall be made by electronic wire transfer in immediately available funds to the account set forth on Exhibit G or another account designated by KalVista in writing at least [***] prior to payment thereof. Subject to Section 7.4, all payments shall be made in U.S. dollars.

7.3 Taxes.

(a) KalVista shall pay any and all taxes levied on any payments it receives under this Agreement. If Applicable Law requires that taxes be withheld, Merck shall (i) deduct those taxes from the remittable payment, (ii) pay the taxes to the proper taxing authority, and (iii) send evidence of the obligation together with proof of tax payment to KalVista within [***] following that tax payment. Any such payments made by Merck shall be treated as having been made to KalVista under this Agreement.

(b) For U.S. federal and state income tax purposes, the Parties agree to treat the amounts payable under Section 6.1(a) as paid for the provision of services or the license of certain intellectual property rights and related know-how and the amounts described in Sections 6.1(b) and 6.1(c) as option premiums with respect to the IVT Option and Oral DME Option, and shall file their respective Tax returns consistently with the foregoing treatment.

7.4 Blocked Currency. In each country where the local currency is blocked and cannot be removed from the country, payments to be made pursuant to this Agreement regarding such country shall be paid in that country in local currency by electronic deposit in a local bank designated by KalVista, unless the Parties otherwise agree.

7.5 Foreign Exchange. Conversion of sales recorded in local currencies to U.S. dollars will be done at a monthly rate of exchange utilized by Merck in its worldwide accounting system prevailing on the third to the last business day of the month preceding the month in which such sales are recorded by Merck.

7.6 Records; Inspection; Audit. During the period in which Merck is required to furnish to KalVista royalty reports pursuant to Section 7.1 and for [***]thereafter:

(a) Upon the written request of KalVista, but not more than once in any calendar year, Merck shall permit an independent certified public accounting firm of nationally recognized standing selected by KalVista and reasonably acceptable to Merck, at KalVista's expense (except as set forth in Section 7.6(f)), to have access during normal business hours to such of the records of Merck as may be reasonably necessary to verify the accuracy of the royalty reports hereunder for any calendar year ending not more than [***] prior to the date of such request. The accounting firm shall disclose to KalVista only

whether the royalty reports are correct or incorrect and the amount of any discrepancy. No other information shall be provided to KalVista.

(b) If such accounting firm correctly identifies a discrepancy made during such period, the appropriate Party shall pay the other Party the amount of the discrepancy within [***] of the date KalVista delivers to Merck such accounting firm's written report so correctly concluding, or as otherwise agreed upon by the Parties.

(c) Merck shall include in each licensee and sublicense granted with respect to a Product a provision requiring the licensee or sublicensee to make reports to Merck, to keep and maintain records of sales made pursuant to such license or sublicense and to grant access to such records by KalVista's independent accountant to the same extent required of Merck under this Agreement.

(d) Upon the expiration of [***] following the end of any calendar year, the calculation of royalties payable with respect to such calendar year shall be binding and conclusive upon KalVista, and Merck and its Affiliates shall be released from any liability or accountability with respect to royalties for such calendar year.

(e) KalVista shall treat all financial information subject to review under this Section 7.6 or under any license or sublicense agreement in accordance with the confidentiality and non-use provisions of this Agreement, and shall cause its accounting firm to enter into an acceptable confidentiality agreement with Merck or its Affiliate containing customary confidentiality and non-use provisions.

(f) The costs of any audit conducted under this Section 7.6 shall be at the expense of KalVista unless a variation or error in favor of Merck exceeds the greater of (i) [***] of the aggregate amount stated for the period covered by such audit and (ii) [***] is established in the course of such audit, whereupon all costs relating to such audit for such period will be paid promptly by Merck.

ARTICLE 8

INDEMNIFICATION

8.1 Cross Indemnification. Each Party hereby agrees to indemnify, defend and hold harmless the other Party and its Affiliates and their respective directors, officers, agents and employees (the "**Indemnitees**") from and again, and shall pay and reimburse each of them for, any and all damages, liabilities, expenses, judgments, awards, penalties, fines or loss and costs or expenses incurred in connection therewith, including reasonable legal expenses and reasonable attorneys' fees and reasonable amounts paid in settlement ("**Losses**"), incurred or sustained by, or imposed upon, such Indemnitee based upon, arising out of, with respect to or by reason of an Action brought by a Third Party (each, a "**Claim**") to the extent arising from: (i) any inaccuracy in or breach by such Party or its Affiliates of a representation or warranty made by such Party contained in this Agreement; (ii) any breach of this Agreement by such Party or its Affiliates; or (iii) the negligence, willful misconduct or fraud of such Party or its Affiliates in the performance of this Agreement; except to the extent such Losses result from (1) any inaccuracy or breach by the

other Party or its Affiliates of a representation or warranty made by such other Party contained in this Agreement; (2) any breach of this Agreement by the Indemnitee; or (3) the gross negligence, willful misconduct or fraud of the Indemnitee in the performance of this Agreement.

8.2 Notice of Request for Indemnification. In the event that an Indemnitee is seeking indemnification under Section 8.1 with respect to any action made or brought by a Third Party (a "**Third Party Claim**"), it shall inform the indemnifying Party of such Third Party Claim as soon as reasonably practicable after it receives notice of such Third Party Claim (provided, however, that the failure to inform the indemnifying Party as soon as reasonably practicable shall not relieve the indemnifying Party of its indemnification obligations, except and to the extent that the indemnifying Party is actually prejudiced by reason of such failure), shall permit the indemnifying Party to assume direction and control of the defense of such Third Party Claim (including the right to settle such Third Party Claim solely for monetary consideration and provided that such settlement includes a full release of the indemnified Party); provided that the indemnifying Party shall not be entitled to assume the defense of any Third Party Claim if such Third Party Claim (a) seeks any relief other than monetary damages, (b) has been brought by or on behalf of any Governmental Authority or in connection with taxes or any criminal or regulatory enforcement action, (c) is reasonably likely to result in a regulatory enforcement action by a Governmental Authority against the indemnified Party, or (d) relates to the intellectual property rights of the indemnified Party. The indemnified Party shall cooperate with the indemnifying Party (at the expense of the indemnifying Party) in the defense of such Third Party Claim in all reasonable respects. The indemnified Party shall have an independent right to be present in person or through counsel of its own choosing in all legal proceedings with respect to such Third Party Claim and to independently defend itself, such legal representation of the indemnified Party being at the sole expense of the indemnifying Party.

8.3 Limitation on Liability. IN NO EVENT SHALL EITHER PARTY OR ITS AFFILIATES, OR THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER BASED UPON A CLAIM OR ACTION OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EXCEPT WITH RESPECT TO ANY SUCH LOSSES (a) ACTUALLY AWARDED TO A THIRD PARTY IN RESPECT OF THIRD PARTY CLAIMS INDEMNIFIED HEREUNDER OR (b) ARISING OUT OF OR BASED ON A PARTY'S FRAUD OR WILLFUL MISCONDUCT OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER ARTICLE 10.

ARTICLE 9

INTELLECTUAL PROPERTY MATTERS

9.1 Ownership of Inventions. Inventorship of inventions (for the purpose of ownership) shall be determined according to the patent laws of the United States.

9.2 Ownership of Joint Intellectual Property. Subject to Section 9.1, as between the Parties, the Parties shall each own an equal, undivided interest in any and all: (i) Information, Improvements and other inventions that are conceived, developed or otherwise made jointly by or

on behalf of KalVista or its Affiliates or its or their licensees or sublicensees, on the one hand, and Merck or its Affiliates or its or their licensees or sublicensees, on the other hand, in connection with the work conducted under or in connection with this Agreement, whether or not patented or patentable ("**Joint Know-How**"); and (ii) Patents ("**Joint Patents**") and other intellectual property rights with respect to the Information, Improvements and inventions described in clause (i). Each Party shall promptly disclose to the other Party in writing and shall cause its Affiliates, and its and their licensees and sublicensees to so disclose, the development, making, conception or reduction to practice of any Joint Know-How or Joint Patents.

9.3 Responsibility For Joint Patents. Merck shall have the right, but not the obligation, using counsel of its own choice, to prepare, file, prosecute and maintain any Joint Patents in the Territory, at its expense. If, as between the Parties, Merck decides not to prepare, file, prosecute or maintain a Joint Patent in a country in the Territory, Merck shall provide reasonable prior written notice to KalVista of such intention and KalVista shall thereupon have the option, in its sole discretion, to assume the control and direction of the preparation, filing, prosecution and maintenance of such Joint Patent at KalVista's sole cost and expense in such country, in which circumstance Merck shall provide KalVista with reasonable assistance in the preparation, filing, prosecution and maintenance of such Joint Patents.

9.4 Responsibility For KalVista Patent Estate.

(a) KalVista shall keep Merck advised of the status of the actual and prospective KalVista Patent filings and upon Merck's request, shall provide advance copies of any papers related to the filing, prosecution and maintenance of such KalVista Patent filings.

(b) KalVista shall promptly give notice to Merck of the grant, lapse, revocation, surrender, invalidation or abandonment of any KalVista Patents.

(c) KalVista shall, within [***] after learning of such event, inform Merck of any request for, or filing or declaration of, any interference, opposition, reissue or reexamination relating to any KalVista Patent. The JPC shall thereafter consult to determine a course of action with respect to any such proceeding. Merck shall have the right to review and approve any submission to be made in connection with such proceeding.

(d) KalVista shall not initiate any reexamination, interference or reissue proceeding relating to KalVista Patents without the JPC's prior review and approval.

(e) In connection with any interference, opposition, reissue, or reexamination proceeding relating to KalVista Patent rights, Merck and KalVista will cooperate fully and will provide each other, and the JPC, with any information or assistance that either may reasonably request. KalVista shall keep Merck informed of developments in any such action or proceeding, including, to the extent permissible by Applicable Law, consultation and approval of any settlement, the status of any settlement negotiations and the terms of any offer related thereto.

(f) KalVista shall bear the expense of any interference, opposition, reexamination, or reissue proceeding relating to KalVista Patent rights.

(g) After expiration of the applicable Option Period without Merck making an Option Exercise or if Merck does exercise the applicable Option and the Applicable Closing does not occur, all rights granted to Merck under this Agreement to acquire the portion of the KalVista Patent Estate applicable to the IVT Compounds or Oral DME Compounds, as applicable, shall terminate and KalVista shall retain all rights such portion of the KalVista Patent Estate.

9.5 Enforcement and Defense. KalVista shall give Merck prompt written notice of (a) any infringement of KalVista Patent rights, or (b) any misappropriation or misuse of any Intellectual Property Rights or Common IP, in each case that comes to KalVista's attention. The JPC shall thereafter consult to determine a course of action, including the commencement of legal action by KalVista with respect to such infringement or misappropriation.

ARTICLE 10

CONFIDENTIALITY

10.1 Nondisclosure of Confidential Information. All Information disclosed by or on behalf of one Party to the other Party pursuant to this Agreement, any other Transaction Document or the Collaboration shall be "**Confidential Information**."

(a) All Information specific to the Products shall be presumed to be Confidential Information and both Parties shall use reasonable efforts to maintain the confidentiality of such Confidential Information; provided that, (i) following the IVT Closing, all Information specific to the IVT Products, or, following an Oral DME Closing, all Information specific to the Oral DME Products, shall be deemed to be Confidential Information of Merck and shall be treated in accordance with Section 10.1(b) as information received by KalVista and (ii) Oral DME Data shall be deemed to be the Confidential Information of the Party that owns such Oral DME Data, taking into account Section 6.8. For sake of clarity, Information shall be viewed to be specific to the Products only to the extent such Information is not also applicable to development, manufacturing or Commercialization activities of other pharmaceutical products.

(b) The Parties agree that during the Term, and for a period of [***] thereafter, a Party receiving Confidential Information of the other Party will (i) maintain in confidence such Confidential Information to the same extent such Party maintains its own proprietary business information of similar kind and value (but at a minimum each Party shall use commercially reasonable efforts), (ii) not disclose such Confidential Information to any Third Party without prior written consent of the other Party, and (iii) not use, or permit the use of, such Confidential Information for any purpose except those expressly permitted by this Agreement. From and after the IVT Closing, all Information related to the IVT Assets shall be deemed to have been disclosed by Merck and received by KalVista,

and, from and after an Oral DME Closing, all Information related to the Oral DME Assets shall be deemed to have been disclosed by Merck and received by KalVista.

10.2 Exceptions. The obligations in Section 10.1 shall not apply with respect to any portion of the Confidential Information that the receiving Party can show by competent written proof:

(a) is publicly disclosed by the disclosing Party, either before or after it is disclosed to the receiving Party hereunder;

(b) was known to the receiving Party, without obligation to keep it confidential, prior to disclosure by the disclosing Party;

(c) is subsequently disclosed to the receiving Party by a Third Party lawfully in possession thereof and without obligation to keep it confidential;

(d) has been published or becomes known publicly, or otherwise becomes part of the public domain by a Third Party through no act or omission of the other Party, its Affiliates or representatives; or

(e) has been independently developed by or on behalf of the receiving Party without the aid, application or use of all or any part of Confidential Information.

10.3 Authorized Disclosure. A Party may disclose Confidential Information belonging to the other Party to the extent such disclosure is reasonably necessary in the following instances:

(a) Complying with applicable court order, law, governmental regulations or the rules of any national securities exchange governing body or association; provided that, prior to such disclosure, the disclosing Party will notify the other Party in writing in a timely manner so that such other Party may seek a protective order or other appropriate remedy or, in such other Party's sole discretion, waive compliance with the confidentiality provisions of this Agreement. Each Party will cooperate in all reasonable respects in connection with any reasonable actions to be taken for the foregoing purpose. In any event, the Party requested or required to disclose such Confidential Information may furnish it as requested or required pursuant to Applicable Law (subject to any such protective order or other appropriate remedy) without liability hereunder, provided that such Party furnishes only that portion of the Confidential Information which such Party is advised by its legal counsel is legally required, and such Party exercises reasonable efforts to obtain reliable assurances that confidential treatment will be accorded such Confidential Information; and

(b) in connection with the performance of, or the exercise of rights or remedies under, this Agreement and the other Transaction Documents, or disclosure to potential partners, licensees, research collaborators, investors, employees, consultants, or agents, each of whom prior to disclosure must be bound by similar obligations of confidentiality and non-use at least equivalent in scope to those set forth in this ARTICLE 10.

The Parties acknowledge that the terms of this Agreement shall be treated as Confidential Information of both Parties. Such terms may be disclosed by a Party to investment bankers, investors, potential investors, lenders and other financing parties, provided that they are bound by

similar obligations of confidentiality and non-use at least equivalent in scope to those set forth in this ARTICLE 10. In addition, a copy of this Agreement and any other Transaction Document may be filed by either Party or its Affiliates with the U.S. Securities and Exchange Commission or equivalent securities agency if such filing is, in the reasonable opinion of such Party's legal counsel, required by Applicable Law. Before filing this Agreement, any other Transaction Document or any of the terms hereof or thereof pursuant to this paragraph, the Parties will consult with one another on the terms of this Agreement or such other Transaction Document to be redacted in making any such filing, with the Party that is required, or whose Affiliate is required, to file this Agreement or such other Transaction Document providing as much advanced notice as is feasible under the circumstances, and considering in good faith the comments of the other Party. In connection with any such filing, such Party shall endeavour, at its own expense, to obtain confidential treatment of such terms reasonably requested by the other Party and other trade secret information to the extent permitted by such securities agency.

10.4 Confidentiality Agreement. The Confidentiality Agreement shall terminate and be of no further force and effect upon execution of this Agreement.

10.5 Securities Laws. Merck hereby acknowledges that it is aware that the common stock of Parent is publicly traded as of the Effective Date and that the United States federal securities laws prohibit Persons that have material, non-public information about a company from purchasing or selling securities of such a company or from communicating such information to any other Person under circumstances in which it is reasonably foreseeable that such other Person is likely to purchase or sell such securities.

ARTICLE 11

REPRESENTATIONS AND WARRANTIES AND COVENANTS

11.1 Representations and Warranties of the Parties. Each Party hereby represents and warrants to the other Party that, as of the Effective Date:

(a) Such Party is duly organized and validly existing and in good standing under the laws of the jurisdiction of its organization;

(b) Such Party has the full organizational power and is duly authorized to enter into, execute and deliver this Agreement, and to carry out and otherwise perform its obligations hereunder;

(c) This Agreement has been duly executed and delivered by, and, assuming the due execution and delivery hereof by the other Party, is the legal and valid obligation of, and is enforceable against, such Party (except as may be limited by applicable bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or other Applicable Law of general application relating to or affecting the enforcement of creditors rights' generally), and the entry into, the execution and delivery of, and the carrying out and other performance of its obligations under this Agreement by such Party (i) does not conflict with, or contravene or constitute any default under, any agreement, instrument or understanding, oral or written, to which it is a party, and (ii) does not violate any governing

document of such Party, Applicable Law or any judgment, injunction, order or decree of any Governmental Authority having jurisdiction over it; and

(d) Such Party does not, to its knowledge, employ and will not, to its knowledge, employ, or use, a Person that has been debarred by a Regulatory Authority in any country in the Territory. Further, such Party, to its knowledge, does not employ and, to its knowledge, has not used a contractor or consultant that has employed, any individual or entity debarred by a Regulatory Authority in any country in the Territory, or, to the knowledge of such Party, any Person which is subject of any such debarment investigation or proceeding.

11.2 Representations and Warranties of KalVista. KalVista hereby represents and warrants to the Merck that, as of the Effective Date (except, with respect to (d) below, to the extent such representations and warranties speak expressly as of an earlier date):

(a) KalVista has the right and authority to consummate the transactions contemplated by the IVT Asset Purchase and License Agreement and the Oral DME Asset Purchase and License Agreement;

(b) There are no pending or, to KalVista's knowledge, threatened actions, suits, investigations, claims or proceedings relating to the Intellectual Property Rights, the Common IP or the Assets existing as of the Effective Date;

(c) KalVista has disclosed to Merck all material Information regarding the Products, the IVT Compounds and the Oral DME Compounds in KalVista's or its Affiliates' possession, including all safety data and information; and

(d) Except as set forth in the applicable Sections of the Initial Schedules, each of the representations and warranties set forth in Section 4.6 (Title to Assets), Section 4.7 (Intellectual Property), Section 4.9 (Legal Proceedings; Governmental Orders); Section 4.10 (Compliance with Laws); and Section 4.11 (Regulatory Matters) of each of the Asset Purchase and License Agreements, as incorporated herein by reference (together with any defined terms used therein), *mutatis mutandis*, are true and correct, with references therein to the (i) Updated Schedules being deemed to mean the Initial Schedules delivered pursuant to Section 3.3(a) of this Agreement and (ii) Agreement Date being deemed to mean the Effective Date.

It is acknowledged and agreed that the listing of the Section 4.7 Contracts in the Initial Schedules shall not be deemed to modify or amend the representations and warranties of KalVista set forth in this Section 11.2 other than the representations and warranties of KalVista set forth in Section 4.7(g) and Section 4.7(h) of each of the Asset Purchase and License Agreements, as incorporated herein through Section 11.2(d).

11.3 Exclusivity Covenants

(a) **Exclusivity Covenants of KalVista and Parent.** [***]

(b) **Exclusivity Covenant of Merck.** [***].

(c) **Acknowledgements.** [***]

11.4 Operational Covenants of KalVista.

(a) During the Term, KalVista shall not, and it shall not permit any of its Affiliates to:

(1) take any action that would interfere with or impede the Options or Merck's ability to make an Option Exercise and consummate the transactions contemplated by this Agreement or the other Transaction Documents, except with respect to enforcement of the terms of this Agreement as a result of a breach of this Agreement by Merck;

(2) mortgage, pledge, or otherwise cause any Assets to be made subject to any Encumbrance, other than Permitted Encumbrances (each as defined in the Asset Purchase and License Agreements);

(3) sell, transfer, assign, license or otherwise dispose of any Assets, except for any contract granting non-exclusive licenses to contract research organizations, contract manufacturing organizations and other contractors engaged on behalf of KalVista in manufacturing or development activities with respect to the IVT Compounds, the Oral DME Compounds or any Product in connection with the Collaboration;

(4) fail to keep in full force and effect all insurance policies covering the Assets, or amend any such policy to materially reduce the coverage thereunder with respect to the Assets;

(5) materially amend, modify or supplement any Clinical Development Plan or the requirements for a Data Package; or

(6) contract, authorize, agree or commit to take any of the actions described in the foregoing.

(b) This Section 11.4 shall not apply with respect to any Assets for which Merck does not make an Option Exercise within the applicable Option Period or, if Merck does make an Option Exercise, an Applicable Closing does not occur.

11.5 Nonsolicitation Covenants of KalVista and Parent.

(a) During the Term, neither KalVista nor Parent shall, nor shall either authorize, instruct or permit any of its Affiliates, equityholders, officers, directors, managers or employees or any investment banker, attorney or other advisor or representative retained by it to, (i) [***] inquiries, proposals, offers or negotiations with respect to, or the submission of, any Competing Transaction Proposal or any inquiry, offer or proposal that is intended to or could reasonably be expected to lead to a Competing Transaction Proposal, (ii) [***] any non-public information with respect to, or take any other action intended or reasonably expected to facilitate the making of any inquiry, offer

or proposal to KalVista, Parent or any of their respective Affiliates that constitutes, or could reasonably be expected to lead to, any Competing Transaction Proposal other than to state that they are not permitted to have discussions and to refer to this Agreement, (iii) [***] or (iv) resolve to propose or agree to do any of the foregoing.

(b) If, during the Term, KalVista, Parent or any of their respective Affiliates (including any of their officers and directors) or, to the knowledge of KalVista or Parent, any employee, investment banker, attorney or other advisor or representative retained by it, is contacted by any Person expressing an interest in discussing a Competing Transaction Proposal, KalVista shall promptly (and in all events within [***] after becoming aware of such contact) advise Merck orally and in writing of the receipt of any Competing Transaction Proposal, inquiry or indication of interest that could lead to a Competing Transaction Proposal, or request for non-public information, and the material terms and conditions of any such Competing Transaction Proposal, inquiry, indication of interest or request, and the identity of the Person making any such Competing Transaction Proposal, inquiry, indication of interest or request (including an accurate and complete copy thereof); provided, however, that KalVista's obligations under this Section 11.5(b) shall not apply if and to the extent that KalVista is prohibited from providing such notice or information to Merck pursuant to agreements with Third Parties entered into prior to the Effective Date.

(c) This Section 11.5 shall not apply with respect to any Assets for which Merck does not make an Option Exercise within the applicable Option Period or, if Merck does make an Option Exercise, an Applicable Closing does not occur.

ARTICLE 12
TERM OF AGREEMENT

12.1 Term of Agreement. The term of this Agreement (the "**Term**") shall commence on the Effective Date and continue in full force and effect until the earlier of (a) Merck giving written notice to KalVista of its desire to terminate (i) this Agreement, with respect to all Assets, (ii) the IVT Option, solely with respect to the IVT Assets (but not with respect to the Oral DME Option or Oral DME Assets), or (iii) the Oral DME Option, solely with respect to the Oral DME Assets (but not with respect to the IVT Option or IVT Assets), (b) if Merck has not exercised either Option, expiration of the last to expire of the Option Periods, (c) if Merck has exercised the IVT Option, the IVT Closing (or, if the IVT Closing fails to occur, the termination of the IVT Asset Purchase and License Agreement), solely with respect to the IVT Assets and the Collaboration with respect to the IVT Assets (but not with respect to the Oral DME Assets or the Collaboration with respect to the Oral DME Assets), (d) if Merck has exercised the Oral DME Option, the Oral DME Closing (or, if the Oral DME Closing fails to occur, the termination of the Oral DME Asset Purchase and License Agreement), solely with respect to the Oral DME Assets and the Collaboration with respect to the Oral DME Assets (but not with respect to the IVT Assets or the Collaboration with respect to the IVT Assets), and (e) the fifth anniversary of the date on which KalVista, in compliance with its obligations under Section 2.8, has ceased all research and development of IVT Compounds, Oral DME Compounds and Products.

12.2 Termination for Cause. KalVista may terminate this Agreement based on the material breach of any material provision of this Agreement by Merck if Merck has not cured such breach within [***] after receipt of express written notice thereof; provided that KalVista shall not have the right to so terminate this Agreement if such breach by Merck resulted from a breach by KalVista of any provision of this Agreement.

12.3 Accrued Rights and Liability The expiration or termination of this Agreement or the rights and obligations with respect to obligations for a particular Product under this Agreement, shall not relieve the Parties of any liability which accrued hereunder prior to the effective date of such expiration termination nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation.

12.4 Survival. In the event of expiration or termination of this Agreement pursuant to Section 12.1 or Section 12.2, (a) the following provisions of this Agreement shall survive: ARTICLES 1, 5, 8, 10, 12 and 13 and Sections 9.2 and 9.3, (b) the following provisions of this Agreement shall survive with respect to the IVT Assets, if the IVT Closing has occurred, or the Oral DME Assets, if an Oral DME Closing has occurred: ARTICLES 4 and 7 and Sections 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 and 11.3 and (c) Section 6.8 shall survive if Merck then owns the Oral DME Data pursuant to such Section.

ARTICLE 13
MISCELLANEOUS

13.1 Entire Agreement; Amendment. This Agreement and the other Transaction Documents set forth the complete, final and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter hereof and of the other Transaction Documents and supersede and terminate all prior and contemporaneous agreements and understandings between the Parties with respect to such subject matter. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties with respect to the subject matter hereof or of the other Transaction Documents other than as are set forth herein or therein. No subsequent alteration, amendment, change or addition to this Agreement or any other Transaction Document shall be binding upon the Parties unless reduced to writing and signed by an authorized officer of each Party.

13.2 Standard of Practice. In conducting its respective development and Commercialization activities hereunder, each Party shall ensure that its Affiliates and its and their respective employees, and shall use its commercially reasonable efforts to ensure that its agents, clinical institutions and clinical investigators, comply in all material respects with the Applicable Laws, including all statutory and regulatory requirements applicable to the Products being developed under this Agreement.

13.3 Governing Law. Resolution of all disputes and claims arising out of or related to this Agreement, the other Transaction Documents or the performance, enforcement, breach or termination of this Agreement, the other Transaction Documents and any remedies relating

thereto, shall be governed by and construed under the substantive laws of the State of Delaware, without regard to conflicts of law rules that would provide for application of the law of a jurisdiction outside Delaware.

13.4 Notices. Any notice, claims and other communications required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement and shall be deemed to have been sufficiently given for all purposes (a) upon receipt, if mailed by first class certified or registered mail, postage prepaid, express delivery service or personally delivered or (b) on the date of transmission, if sent by facsimile or e-mail of an Adobe™ Portable Document Format ("PDF") document (with confirmation of transmission) if sent during the normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient. Unless otherwise specified in writing, the addresses, facsimile numbers and e-mail addresses of the Parties shall be as set forth below.

For Merck: Merck Sharp & Dohme Corp.
One Merck Drive
Whitehouse Station, NJ 08889-0100
Facsimile: (908) 735-1246
Attention: Office of Secretary

With copies (which shall not constitute notice) to:

Merck Sharp & Dohme Corp.
2000 Galloping Hill Road
P.O. Box 539
Mailstop K-1-4161
Kenilworth, NJ 07033
Attention: Senior Vice President, Business Development

and

Covington & Burling LLP
One CityCenter
850 Tenth Street, NW
Washington, DC 20001
Facsimile: [***]
E-mail: [***]
Attention: [***]

For KalVista: KalVista Pharmaceuticals, Inc.
55 Cambridge Parkway, 9th Floor
Cambridge, MA 02142
E-mail: [***]
Attention: Chief Financial Officer

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

Fenwick & West LLP
1191 2nd Ave, 10th Floor
Seattle, WA 98101
E-mail: [***]
Attn: Effie Toshav

13.5 United States Dollars. References in this Agreement to "dollars" or "$" shall mean the legal tender of the United States of America.

13.6 No Strict Construction. This Agreement has been prepared jointly and shall not be strictly construed against either Party.

13.7 Assignment.

(a) During the Term, neither KalVista nor Merck may sell, assign, transfer, convey, license, sublicense, pledge, or otherwise dispose (collectively "assignment" as used in this Section 13.7) this Agreement or any rights or obligations under this Agreement without the prior written consent of the other, provided, that (a) a Party may make such an assignment without the other Party's consent (i) to an Affiliate, or (ii) subject to Section 13.7(b), in the event of a Change of Control of such Party; and (b) Merck may make such an assignment without KalVista's consent in connection with the transfer or sale of all or substantially all of its business or assets related to this Agreement; provided, in each case (clauses (a) and (b)), that such Affiliate, successor or assignee, as applicable, agrees in writing to be bound by the terms and conditions of this Agreement. In addition, Merck may assign its rights and obligations under this Agreement to a Third Party where Merck or its Affiliate is required, or makes a good faith determination based on advice of counsel, to divest a Product in order to comply with Applicable Law or the order of any Governmental Authority as a result of a merger or acquisition; provided that the assignee expressly agrees in writing to be bound the terms and conditions of this Agreement. Any assignment not in accordance with this Section 13.7 will be void. This Agreement will be binding upon the successors and permitted assigns of the Parties and the name of a Party appearing herein will be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement.

(b) KalVista shall provide Merck with written notice of any Change of Control of KalVista or Parent within [***] following the earlier of the first public announcement of the execution of any agreement with respect to such transaction and the closing date of such transaction. In the event of a Change of Control of KalVista or Parent where a Competitor (as defined below) has acquired the controlling interest in KalVista or Parent, then Merck shall have the right, in its sole and absolute discretion, by written notice delivered to KalVista (or its successor) at any time following the written notice contemplated by the foregoing sentence, to (i) disband the JSC, JPC, Joint Process Development Committee and any subcommittees of the foregoing and terminate the activities of the foregoing (in which case, (A) information to be provided by KalVista to Merck through the JSC, JPC, Joint Process Development Committee or any of subcommittees of the foregoing be provided directly to Merck, and (B) actions to be taken by the JSC, JPC, Joint Process Development Committee or any subcommittees of the

foregoing shall thereafter be made by agreement of the Parties, with escalation in the event of disagreement to be made pursuant to Section 2.4(e)); (ii) limit its obligations to provide any reports hereunder to reporting only (A) Merck's total royalty obligation (provided that, Merck will, if requested by KalVista, provide the royalty reports specified in Section 7.1 to an independent certified public accounting firm for auditing in accordance with Section 7.6) and (B) once annual development reports detailing the final results of any clinical trials conducted by Merck on Products; (iii) require KalVista or Parent, including the Competitor and its Affiliates, to adopt reasonable procedures to be agreed upon in writing with Merck to prevent the disclosure and authorized use of all Confidential Information of Merck, as well as other information possessed by KalVista and its Affiliates with respect to the development or Commercialization of any IVT Compound, Oral DME Compound or Product (collectively "**Sensitive Information**") beyond KalVista personnel having access to and knowledge of Sensitive Information prior to such Change of Control and to control the dissemination of Sensitive Information disclosed after such Change of Control. The purposes of such procedures shall be to strictly limit such disclosures to only those personnel having a need to know Sensitive Information in order for KalVista to perform its obligations under this Agreement and the other Transaction Documents and to prohibit the use of Sensitive Information for competitive reasons against Merck, the Permitted Sellers or any IVT Compound, Oral DME Compound or Product, including the use of Sensitive Information for the development or Commercialization of compounds or products that compete with any IVT Compound, Oral DME Compound or Product. As used herein, a "**Competitor**" shall mean any Person that (x) together with its Affiliates, [***] or (y) [***].

13.8 Counterparts. This Agreement and any other Transaction Document 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. A signed copy of this Agreement or any other Transaction Document delivered by facsimile or PDF file by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement or such other Transaction Document.

13.9 Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement or any other Transaction Document.

13.10 Severability. If any one or more of the provisions of this Agreement or any other Transaction Document is held to be invalid or unenforceable by any court of competent jurisdiction from which no appeal can be or is taken, the provision shall be considered severed from this Agreement or such other Transaction Document, as applicable, and shall not serve to invalidate any remaining provisions hereof or therefor or invalidate or render unenforceable such term or provision in any other jurisdiction. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement and the other Transaction Documents may be realized.

13.11 **Ambiguities.** Ambiguities, if any, in this Agreement or any other Transaction Document shall not be construed against any Party, irrespective of which Party may be deemed to have authored the ambiguous provision.

13.12 **Headings.** The headings for each article and section in this Agreement and the other Transaction Documents have been inserted for convenience of reference only and are not intended to limit or expand on the meaning of the language contained in the particular article or section.

13.13 **No Waiver.** Any delay in enforcing a Party's rights under this Agreement or any other Transaction Document or any waiver as to a particular default or other matter shall not constitute a waiver of such Party's rights to the future enforcement of its rights under this Agreement or such other Transaction Document, excepting only as to an express written and signed waiver as to a particular matter for a particular period of time.

13.14 **Dispute Resolution.** Except with respect to (i) matters that this Agreement or any other Transaction Document requires be finally determined by the JSC (or any subcommittee thereof) and (ii) disputes under Section 3.2 (Purchase Price Allocation) of the Asset Purchase and License Agreement, any dispute arising under or relating to this Agreement or any Transaction Document other than the Parent Guarantee, including any question regarding the existence, validity, breach or termination thereof (a "**Dispute**"), shall be fully and finally resolved in accordance with this Section 13.14.

(a) Either Party shall refer any such Dispute, by issuance of a written Notice in accordance with Section 13.4, to the Chief Executive Officer of KalVista and the Senior Vice President of Global Clinical Development of Merck Research Laboratories (the "**Designated Senior Officers**") (or their designees), who shall promptly initiate discussions in good faith to resolve such Dispute. If, in the sole opinion of either Party, such Dispute is not resolved by the Designated Senior Officers within [***] after the date upon which Notice of the Dispute has first been issued, such Dispute shall be resolved in accordance with Section 13.14(b).

(b) Subject to Section 13.14(a), any Dispute shall be referred to, and fully and finally resolved by a binding, non-reviewable and non-appealable alternative dispute resolution process in accordance with the then existing Non-Administered Arbitration Rules of the International Institute for Conflict Prevention and Resolution, except where they conflict with this Section 13.14(b), in which case the provisions of this Section 13.14(b) shall apply. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be New York, New York. All proceedings shall be held in English and a transcribed record prepared in English. A transcript of the testimony adduced at the hearing shall be made and shall be made available to each Party. The arbitral tribunal shall render a written opinion stating the reasons upon which any award is based. The arbitral tribunal shall have the discretion to award to the prevailing Party all costs of the arbitration, including reasonable fees and expenses for attorneys, expert and other witnesses, and the tribunal, under the general principle that the prevailing Party should be entitled to such recovery consistent with the general degree to which it prevails. Any arbitration award may be entered as a final judgment in any court having jurisdiction, and the Parties hereby consent to the jurisdiction of any federal or state court within the State of New York for this

purpose. Nothing in this Agreement shall be deemed as preventing either Party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of the dispute at any time as deemed necessary to protect either Party's name or reputation, proprietary information, trade secrets, know-how or any other right.

(c) EACH OF THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

(d) EACH PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF ANY DOCUMENT OR LEGAL PROCESS IN ANY ACTION OR PROCEEDING RELATING TO ANY DISPUTE OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, ON BEHALF OF ITSELF OR ITS PROPERTY, BY THE PERSONAL DELIVERY OF COPIES OF SUCH PROCESS TO SUCH PARTY IN THE MANNER PROVIDED FOR NOTICES IN SECTION 13.4. NOTHING IN THIS SECTION 10.10 SHALL AFFECT THE RIGHT OF ANY PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

13.15 Schedules, Exhibits and Attachments. All schedules, exhibits and attachments referred to herein or in any other Transaction Document are intended to be and hereby are specifically made part of this Agreement or such other Transaction Document, as applicable. However, if there is a conflict between a term or condition of such schedules, exhibits and attachments and this Agreement or such other Transaction Document, the terms and conditions of this Agreement or such other Transaction Document, as applicable, shall prevail.

13.16 Publicity. The Parties agree that KalVista shall be permitted to make a single public announcement of the execution of this Agreement which shall be in the form of the press release attached as Exhibit H. Either Party shall have the right to disclose all or a portion of such press release at any time. Any further written publication, news release or other written public announcement relating to this Agreement, any other Transaction Document or the performance hereunder or thereunder shall require mutual agreement and first be reviewed and approved by both Parties; provided, however, that, subject to the last paragraph of Section 10.3, any disclosure which is required by Applicable Law as advised by the disclosing Party's counsel may be made without the prior consent of the other Party, although the other Party shall be given prompt notice of any such legally required disclosure and the disclosing Party shall use commercially reasonable efforts to provide the other Party an opportunity to discuss and comment on the proposed disclosure and consider such comments in good faith before making such disclosure. Except as provided by the foregoing, neither Party shall use the name(s) of the other Party or the other Party's personnel who have participated in this Agreement or any other Transaction Document, or any abbreviation or variant thereof, in any press release or commercial advertisement or similar material, unless such Party obtains in advance the written consent of the named Party.

13.17 Third-Party Beneficiaries; Affiliates. Except as expressly provided in Section 8.1 or Article VIII of the Asset Purchase and License Agreements, if applicable, this Agreement and the other Transaction Documents are for the sole benefit of the Parties and their respective successors and permitted assigns and no Third Party is intended or shall be deemed to be a beneficiary of any provision of this Agreement or any other Transaction Document. Each Party acknowledges that their respective Affiliates may have certain obligations under this Agreement or another Transaction Document in the future, and each Party shall ensure that their respective Affiliates perform and otherwise comply with all such obligations. Neither Party shall permit any of its Affiliates to take any action which, if taken by it, would violate such Party's obligations hereunder or under any Transaction Document.

Expenses

13.19 . Except as otherwise expressly provided herein or in any other Transaction Document, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby shall be paid by the Party incurring such costs and expenses, whether or not Merck makes an Option Exercise or the Applicable Closing shall have occurred.

Equitable Remedies; Specific Performance

13.20 . The rights and remedies of the Parties shall be cumulative and not alternative, except as expressly provided in any Transaction Document. Each of the Parties agrees that this Agreement and the other Transaction Documents are intended to be legally binding and specifically enforceable pursuant to their respective terms and that the Parties would be irreparably harmed if any of the provisions of this Agreement or the other Transaction Documents are not performed in accordance with their specific terms and that monetary damages would not provide adequate remedy in such event. Accordingly, in addition to any other remedy to which a non-breaching Party may be entitled at law, a non-breaching Party shall be entitled to seek injunctive relief to prevent breaches of this Agreement or the other Transaction Documents and to specifically enforce the terms and provisions hereof and thereof. Each Party hereby irrevocably waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining such relief and (b) any defenses based on adequacy of any other remedy, whether at law or in equity, that might be asserted as a bar to the remedy of specific performance of any of the terms or provisions hereof or thereof or injunctive relief in any action brought therefor by any other Party.

13.20 Other Interpretive Matters. In this Agreement and the other Transaction Documents, except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa); (b) the words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation"; (c) the word "will" will be construed to have the same meaning and effect as the word "shall"; (d) the word "any" shall mean "any and all" unless otherwise clearly indicated by context; (e) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (f) any reference herein to any Person will be construed to include the Person's successors and assigns; (g) the words "herein", "hereof" and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not to any

particular provision hereof; (h) where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning; (i) the word “notice” means notice in writing (whether or not specifically stated) and will include notices, consents, approvals and other written communications contemplated under this Agreement; (j) provisions that require that a Party or the Parties “agree,” “consent” or “approve” or the like will require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail (except to the extent provided in Section 13.4) and instant messaging); (k) references to any specific law, rule or regulation, or article, section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof; (l) the term “or” will be interpreted in the inclusive sense commonly associated with the term “and/or”; and (m) the term “extent” in the phrase “to the extent” means the degree to which a subject or other thing extends, and such phrase does not mean simply “if”.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the date first set forth above.

Merck Sharp & Dohme Corp.

By: /s/ Benjamin Thorner
Name: Benjamin Thorner
Title: Senior Vice President and Global Head of Business Development & Licensing

KalVista Pharmaceuticals Limited

By: /s/ T. Andrew Crockett
Name: T. Andrew Crockett
Title: Chief Executive Officer

Exhibit A

IVT Clinical Development Plan

[see attached.]

Clinical Development Plan (CDP) Exhibit A

Activity Description
•**KVD001: Proposed Clinical Development Plan** •**Study Design**: [***] •**Study Centers**: [***] •Primary Objective: [***] •**Study Treatment and Duration**: [***] •**Study Population**: [***] •**Study eye selection:** [***] •**Efficacy Variables**: [***] •**Primary Efficacy Endpoint**: [***] •**Secondary Efficacy Endpoints**: [***] •**Study Assessments**: [***] •**Statistical Analysis**: [***] • •**Sample Size**: [***] •[***]

[***]Confidential Treatment Requested.

Exhibit B

Data Package

[see attached.]

[***]Confidential Treatment Requested.

DATA PACKAGE **Exhibit B**

Activity Description
•**Toxicology Studies** o[***]
Chemistry manufacturing and Control (CMC) **STAGE I**
I.A. API-Related Experimental Work Plan (Phase Mapping/Polymorph Screening) [***]
I. B. Final Step Chemistry/Process Understanding/Robustness – [***]
I. C. Formulation and Process development [***]
I. D. Analytical Development and Stability [***]
I.E. Audits – [***]
STAGE II
II.A. Technology Transfer (Drug Substance and Drug Product) [***]
II. B. Final Step Chemistry [***]
II.B. Process Understanding/Robustness [***]
II. C. Formulation and Process development [***]
II.D Analytical Development and Stability [***]

[***]Confidential Treatment Requested.

Exhibit C

IVT Compound

[see attached.]

[***]

Exhibit D

Form of MTA

[see attached.]

[***]Confidential Treatment Requested.

Exhibit D

Form of Material Transfer Agreement

This Material Transfer Agreement (this "**Agreement**") is dated and effective as of the date of last signature below (the "**Effective Date**") and is entered into by and between KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales, having its principal place of business at Building 227, Tetricus Science Park, Porton Down, SP40JQ, United Kingdom ("**KalVista**"), and Merck Sharp & Dohme Corp., a New Jersey corporation having its principal place of business at 2000 Galloping Hill Road, Kenilworth, NJ 07033 ("**Merck**"), and confirms the terms upon which, in accordance with the Option Agreement between Kalvista and Merck dated as of Otober 6, 2017 (the "**Option Agreement**"), KalVista will provide to Merck certain IVT Compounds, Oral DME Compounds and related materials (e.g., assays), as identified on Attachment 1 (collectively, the "**Compound**"), and certain information related thereto. For and in consideration of KalVista providing the Compound to Merck and the mutual covenants contained herein, Merck and KalVista hereby agree as follows:

1. **Delivery.** Within ten (10) days of the Effective Date, KalVista shall deliver to Merck, at the address specified in Attachment 1, the Compound in a quantity and quality specified in Attachment 1. Merck shall use the Compound solely to conduct the evaluation described in Attachment 1 and for no other purpose (the "**Evaluation**"). Upon Merck's request and KalVista's agreement, KalVista will provide additional delivery of the Compound in quantities that are mutually agreed upon that are reasonably necessary to complete the Evaluation. KalVista represents and warrants that it has the full right, power and authority to deliver the Compound for the purpose set forth herein.

2. **License Grant.** The parties agree that Merck shall have the license rights set forth in Section 2.2(a) of the Option Agreement with respect to the Compound.

3. **Related KalVista Information.** Prior to or concurrent with the delivery of the Compound to Merck, KalVista may provide, at no charge to Merck, information that KalVista may determine is necessary or reasonably useful to Merck in performing the Evaluation. All information disclosed by KalVista to Merck relating to the Compound shall be KalVista's Confidential Information and subject to the confidentiality provisions incorporated by reference in Section 10.

4. **Evaluation Period; Term.** The Evaluation shall commence when Merck receives the Compound from KalVista, and shall continue for a period of [__] months (the "**Evaluation Period**"). The Evaluation Period may be extended by mutual written agreement of the parties. Unless earlier terminated pursuant to Section 9, the term of this Agreement shall commence on the Effective Date, and shall continue for a period of one (1) month after the end of the Evaluation Period, unless extended by mutual written agreement signed by the authorized representatives of the parties (the "**Term**"). If the Option Agreement is terminated, then the Term of this Agreement shall immediately terminate. If the applicable Option is not timely exercised by Merck, then the Evaluation Period with respect to the Compound related to such Option shall immediately terminate.

5. **Mutual Benefit.** Each party agrees that it is performing its obligations under this Agreement in consideration for the agreement of the other party to perform such party's obligations. Each party is solely responsible for all of its own costs and expenses associated with the Evaluation.

6. **Use of Compound.** Merck agrees that (i) Merck will use the Compound solely for the purposes of the Evaluation, and (ii) Merck will not transfer Compound to any third party except as expressly set forth in Section 2(b) of the Option Agreement.

[***]Confidential Treatment Requested.

7. **Evaluation Results.**

(a) Merck shall provide any and all results of the Evaluation (the "**Evaluation Results**"), in writing and in English, to KalVista as soon as practicable (but in any event within fifteen (15) business days) after completion of the Evaluation. KalVista shall have the right to disclose the Evaluation Results as may be required in any Regulatory Filing.

(b)THE COMPOUND AND RELATED INFORMATION ARE PROVIDED TO MERCK AND THE EVALUATION RESULTS ARE PROVIDED TO KALVISTA, IN EACH CASE "AS IS" WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, AND WITHOUT ANY REPRESENTATION OR WARRANTY THAT THE USE OF THE COMPOUND OR RELATED INFORMATION BY MERCK OR THE EVALUATION RESULTS BY KALVISTA, IN EACH CASE WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT OF ANY THIRD PARTY. Merck will not be liable to KalVista for any loss, claim, or demand made by KalVista or made against KalVista by any third party due to KalVista's use of the Evaluation Results and KalVista will not be liable to Merck for any loss, claim, or demand made by Merck or made against Merck by any third party due to Merck's use of the Compound under this Agreement.

8. **Inventions.** Merck and KalVista shall have the rights with respect to IVT Inventions and Oral DME Inventions as are set forth in Section 2.2 (b) of the Option Agreement.

9. **Termination**. Merck may terminate this Agreement at any time effective immediately upon written notice to KalVista. Upon termination or expiration of this Agreement, Merck shall destroy or return at KalVista's request all remaining Compound.

10. **Incorporation by Reference**. The following provisions of the Option Agreement are hereby incorporated by reference, *mutatis mutandis*: Section 10 (Confidentiality); Section 12.4 (Survival); Section 13.1 (Entire Agreement; Amendment); Section 13.3 (Governing Law); Section 13.4 (Notices); Section 13.7 (Assignment); Section 13.8 (Counterparts); Section 13.9 (Further Actions); Section 13.10 (Severability); Section 13.16 (Publicity) and Section 13.17 (Third-Party Beneficiaries; Affiliates).

11. **Definitions.** Unless otherwise specifically provided herein, capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings ascribed thereto in the Option Agreement.

[Signature page follows]

[***]Confidential Treatment Requested.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the Effective Date.

Merck Sharp & Dohme Corp.	**KalVista Pharmaceuticals Limited**
Signature:_____	Signature:_____
Printed Name:_____	Printed Name:_____
Title:_____	Title:_____
Date:_____	Date: _____

ATTACHMENT 1

Description of Compound - Evaluation

[***]Confidential Treatment Requested.

Exhibit E

IVT Asset Purchase and License Agreement

[see attached.]

[***]Confidential Treatment Requested.

ASSET PURCHASE AND LICENSE AGREEMENT

by and between

[MERCK][1]

and

KALVISTA PHARMACEUTICALS LIMITED

Dated as of [●]

[1] **Note to Draft:** Merck entity to be determined closer in time to Agreement signing.

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[***]Confidential Treatment Requested.

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ASSET PURCHASE AND LICENSE AGREEMENT

This Asset Purchase and License Agreement (this "**Agreement**") is entered into as of [●] (the "**Agreement Date**"), by and between [Merck], a [●] ("**Merck**"), and KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales ("**KalVista**"). Merck and KalVista may each be referred to herein as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS, KalVista discovered molecules that Specifically Modulate the Target, including the IVT Compounds and Oral DME Compounds;

WHEREAS, KalVista and Merck entered into that certain Option Agreement, dated as of October 6, 2017 (the "**Option Agreement**"), among other things, granting to Merck the IVT Option, all in accordance with the terms and conditions of the Option Agreement;

WHEREAS, concurrently with the Parties entry into the Option Agreement, KalVista Pharmaceuticals, Inc., a Delaware corporation ("**Parent**"), and Merck entered into a Guarantee under which Parent guaranteed the performance of KalVista's obligations under the Option Agreement and the Transaction Documents, subject to the terms and conditions of such Guarantee; and

WHEREAS, on [●], Merck made an Option Exercise with respect to the IVT Option and, pursuant to the Option Agreement, the Parties are entering into this Agreement and at the Closing will enter into the other Acquisition Documents.

NOW, THEREFORE, in consideration of the foregoing and the premises and conditions set forth herein, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Certain Definitions

. For purposes of this Agreement, the following terms have the meanings specified in this Article I. Unless otherwise specifically provided herein, capitalized terms used but not otherwise defined herein have the meanings ascribed thereto in the Option Agreement.

(a) "**Acquisition Documents**" means this Agreement, the Bill of Sale, the Escrow Agreement, the Intellectual Property Assignments, any Transfer Documents and any other agreements or documents entered into, or certificates delivered, at or in connection with the Closing.

(b) "**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

(c) "**Books and Records**" means all books, records, files (including data files) and documents (including financial, research and development and expense records, correspondence and all files relating to the filing, prosecution, issuance, maintenance, enforcement or defense of any Intellectual Property Rights or Common IP, including application files (including searches and opinions of counsel regarding availability of trademarks), registration certificates, file wrappers, ribboned and sealed letters patents, written third party correspondence, including laboratory notebooks, procedures, tests, dosage information, criteria for patient selection, safety and efficacy and study protocols, investigators brochures, regulatory and clinical records, and all pharmacovigilance and other safety records) in all forms, including electronic, in which they are stored or maintained, and all data and information included or referenced therein, in each case that are Controlled by or otherwise in the possession of KalVista or any of its Affiliates, and in each case are related to the Program, but excluding: (i) human resources policies and any other employee books and records, (ii) any financial, Tax and accounting records to the extent not related to the Program, and (iii) any books and records to the extent Applicable Law prohibits their transfer. The Parties will cooperate to effect the transfer of any Books and Records protected by established legal privilege.

(d) "**Compounds**" means the "IVT Compounds", as defined in the Option Agreement.

(e) "**Contracts**" means any contracts, agreements, purchase orders and all other legally binding arrangements, including all amendments, exhibits and schedules thereto.

(f) "**Encumbrance**" means any charge, claim, condition, equitable interest, lien, license, security interest, pledge, defect or irregularity in title, right of first option, right of first refusal or similar restriction, or any other restriction on use, transfer or exercise of any other attribute of ownership.

(g) "**Escrow Agent**" means the entity designated by Merck and reasonably acceptable to KalVista to serve as escrow agent under the Escrow Agreement.

(h) "**Escrow Agreement**" means the escrow agreement to be entered into at Closing by Merck, KalVista and the Escrow Agent, in a form reasonably acceptable to Merck and KalVista.

(i) "**Escrow Amount**" means an amount in cash equal to [***] of the Option Exercise Fee.

(j) "**Excluded Taxes**" means (i) Taxes that arise from or with respect to the Purchased Assets or the Program and that (A) relate or are attributable to the Pre-Closing Tax Period or (B) are attributable to a breach of the representations and warranties set forth in Section 4.12 (Tax Matters) or a breach of the covenants set forth in Section 6.6 by KalVista or any of its Affiliates; (ii) all Transfer Taxes for which KalVista is responsible pursuant to this Agreement; and (iii) all Liabilities for Taxes imposed on KalVista or any of its Affiliates that are not Assumed Liabilities or indemnified by Merck under Section 8.3(d).

(k) "**Good Clinical Practices**" means the FDA's standards for the design, conduct, performance, monitoring, auditing, recording, analysis, and reporting of clinical trials contained in 21 C.F.R. Parts 50, 54, 56 and 312 and comparable regulatory standards promulgated by the EMA or other Regulatory Authorities, as such standards may be updated from time to time.

(l) "**Good Laboratory Practices**" means the then-current good laboratory practice standards promulgated or endorsed by the FDA, as defined in 21 C.F.R. Part 58, and comparable regulatory standards promulgated by the EMA or other Regulatory Authorities, as such standards may be updated from time to time, including applicable quality guidelines promulgated under the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use.

(m) "**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

(n) "**HAE Field**" means diagnostic, prophylactic or therapeutic use of a product in humans solely for HAE.

(o) "**HSR Act**" means the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976.

(p) "**In-License Agreement**" means any Contract to which KalVista or any of its Affiliates is a party pursuant to which such Person obtains any Intellectual Property Rights which are owned by any Third Party, in each case, other than agreements relating to any software that is generally commercially available and is mass marketed and licensed pursuant to a standard form click-wrap or shrink-wrap agreement that is not subject to any negotiation and does not include any handwritten signatures of the parties to such agreement.

(q) "**Inventory**" means all inventory of Compounds and Product Controlled by KalVista or its Affiliates as of the Closing Date, wherever located, including all finished goods, work in process, raw materials, packaging, assay materials (including cell lines and other reagents), starting materials and intermediates from the synthesis of Products, in each case, to the extent not constituting another type of Purchased Asset described in Section 2.1.

(r) "**Knowledge**" means the actual knowledge of any officer of KalVista, after due investigation or inquiry.

(s) "**Liabilities**" means any and all liabilities, obligations, costs and expenses or commitments of any nature whatsoever, accrued or fixed, absolute or contingent, matured or unmatured, or determined or determinable.

(t) "**Material Adverse Effect**" means any event, occurrence, fact, condition or change that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (i) the Program, the Purchased Assets or the Assumed Liabilities as a whole, or (ii) the ability of KalVista to consummate the transactions contemplated by this Agreement or any other Acquisition Document; provided, however, that, for purposes of clause (i), "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change arising out of or

attributable to: (A) general economic or political conditions, including the worsening of any existing conditions; (B) conditions generally affecting the pharmaceutical industry; (C) any changes in financial or securities markets in general, including the worsening of any existing conditions; (D) acts of war, armed hostilities or terrorism, or the escalation or worsening thereof, or any hurricane, flood, tornado, earthquake or other natural disaster or force majeure event; (E) any changes in Applicable Laws or accounting rules; and (F) the public announcement, pendency or completion of the transactions contemplated by this Agreement or any other Acquisition Document; provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (A) through (E) above shall be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Program, Purchased Assets or Assumed Liabilities compared to other participants in the pharmaceutical industry.

(u) "**Material Contracts**" means, collectively, the Assumed Contracts, the In-License Agreements and the Out-License Agreements.

(v) "**Non-U.S. Competition Law**" means any Applicable Law of any jurisdiction outside of the United States with respect to antitrust, competition or trade regulation.

(w) "**Organizational Documents**" means, with respect to a Person that is an entity, the organizational documents of such Person, including all amendments thereof, which include any articles of organization, limited liability company agreements, certificates of incorporation, bylaws and other similar documents.

(x) "**Out-License Agreement**" means any Contract to which KalVista or any of its Affiliates is a party pursuant to which such Person assigns, licenses, sublicenses, makes available (including by the grant of an option) or otherwise grants any right or access to any Third Party any Intellectual Property Rights, other than any such Contracts granting non-material, non-exclusive licenses entered into in the ordinary course consistent with past practice.

(y) "**Owned Intellectual Property Rights**" means Intellectual Property Rights and Common IP owned by KalVista or any of its Affiliates that relate to the Compounds or Products.

(z) "**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances, exemptions, consents and similar rights issued or granted by Governmental Authorities.

(aa) "**Permitted Encumbrances**" means (i) liens for Taxes not yet due and payable and (ii) Encumbrances listed in Section 1.1(aa) of the Updated Schedules or, if there are no Updated Schedules, the Initial Schedules.

(bb) "**Pre-Closing Tax Period**" means any taxable period ending on or prior to the Closing Date and, with respect to any taxable period that begins on or before and ends after the Closing Date, the portion of such period that ends on the Closing Date.

(cc) "**Product**" means "IVT Product", as defined in the Option Agreement.

(dd) "**Program**" means the program of KalVista and its Affiliates related to the research, development, manufacture and expected Commercialization of any Compounds or Products.

(ee) "**Purchased Books and Records**" means all Books and Records that are exclusively related to the Program or set forth on Schedule 1.1(ee).

(ff) "**Registered Intellectual Property Right**" means any Intellectual Property Right or Common IP that is issued or granted by, registered with, renewed by or the subject of a pending application before any Governmental Authority or internet domain name registrar.

(gg) "**Representatives**" means, with respect to a Person, such Person's officers, directors, managers, employees, consultants, contractors and agents and, solely with respect to Merck and following the Closing, Merck's licensees and sublicensees with respect to any Compound or Product.

(hh) "**Research Tools**" means those knock-out animals, assays and other tools Controlled by KalVista or any of its Affiliates that are necessary to the ongoing research and development of any Compound or Product.

(ii) "**Tax**" means all taxes, charges, fees, duties, levies or other assessments, including, income, gross receipts, net proceeds, turnover, real and personal property (tangible and intangible), sales, use, franchise, excise, value added, license, payroll, unemployment, unclaimed property, escheat, environmental, customs duties, capital stock, disability, stamp, leasing, lease, user, transfer, fuel, excess profits, occupational and interest equalization, windfall profits, severance and employees' income withholding and social security or similar taxes imposed by any Governmental Authority, in each case to the extent relevant in the given context, and such term includes any interest, penalties or additions to tax attributable to such taxes.

(jj) "**Tax Returns**" means all returns, declarations, reports, statements and other documents filed or required to be filed with any Governmental Authority in respect of, any and all Taxes (including any schedule or attachment thereto, and including any amendment thereof).

(kk) "**Transfer Documents**" means (i) with respect to the Purchased Assets, such bills of sale, asset transfer agreements, endorsements, assignments, affidavits and other instruments of sale, conveyance, transfer and assignment between KalVista or its Affiliates, on the one hand, and Merck or its Affiliates, on the other hand, as are necessary under Applicable Law in order to transfer to Merck or its applicable Affiliate all right, title and interest of KalVista and its Affiliates, to and under the Purchased Assets in accordance with the terms hereof, and (ii) with respect to the Assumed Liabilities, such instruments of assumption between KalVista or its Affiliates, on the one hand, and Merck or its Affiliates, on the other hand, as are necessary under Applicable Law in order for the Assumed Liabilities to be effectively assumed by and transferred to Merck or its Affiliates, in each case, other than the Bill of Sale and Intellectual Property Assignments.

ARTICLE II
PURCHASE AND SALE; CLOSING

Purchased Assets

. Subject to the terms and conditions set forth herein, at the Closing, KalVista shall or shall cause its applicable Affiliates to sell, assign, transfer, convey and deliver, as applicable, to Merck or Merck's designated Affiliates, and Merck or its applicable Affiliates shall purchase and accept from KalVista or its applicable Affiliates, free and clear of any Encumbrances (other than Permitted Encumbrances), all of KalVista's or its applicable Affiliates' right, title and interest in, to and under all assets, properties and rights of whatever kind and nature, whether tangible or intangible (including goodwill), wherever located and whether now existing or hereafter acquired prior to the Closing (other than the Excluded Assets), in each case, which are used or held for use in connection with the Program (collectively, the "**Purchased Assets**"), including the following:

(a) all Compounds and Products;

(b) all Research Tools; provided, that, upon Merck's reasonable request, KalVista shall provide Merck with access to (and hereby grants a license and right of use to) any knock-out animals, assays and other tools Controlled by KalVista or any of its Affiliates that were used by KalVista in the research and development of any Compound or Product but are not Research Tools, for the purpose of researching and developing such Compound or Product;

(c) all Intellectual Property Rights and all Common IP related to the Compounds or Products;

(d) all Regulatory Documentation (including the global safety database for the Products) and Regulatory Approvals, in each case to the extent transferable to Merck or its Affiliates and related to any Compound or Product; provided that KalVista shall be entitled to retain copies of the foregoing (i) to the extent necessary to comply with Applicable Law or perform its obligations under the Option Agreement and (ii) if applicable, to the extent necessary or useful to develop or Commercialize products in the HAE Field;

(e) originals, or where not available, copies of all Purchased Books and Records; provided that KalVista shall be entitled to retain copies of the Purchased Books and Records to the extent necessary to comply with Applicable Law or perform its obligations under the Option Agreement; provided further that KalVista shall provide Merck with copies of all Books and Records that relate to the Compounds or Products and which do not constitute Purchased Books and Records and, upon Merck's request therefor, access to the originals of such Books and Records;

(f) (i) all Contracts related to the Program as of the Agreement Date and set forth in Schedule 2.1(f), (ii) all Contracts related to the Program entered into by KalVista after the Agreement Date and for which KalVista obtained Merck's written approval prior to execution thereof and added to Schedule 2.1(f) and (iii) any other Contracts related to the Program entered into by KalVista after the Agreement Date which Merck expressly agrees to assume in connection with the Closing, which Contract is added to Schedule 2.1(f) (collectively, the "**Assumed**

[***]Confidential Treatment Requested.

Contracts"); provided, that no less than ten (10) days prior to the Closing Date, the Parties shall cooperate to update Schedule 2.1(f) to reflect any Contracts related to the Program entered into by KalVista after the Agreement Date that are deemed Assumed Contracts pursuant to the foregoing clauses (ii) and (iii);

(g) all Inventory;

(h) all rights to any Action of KalVista or its Affiliates (if any) to the extent related to or arising out of the Program, whether arising by way of counterclaim or otherwise, other than Actions relating solely to Excluded Taxes and refunds related to Excluded Taxes;

(i) all rights of KalVista or its Affiliates under warranties, indemnities and all similar rights against Third Parties to the extent related to or arising from the conduct of the Program; and

(j) all goodwill to the extent relating to any Product or any other Purchased Assets.

Excluded Assets

. KalVista and Merck expressly agree and acknowledge that all assets of KalVista other than the Purchased Assets will be "**Excluded Assets**" for purposes of this Agreement and such Excluded Assets shall include the following assets of KalVista or its Affiliates:

(a) all Contracts that are not Assumed Contracts;

(b) all assets, properties and rights not related to the Program or the Purchased Assets, including the Oral HAE Compounds and materials, antibodies, cell lines, knock-out animals, assays, plasmids and other tools Controlled by KalVista or any of its Affiliates that were exclusively used to research and develop any of the Oral HAE Compounds, and the items set forth on Schedule 2.2(b)2;

(c) all real property, fixtures and tangible personal property of KalVista or its Affiliates (other than Biological Materials, Research Tools and Inventory);

(d) all cash, bank accounts and accounts receivable;

(e) all Organizational Documents;

(f) all employees of KalVista or any of its Affiliates and all plans, Contracts, policies and other arrangements related to the compensation of or benefits provided to any current or former director, manager, employee or consultant of or to KalVista or any of its Affiliates, and all assets related thereto;

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2 **Note to Draft:** Schedule 2.2(b) to include screening assays and related methodologies for the selection of compounds to bind and inhibit Plasma Kallikrein.

(g) all insurance benefits arising from the conduct of the Program prior to and at the Closing;

(h) all Tax refunds arising from the conduct of the Program prior to and at the Closing or relating to Excluded Taxes; and

(i) all rights which accrue or will accrue to KalVista under the Transaction Documents.

Assumed Liabilities

. Subject to the terms and conditions set forth herein, at the Closing, Merck or its designated Affiliate shall accept, assume and become liable for all Liabilities to the extent relating to the Purchased Assets and arising out of events, occurrences or activities of or on behalf of Merck or its Affiliates after the Closing, and no other Liabilities. The Liabilities to be assumed by Merck or its designated Affiliate pursuant to this Section 2.3 are referred to as the "**Assumed Liabilities**."

Excluded Liabilities

. Notwithstanding any other provisions in this Agreement to the contrary, Merck shall not assume or be responsible for any Liability of KalVista or its Affiliates of any kind or nature whatsoever other than the Assumed Liabilities (all such other Liabilities, the "**Excluded Liabilities**"). For the avoidance of doubt, (a) any Liabilities that relate to any failure to perform, improper performance, warranty or other breach, default or violation by KalVista or its Affiliates at or prior to the Closing, (b) any employment-related Liabilities of KalVista or any of its Affiliates, (c) any indebtedness of KalVista or any of its Affiliates and (d) any Liabilities for Excluded Taxes, shall be Excluded Liabilities.

Non-Assignable Assets

. If any asset, property or right included in the Purchased Assets is not assignable or transferable to Merck either by virtue of the provisions thereof or under Applicable Law without the prior consent of a Third Party (each, a "**Non-Assignable Asset**"), and any such consent has not been obtained prior to the Closing, then, notwithstanding anything to the contrary in this Agreement or any other Transaction Document, this Agreement and the related instruments of transfer shall not constitute an assignment or transfer of the Non-Assignable Asset. From and after the Agreement Date until the earlier of (a) the date on which all such consents are obtained and (b) the first anniversary of the Closing Date, KalVista shall use its commercially reasonable efforts to obtain all such consents with respect to the Non-Assignable Assets. From and after the Closing, any Non-Assignable Assets shall be held by KalVista in trust for Merck and KalVista authorizes Merck, to the extent permitted by Applicable Law and the terms of the Non-Assignable Assets, to perform all of the covenants and obligations thereunder and all benefits and obligations existing thereunder shall be for Merck's account. From and after the Closing Date until all such consents are obtained, KalVista shall use its commercially reasonable efforts to take or cause to be taken any actions in its name or otherwise reasonably requested by Merck so as to provide Merck with the benefits of the Non-Assignable Assets and to effect collection of money or other consideration that becomes due and payable under the Non-Assignable Assets, and KalVista shall promptly pay over to Merck all money or other consideration received by KalVista or its Affiliates in respect of all Non-Assignable Assets. For any such Non-Assignable Asset that is a Contract, during the period in which KalVista is operating under such Contract in accordance with this Section 2.5, KalVista shall not, without the prior consent of Merck, amend or waive any material rights under such

Contract with respect to the Program. If, after the Closing, any Non-Assignable Asset becomes assignable (either because consent is obtained or otherwise), KalVista shall promptly notify Merck and transfer and assign such previously Non-Assignable Asset to Merck or its Affiliate without any additional consideration therefor.

Closing

. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place at the Washington, D.C. offices of Covington & Burling LLP, at 10:00 a.m. local time, on the third (3rd) Business Day after all of the conditions to the Closing set forth in Article VII are either satisfied or, to the extent permitted by Applicable Law, waived (other than conditions which, by their nature, are to be satisfied on the Closing Date, but subject to the satisfaction or waiver of such conditions), or at such other date, time or place as may be mutually agreed in writing by the Parties. The date on which the Closing is to occur is herein referred to as the "**Closing Date**". The Closing shall be deemed to have occurred at 12:00 a.m., Eastern Time, on the Closing Date, such that Merck shall be deemed the owner of the Purchased Assets on and after the Closing Date.

License.

As of the Closing Date, Merck hereby grants to KalVista, and KalVista hereby accepts, an exclusive, transferable, sublicensable (through multiple tiers), royalty-free, perpetual and irrevocable license in the Territory under the Common IP included in the Purchased Assets to make, use, sell, offer for sale and import any product and to practice any method, in each case, solely for use within the HAE Field or, if applicable, such other field in which KalVista used such Common IP immediately prior to the Closing, provided, however, that no license is granted with respect to the composition of matter of any IVT Compound or Oral DME Compound. KalVista acknowledges that the Common IP licensed pursuant to this Section 2.7 (other than any Common IP disclosed in a Patent) is the Confidential Information of Merck and shall be subject to the terms and conditions of Section 6.3 after the Closing; provided that KalVista may use and disclose such Common IP to the extent necessary or useful to develop and Commercialize products in the HAE Field or, if applicable, such other field in which KalVista used such Common IP immediately prior to the Closing; provided, further, that, to the extent that any Common IP that constitutes trade secrets is disclosed in connection with such development or Commercialization, KalVista shall ensure that the confidentiality of such trade secrets is maintained.

Technology Transfer and Transition Plan.

(a) The Parties shall use commercially reasonable efforts to comply with the transition plans set forth as Schedule 2.8 (collectively the "**Transition Plan**"), which, for clarity, consist of those plans for KalVista to transfer to Merck: (i) regulatory obligations (including reporting obligations) in respect of the Regulatory Documentation for the Products (including, as applicable, the IVT Compounds) for other than the Retained Trials; (ii) results and data from all pre-clinical studies and clinical trials conducted prior to the Closing Date, as well as from the Retained Trials; (iii) clinical study agreements, contracts with contract research organizations, manufacturing supply agreements, clinical supplies and other data and materials, in each case, to the extent included in the Purchased Assets, to support clinical supply responsibilities; (iv) Compound and Product manufacturing technology within the Intellectual Property Rights as more fully described in Section 2.8(c); and (v) other such Information comprising the Intellectual Property Rights in existence as of the Effective Date or thereafter and not otherwise subject to the

preceding clauses (i) through (v) (collectively, the "**Transfer Activities**"). KalVista and Merck shall initiate the Transfer Activities promptly after the Closing Date and as specified in the Transition Plan. The initial embodiments of Information comprising the Intellectual Property Rights to be transferred to Merck consist of the contents of the virtual data room that Merck has had access to prior to the date hereof as part of its due diligence for entering into this Agreement. As soon as is reasonably practicable after the Closing Date (but in no event later than thirty (30) days after the Closing Date or such other date as may be mutually agreed by the Parties), KalVista shall execute and deliver a letter to the applicable Regulatory Authority authorizing the transfer to Merck of the existing IND/CTAs and other Regulatory Documentation relating to the Product (including, as applicable, the IVT Compounds). KalVista and Merck shall use commercially reasonable efforts to perform the Transfer Activities and complete such Transfer Activities within the time periods specified on Schedule 2.8.

(b) KalVista shall retain operational responsibility for any ongoing clinical trial for any Product (including, as applicable, the IVT Compounds), unless and until Merck requests a transfer) (collectively, "**Retained Trials**"), and Merck shall assume financial responsibility for such Retained Trials as of the Closing Date. Upon completion of the Retained Trials, at Merck's discretion, KalVista shall either (i) inactivate the existing IND/CTAs in its name for the Product, or (ii) execute and deliver a letter to the applicable Regulatory Authority authorizing the transfer to Merck of ownership of the existing IND/CTAs and other Regulatory Documentation relating to such Product (including, as applicable, the IVT Compounds), with Merck executing and delivering a letter to the applicable Regulatory Authority accepting such transfer.

(c) Without limitation of Section 3.4 of the Option Agreement, in accordance with the Transition Plan, KalVista shall transfer to Merck (or to any Third Party manufacturers designated by Merck (not to exceed the number of Third Party manufacturers engaged by KalVista as of the Closing Date)) all Information comprising the Intellectual Property Rights available to KalVista, which KalVista has the right to transfer, that is necessary or useful for Merck or such Third Party manufacturers to replicate or continue the processes employed or in development by or on behalf of KalVista as of the Closing Date to manufacture the Compounds and Products, as applicable, including all development reports underlying Critical Process Parameters and Critical Quality Attributes.

(d) Without limitation to Section 2.8(c) or Section 3.4 of the Option Agreement, upon Merck's reasonable request, KalVista shall reasonably make available to Merck (or its designee) appropriately qualified KalVista personnel (or personnel of applicable Third Parties engaged in the Program) to provide consulting and technical support to Merck with respect to the Compounds, Products or other Purchased Assets, including with respect to the manufacture of the Compounds and Products; provided that the first two hundred (200) hours of such consulting and technical support and up to six (6) post-meeting consultations shall be at KalVista's cost and expense and thereafter shall be at Merck's cost and expense (with Merck's cost and expense being equal to (i) KalVista's reasonably incurred out-of-pocket expenses (if any) incurred in conducting such activities and providing such support and (ii) the proportion of the full-time equivalent cost of KalVista's employees engaged in conducting such activities and providing such support that equates to the proportion of such employees total working time spent conducting such activities and providing such support, in each case ((i) and (ii)), without mark-up).

ARTICLE III
CONSIDERATION

Purchase Price

. The aggregate purchase price (the "**Purchase Price**") for the Purchased Assets shall be (i) the option exercise fee set forth in Section 6.2(a) of the Option Agreement with respect to the Compounds (the "**Option Exercise Fee**"), plus the assumption of the Assumed Liabilities, (ii) the milestone obligations, if any, pursuant to Section 6.3(a) of the Option Agreement (the "**Milestone Payments**"), and (iii) the royalty payment obligations, if any, pursuant to Section 6.5 of the Option Agreement with respect to Products (the "**Royalty Payments**"). On the Closing Date, Merck shall pay the Option Exercise Fee as follows:

(a) An amount equal to the Option Exercise Fee less the Escrow Amount shall be paid by Merck by wire transfer of immediately available funds to the account set forth in Section 7.2 of the Option Agreement or as otherwise designated in writing by KalVista to Merck no later than three (3) Business Days prior to the Closing Date; and

(b) The Escrow Amount shall be deposited by wire transfer of immediately available funds to an account designated by the Escrow Agent and shall be held and distributed in accordance with the terms of the Escrow Agreement to satisfy any indemnifiable damages owed to any Merck Indemnified Parties pursuant to Article VIII, with all amounts (including interest accrued thereon) not subject to pending claims remaining in such account [***] (the "**Escrow Termination Date**") to be released to KalVista on the Escrow Termination Date.

Purchase Price Allocation

. KalVista and Merck agree that the Purchase Price and the Assumed Liabilities shall be allocated among the Purchased Assets pursuant to an allocation schedule (the "**Allocation Schedule**"). [***].

Tax Matters

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(a) Value Added Taxes. Any payments made by Merck under this Agreement (and any Milestone Payments or Royalty Payments made under the Option Agreement) are exclusive of any value added Tax ("**VAT**") imposed upon such payments. Where VAT is properly added to a payment made under this Agreement (or any Milestone Payments or Royalty Payments made under the Option Agreement), Merck shall pay the amount of VAT only on receipt of a valid tax invoice issued in accordance with the laws and regulations of the country in which the VAT is chargeable.

(b) Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and other similar Taxes and fees other than VAT ("**Transfer Taxes**") incurred in connection with this Agreement and the other Acquisition Documents shall be borne equally between KalVista and Merck when due. For each Tax Return relating to any Transfer Tax, the Party that customarily files such Tax Return shall, at its own expense, timely file such Tax Return (and the relevant other Party shall cooperate with respect thereto) and shall pay, or cause to be paid, in a timely manner the amount of liability for Transfer Tax shown on such Tax Return. If required by Applicable Law, the Parties shall, and shall cause their Affiliates to, join in the execution of any such Tax Returns. Promptly upon notification by the respective other Party, Merck shall reimburse KalVista, in the

case of any such Tax Return filed by Parent, KalVista or any of their Affiliates, and KalVista shall reimburse Merck, in the case of any such Tax Return filed by Merck or any of its Affiliates, the portion of the liability for Transfer Taxes for which it is responsible pursuant to this Section 3.3(b), in each case subject to receipt of satisfactory evidence of payment of such liability for Transfer Tax.

(c) Tax Withholding. If any payments made by Merck pursuant to this Agreement (or any Milestone Payments or Royalty Payments made under the Option Agreement) are subject to withholding Taxes under Applicable Laws of any jurisdiction or Governmental Authority, Merck is authorized deduct and withhold the amount of such Taxes for the account of KalVista to the extent required by Applicable Law; such amounts payable to KalVista will be reduced by the amount of Taxes deducted and withheld; and treated as paid to KalVista for all purposes of this Agreement. Notwithstanding anything in the foregoing to the contrary, (i) Merck shall be responsible for any withholding Taxes imposed on any payments made pursuant to this Agreement (or any Milestone Payments or Royalty Payments made under the Option Agreement) by any jurisdiction or Governmental Authority outside of the United Kingdom, Switzerland or the United States as a result of Merck's exploitation or use of any of the Purchased Assets through an Affiliate, branch or other place of business in such jurisdiction; and (ii) Merck shall increase the amounts payable to KalVista under this Agreement (or any Milestone Payments or Royalty Payments made under the Option Agreement) with respect to such withholding Taxes so that KalVista receives the same amount of payments after deduction of such withholding Taxes (including with respect to any additional payments under this Section 3.3(c)) as KalVista would have if such withholding Taxes had not been imposed.

(d) Tax Cooperation. The Parties agree to cooperate and produce on a timely basis any Tax forms, reports, or certificates, including an IRS Form W-9 or IRS Form W-8BEN, reasonably requested by the other Party in connection with any payment made by Merck to KalVista under this Agreement. The Parties further agree to cooperate in accordance with Applicable Law to minimize indirect Taxes (such as VAT and Transfer Taxes) in connection with this Agreement. Each Party will provide the relevant other Party with assistance to enable such other Party to recover any Taxes withheld or to obtain an exemption from withholding Tax as permitted by Applicable Laws.

(e) Each Party further agrees to provide reasonable cooperation to the other Party, at the other Party's expense, in connection with any official or unofficial Tax audit or contest relating to payments made by Merck to KalVista under this Agreement.

(f) In determining the portion of Excluded Taxes (other than Transfer Taxes, which are allocated pursuant to Section 3.3(b)) with respect to any taxable period that begins on or before the Closing Date and ends after the Closing Date, the amount of such Excluded Taxes shall be prorated on a *per diem* basis between the Pre-Closing Tax Period and the portion of the taxable period beginning on the day after the Closing Date.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF KALVISTA

KalVista hereby represents and warrants to Merck, as of the Agreement Date and the Closing Date, as follows, with each such representation and warranty subject to such exceptions, if any, as are set forth in the correspondingly numbered section of the Updated Schedules, each of which exceptions shall clearly indicate the Section and, if applicable, the Subsection of this Article IV to which it relates, and such exceptions shall only apply to such Section or Subsection of this Article IV unless, and only to the extent that, it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other Sections or Subsections:

Organization and Qualification

. KalVista is a corporation duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction in which it was organized and has the full corporate power and authority to own, operate or lease the properties and assets owned, operated or leased by it and to carry on the Program. KalVista is duly qualified or licensed to do business and is in good standing (to the extent such concept is recognized by the applicable jurisdiction) in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

Authorization

. KalVista has the requisite corporate power and authority to enter into this Agreement and the other Acquisition Documents to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by KalVista of this Agreement and any other Acquisition Document to which it is a party, the performance by KalVista of its obligations hereunder and thereunder and the consummation by KalVista of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of KalVista. This Agreement has been duly executed and delivered by KalVista and, assuming due authorization, execution and delivery by Merck, this Agreement constitutes a legal, valid and binding obligation of KalVista enforceable against KalVista in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or other Applicable Law of general application relating to or affecting the enforcement of creditors rights' generally (the "**Enforceability Exceptions**"). When each other Acquisition Document to which KalVista is or will be a party has been duly executed and delivered by KalVista, assuming due authorization, execution and delivery by each other party thereto, such Acquisition Document will constitute a legal and binding obligation of KalVista enforceable against it in accordance with its terms, except as may be limited by the Enforceability Exceptions.

No Conflicts; Consents

.

(a) The execution, delivery and performance by KalVista of this Agreement and the other Acquisition Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the Organizational Documents of KalVista; or (ii) assuming compliance with the HSR Act and any applicable Non-U.S.

Competition Law, result in a violation or breach of any provision of any Applicable Law or Governmental Order applicable to KalVista, the Program or the Purchased Assets.

(b) The execution, delivery and performance by KalVista of this Agreement and the other Acquisition Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) except as set forth in Section 4.3(b) of the Updated Schedules, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any Third Party the right to accelerate, terminate, modify or cancel any Material Contract or any KalVista Permit; or (ii) result in the creation or imposition of any Encumbrance other than any Permitted Encumbrance on the Purchased Assets.

(c) Except as set forth in Section 4.3(c) of the Updated Schedules, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to KalVista in connection with the execution and delivery of this Agreement or any of the other Acquisition Documents and the consummation of the transactions contemplated hereby and thereby, except for such filings as may be required under the HSR Act and any comparable filings under applicable Non-U.S. Competition Law, and the expiration of the waiting periods thereunder.

Absence of Certain Changes

. Since [_____]3, there has not occurred a Material Adverse Effect and, KalVista has conducted the Program in accordance with the Clinical Development Plan and the Option Agreement.

Material Contracts

. Each Material Contract is valid and binding on KalVista or its applicable Affiliate and, to KalVista's Knowledge, each other party thereto, and in full force and effect, and, assuming due authorization, execution and delivery by each other party thereto, is enforceable against KalVista or its applicable Affiliate and, to KalVista's Knowledge, each other party thereto, in accordance with the terms thereof, except as may be limited by the Enforceability Exceptions. KalVista or its applicable Affiliate is not and, to KalVista's Knowledge, no other party to any Material Contract is in breach of or default under any Material Contract. Neither KalVista nor any of its Affiliates has received or provided any written notice alleging any breach of or default under or indicating any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute a breach of or default under any Material Contract or result in termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Merck.

3 **Note to Draft:** To be set at the date that is the last day of the immediately preceding fiscal year prior to the Agreement Date.

Title to Purchased Assets

. KalVista has good and valid title to all of the Purchased Assets free and clear of Encumbrances other than Permitted Encumbrances.

Intellectual Property

.

(a) KalVista is the sole legal and beneficial owner of all the rights and interest in the Intellectual Property Rights and the Common IP.

(b) Section 4.7(b) of the Updated Schedules sets forth a true and complete list of all Registered Intellectual Property Rights as of the Agreement Date, setting forth in each case (i) the jurisdiction of application/registration and, in the case of domain names and social media identifiers, the registrant and registrar for such domain name and the social media platform and account holder for such social media identifier, (ii) the record and legal owner thereof, including all co- or joint-owners thereof, (iii) the application, registration, issuance or grant number, and (iv) the filing, application, registration, issuance and grant date. All Registered Intellectual Property Rights are subsisting, valid and enforceable and all fees, documents and recordations required for the prosecution and maintenance of the Registered Intellectual Property Rights have been paid and filed with the relevant Governmental Authority.

(c) There is no pending or, to KalVista's Knowledge, threatened Action against KalVista or its Affiliates (i) that challenges the validity, enforceability, or registrability of any of the Intellectual Property Rights or Common IP or (ii) alleging that the Program or the manufacture or use of the Compounds or the Products does or did infringe, misappropriate or otherwise violate the intellectual property rights (including Patent rights) of a Third Party. No Intellectual Property Right or Common IP is subject to any Governmental Order that restricts in any manner the exploitation of such Intellectual Property Rights or Common IP.

(d) No Third Party has filed or threatened to file any opposition, cancellation, abandonment or other similar proceeding with respect to the Intellectual Property Rights or Common IP. There are no prior rights agreements, coexistence agreements, settlement agreements or other agreements with Third Parties affecting, limiting or otherwise restricting the use, registration, or scope of any Intellectual Property Rights or Common IP.

(e) To KalVista's Knowledge, no Third Party is infringing, misappropriating or otherwise violating the Intellectual Property Rights or Common IP. To KalVista's Knowledge, there are no intellectual property rights of any Third Party that would be infringed, misappropriated or violated by the practice or use of the Intellectual Property Rights or Common IP or the commercial manufacture or Commercialization of any Product.

(f) Each of the Patents comprising Intellectual Property Rights and Common IP properly identifies each and every inventor of the claims thereof as determined in accordance with Applicable Laws. All inventors entitled to be named on Patents comprising Intellectual Property Rights or Common IP have waived (to the extent permitted by Applicable Law) all moral rights therein, and no inventor entitled to be named on any Patent comprising Intellectual Property Rights or Common IP is entitled to any compensation with respect thereto.

(g) Section 4.7(g) of the Updated Schedules contains a true and complete listing of each In-License Agreement. Other than as set forth in the Contracts set forth in Section 4.7(g) of the Updated Schedules, neither KalVista nor any of its Affiliates is subject to any royalty, license fee or payment obligations (excluding contingent indemnity obligations) with respect to any Intellectual Property Rights or Common IP.

(h) Section 4.7(h) of the Updated Schedules contains a true and complete listing of each Out-License Agreement.

(i) KalVista and its Affiliates have taken commercially reasonable actions to protect, preserve and maintain the confidentiality and security of all material proprietary and non-public information included within the Intellectual Property Rights and Common IP. All Persons who have developed any Intellectual Property Rights for Common IP or KalVista or any of its Affiliates have executed written Contracts pursuant to which such Persons have assigned to KalVista or its applicable Affiliate all of their rights, title and interest in and to all such Intellectual Property Rights or Common IP, as applicable, they may develop in the course of their employment or engagement, to the extent such rights, title and interest in and to such Intellectual Property Rights or Common IP do not, or did not, automatically vest in KalVista or its applicable Affiliate by operation of law. To KalVista's Knowledge, none of such Persons is in violation of the Contracts or obligations described in this Section 4.7(i). KalVista has made available to Merck true, correct and complete copies of all such Contracts, each as amended or modified, including any waivers currently in effect with respect thereto.

(j) No funding, facilities or personnel of any Governmental Authority or any university, college, research institute or other educational institution has been used to create any Intellectual Property Rights or Common IP owned by KalVista or any of its Affiliates, except for any such funding or use of facilities or personnel that has not resulted in such Governmental Authority or institution obtaining ownership, license or use rights to such Intellectual Property Rights or Common IP.

Inventory

. All Inventory (a) meets its respective specifications, (b) has been manufactured in accordance with applicable cGMPs, (c) has not been adulterated (within the meaning of 21 U.S.C. § 351 or similar Applicable Law) or misbranded (within the meaning of 21 U.S.C. § 352 or similar Applicable Law), (d) is suitable for administration to humans and (e) is usable in the Program in accordance with Applicable Laws. All Inventory is owned by KalVista free and clear of all Encumbrances (other than Permitted Encumbrances), and no Inventory is held on a consignment basis.

Legal Proceedings; Governmental Orders

.

(a) There are no Actions pending or, to KalVista's Knowledge, threatened against or by KalVista or any of its Affiliates relating to the Program, the Purchased Assets or the Assumed Liabilities.

(b) Neither KalVista nor any of its Affiliates is subject to any Governmental Order relating to the Program, the Purchased Assets or the Assumed Liabilities.

Compliance with Laws

.

(a) KalVista's and its Affiliates' activities with respect to the Program are and have at all times in the past [***] been in compliance in all material respects with all Applicable Laws. During the past [***], neither KalVista nor any of its Affiliates has received any written notice of any violation, or alleged violation of any Applicable Laws with respect to the Program.

(b) KalVista and its Affiliates have obtained and are in compliance in all material respects with all Permits (including Regulatory Filings) that are required for the conduct by KalVista and its Affiliates of the Program or for the ownership or use of the Purchased Assets (the "**KalVista Permits**"), and all of such KalVista Permits are valid and in full force and effect. No Action is pending or, to KalVista's Knowledge, threatened to revoke, suspend, cancel, terminate, or adversely modify any such KalVista Permit.

(c) Neither KalVista, its Affiliates, any of their respective, directors, officers or employees, nor, to KalVista's Knowledge, any of KalVista's or its Affiliates' agents engaged in the conduct of the Program (i) has violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977 ("**FCPA**"), (ii) has violated or is in violation of any Applicable Law enacted in any jurisdiction in connection with or arising under the OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions (the "**OECD Convention**"), (iii) has violated or is in violation of any provision of the UK Bribery Act of 2010 ("**UK Bribery Act**"), (iv) has made, offered to make, promised to make, or authorized the payment or giving of, directly or indirectly, any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment or gift of money or anything of value prohibited under any Applicable Law addressing matters comparable to those addressed by the FCPA, the UK Bribery Act or the OECD Convention implementing legislation concerning such payments or gifts in any jurisdiction (any such payment, a "**Prohibited Payment**"), (v) has been subject to any investigation by any Governmental Authority with regard to any Prohibited Payment, or (vi) has violated or is in violation of any other Applicable Laws regarding use of funds for political activity or commercial bribery.

Regulatory Matters

.

(a) KalVista and its Affiliates have filed with all applicable Regulatory Authorities all material filings, declarations, listings, registrations, reports or submissions, including adverse event reports, required to be filed with respect to the Program. All applications, submissions, information and data utilized by KalVista and its Affiliates as the basis for, or submitted by or, to KalVista's Knowledge, on behalf of KalVista or any of its Affiliates in connection with, any and all requests for KalVista Permits, were true and correct in all material respects as of the date of submission, and any updates, changes, corrections, or modification to such applications, submissions, information, and data required under Applicable Laws have been submitted to the applicable Regulatory Authority.

(b) With respect to the Program, neither KalVista nor any of its Affiliates (x) has committed any act, made any statement, or failed to make any statement that would reasonably be expected to provide a basis for the FDA to invoke its policy with respect to "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" or for any other Regulatory

Authority to invoke any similar policy and (y) is the subject of any pending or, to KalVista's Knowledge, threatened investigation by any Regulatory Authority pursuant to any such policies. Neither KalVista, its Affiliates, any of their respective officers, directors or employees nor, to KalVista's Knowledge, its or its Affiliates' independent contractors, agents or clinical investigators involved in the Program (i) is or has been debarred under 21 U.S.C. Section 335a, (ii) is or has been debarred, excluded or suspended from participation in any U.S. federal health care program, (iii) is or has been debarred by any other federal or international healthcare related agency, (iv) has engaged in any conduct that has resulted, or would reasonably be expected to result, in debarment under Applicable Law, including 21 U.S.C. Section 335a, or exclusion from participation in government programs under 42 U.S.C. § 1320a-7 or another Applicable Law, (v) has had a civil monetary penalty assessed against it, him or her under Section 1128A of the Social Security Act, (vi) is currently listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs, or (vii) to KalVista's Knowledge, is the target or subject of any current investigation relating to any possible violation of any Applicable Law which could result in debarment or exclusion under any Applicable Law. No Action that would reasonably be expected to result in such a debarment or exclusion are pending or, to KalVista's Knowledge, threatened against KalVista or its officers, directors, employees, independent contractors, agents, or clinical investigators, or any other person described in 42 C.F.R. § 1001.1001(a)(1)(ii) and, to KalVista's Knowledge, there are no facts that could reasonably give rise to such an action.

(c) The manufacture of any Compounds or Products on behalf of KalVista and its Affiliates has been and is being conducted in compliance with all Applicable Laws, including cGMPs. None of KalVista, its Affiliates or, to KalVista's Knowledge, any Third Party engaged in the manufacture of a Compound or Product has received any FDA Form 483, "Warning Letter," "untitled letter," or other similar correspondence or notice from the FDA or any other applicable Regulatory Authority related to the Program or any Compound or Product.

(d) All studies, tests, and preclinical and clinical trials conducted by or on behalf of KalVista or any of its Affiliates with respect to any Compound or Product have been and are being conducted in accordance with valid protocols and in material compliance with Applicable Laws, including the applicable requirements of Good Laboratory Practices or Good Clinical Practices. Neither KalVista nor any its Affiliates has received any written notices, correspondence, or other communication from any institutional review board or applicable Regulatory Authority recommending or requiring the termination, suspension, or material modification of any ongoing or planned clinical trial conducted by, or on behalf of, KalVista or its Affiliates with respect to any Compound or Product. KalVista has made available to Merck all material pre-clinical and clinical data generated from research and development activities with respect to the Compounds and the Products (irrespective of whether any particular activities are continuing).

(e) Neither KalVista nor, to KalVista's Knowledge, any of its officers, directors, employees, independent contractors, agents or clinical investigators involved in the conduct of the Program is a party to, or bound by, any individual integrity agreement, corporate integrity agreement or other similar formal agreement with any Governmental Authority resulting from a failure, or alleged failure, to comply with any Applicable Laws.

(f) Neither KalVista nor any of its Affiliates has marketed, advertised or Commercialized any Compound or Product.

(g) No claims for liability for death or injury to any Person as a result of any defect in any Compound or Product, any warranty or recall of any Compound or Product, or any statutory liability or any liability assessed with respect to any failure to warn arising out of any Compound or Product, including any claims for liability for death or injury to any Person as a result of any clinical trial conducted with respect to any Compound or Product, have been asserted against KalVista or any of its Affiliates.

Tax Matters

.

(a) KalVista has duly and timely filed (taking into account any valid extensions) all Tax Returns that it was required to file under Applicable Law with respect to the Program and Purchased Assets. All such Tax Returns were correct and complete in all material respects and were prepared in compliance with all Applicable Law. All Taxes due and owing by KalVista (whether or not shown on any Tax Return) with respect to the Purchased Assets have been timely paid when due. There are no Encumbrances for Taxes on any of the Purchased Assets, except for Permitted Encumbrances.

(b) KalVista has established, in accordance with generally accepted accounting principles applied on a basis consistent with that of preceding periods, adequate reserves for the payment of, and will timely pay, all Liabilities for Excluded Taxes, the non-payment of which would result in an Encumbrance on any Purchased Asset, would otherwise adversely affect the Program or would result in Merck or any of its Affiliates becoming liable therefor.

Brokers

. No broker, finder or investment banker is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of KalVista or its Affiliates.

Vote Required

. No vote of the holders of any shares of any class or series of capital stock of KalVista or Parent is necessary to approve the transactions contemplated by this Agreement or the other Acquisition Documents. No state takeover statute (including Section 203 of the General Corporation Law of the State of Delaware) or similar Applicable Law applies or purports to apply to the transactions contemplated by this Agreement and the other Transaction Documents or any of the other transactions contemplated hereby or thereby.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF MERCK

Merck represents and warrants to KalVista as of the Agreement Date and the Closing Date as follows:

Organization and Qualification

. Merck is a corporation duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction in which it was organized and has full corporate power and authority to own, operate or lease the properties and

assets owned, operated or leased by it and to carry on its business as currently conducted. Merck is duly qualified or licensed to do business and is in good standing (to the extent such concept is recognized by the applicable jurisdiction) in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing would not reasonably be expected to have a material adverse effect on Merck's ability to perform its obligations under this Agreement or the Option Agreement.

Authorization

. Merck has the requisite corporate power and authority to enter into this Agreement and the other Acquisition Documents to which Merck is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Merck of this Agreement and any other Acquisition Document to which Merck is a party, the performance by Merck of its obligations hereunder and thereunder and the consummation by Merck of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Merck. This Agreement has been duly executed and delivered by Merck and, assuming due authorization, execution and delivery by KalVista, this Agreement constitutes a legal, valid and binding obligation of Merck enforceable against Merck in accordance with its terms, except as may be limited by the Enforceability Exceptions. When each other Acquisition Document to which Merck is or will be a party has been duly executed and delivered by Merck, assuming due authorization, execution and delivery by each other party thereto, such Acquisition Document will constitute a legal and binding obligation of Merck enforceable against it in accordance with its terms, except as may be limited by the Enforceability Exceptions.

No Conflicts; Consents

.

(a) The execution, delivery and performance by Merck of this Agreement and the other Acquisition Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) conflict with or result in a violation or breach of, or default under, the Organizational Documents of Merck; or (ii) assuming compliance with the HSR Act and any Non-U.S. Competition Law, result in a violation or breach of any provision of any Applicable Law or Governmental Order applicable to Merck.

(b) The execution, delivery and performance by Merck of this Agreement and the other Acquisition Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any Third Party the right to accelerate, terminate, modify or cancel any Contract or Permit to which Merck is a party, except for those consents, notices or other actions that, if not received or made, as applicable, would not reasonably be expected to have a material adverse effect on Merck's ability to perform its obligations under this Agreement or the Option Agreement.

(c) No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Merck in connection with the execution and delivery of this Agreement or any of the other Acquisition

Documents and the consummation of the transactions contemplated hereby and thereby, except for such filings as may be required under the HSR Act and any comparable filings under applicable Non-U.S. Competition Law, and the expiration of the waiting periods thereunder.

Brokers

. No broker, finder or investment banker is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Merck or its Affiliates.

Sufficiency of Funds

. Merck, on the Closing Date, will have sufficient cash on hand or other sources of immediately available funds to enable it to pay the Option Exercise Fee.

Legal Proceedings

. There are no Actions pending, or to Merck's knowledge, threatened against or by Merck or any Affiliate of Merck that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

ARTICLE VI
COVENANTS

Access

. During the period from the Agreement Date through the earlier of the Closing Date and the termination of this Agreement in accordance with Section 9.1 (the "**Pre-Closing Period**"), and upon reasonable advance notice to KalVista, KalVista shall provide Merck and Merck's Representatives with reasonable access during normal business hours to KalVista's and its Affiliates' existing books and records (including Contracts, financial, operating, pre-clinical, clinical other data), properties and other assets, business and operations, and to KalVista's officers, employees and Representatives, in each case, to the extent related to the Program, the Purchased Assets or the Assumed Liabilities, and KalVista shall use commercially reasonable efforts to provide Merck and its Representatives reasonable access to the facilities, books, records and personnel of Third Parties engaged in the conduct of the Program, as Merck or its Representatives may reasonably request; provided, however, that any such access shall not interfere unreasonably with the normal operation of KalVista's business or business of any such Third Party. Notwithstanding anything to the contrary contained in this Section 6.1, KalVista shall not be required to furnish any information or provide any such access if such furnishing or access would (A) violate Applicable Law or (B) jeopardize any attorney/client privilege or other established legal privilege, provided that KalVista uses its commercially reasonable efforts to furnish such information in a manner that would not violate Applicable Law or jeopardize any such legal privilege.

Notice of Certain Events

(a) . During the Pre-Closing Period, KalVista shall give prompt written notice to Merck of any fact, circumstance, event or action the existence, occurrence or taking of which has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 7.2 to be satisfied.

Confidentiality

. All Confidential Information (as defined in the Option Agreement) provided hereunder will be subject to and treated in accordance with the terms of the Option Agreement.

Governmental Approvals

.

(a) From and after the Agreement Date, each Party shall cooperate and coordinate to, promptly: (i) make, or cause to be made, all filings and submissions required under Applicable Law applicable to such Party or any of its Affiliates in connection with the consummation of the transactions contemplated by this Agreement, including (A) the Notification and Report Forms as required by the HSR Act and (B) filings under any other comparable pre-transaction notification forms required by Non-U.S. Competition Laws of any applicable jurisdiction, as agreed by the Parties; and (ii) use reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for the consummation of the transactions contemplated by this Agreement and the other Acquisition Documents. The Parties shall not willfully take any action that would reasonably be expected to have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals. Each Party will cause all documents that it is responsible for filing with any Governmental Authority under this Section 6.4(a) to comply in all material respects with all Applicable Law. All filing fees incurred in connection with the filings contemplated by this Section 6.4(a) shall be borne by Merck.

(b) Merck and KalVista each shall work together and promptly supply the other with reasonable assistance and information that is necessary to effectuate any filings or applications pursuant to Section 6.4(a). Except where prohibited by Applicable Law relating to the exchange of information, and subject to Article 10 of the Option Agreement, each of Merck and KalVista shall (i) consult with the other prior to taking a material position with respect to any such filing and (ii) to the extent legally permitted, permit the other to review and discuss in advance, and, to the extent reasonably practicable, consider in good faith, the views of the other Party regarding the information pertaining to such Party and their Affiliates contained in any such filing. The Parties may, as they deem advisable and necessary, designate any competitively sensitive materials provided to the other under this Section 6.4 as “outside counsel only”. Such materials and the information contained therein shall be given only to outside counsel of the recipient and will not be disclosed by such outside counsel to employees, officers, or directors of the recipient without the advance written consent of the Party providing such materials.

(c) Each of Merck and KalVista will notify the other promptly upon the receipt of (i) any comments from any officials of any Governmental Authority in connection with any filings made pursuant hereto and (ii) any request by any officials of any Governmental Authority for amendments or supplements to any filings made pursuant to, or information or documents to comply in all material respects with, any Applicable Law. Whenever any event occurs that is required to be set forth in an amendment or supplement to any filing made pursuant to Section 6.4(a), or whenever a Governmental Authority investigating the transactions described herein under the HSR Act, any Non-U.S. Competition Laws or any other Applicable Law requests information or documents from either Party, as the case may be, such Party will promptly inform the other of such occurrence and cooperate in promptly filing with the applicable Governmental Authority such amendment or supplement or promptly producing to the applicable Governmental

Authority responsive documents and information reasonably requested by such Governmental Authority.

(d) Notwithstanding anything to the contrary set forth herein, in no event will Merck or its Affiliates be obligated to agree to accept any undertaking or condition, to enter into any consent decree, to make any divestiture, to enter into any licensing arrangement, to accept any operational restriction, to enter into any hold separate agreement, or take any other action that, in the reasonable judgment of Merck, could be expected to limit the right of Merck or its Affiliates to own or operate all or any portion of their respective businesses or assets (including the Program or the Purchased Assets of KalVista after the Closing Date). With regard to any Governmental Authority, neither KalVista nor any of its Affiliates shall, without Merck's advance written consent, propose or agree or commit to any divestiture or licensing transaction, accept any operational restriction, or commit to alter their businesses or commercial practices in any way, or otherwise take or commit to take any action that limits Merck or its Affiliates' freedom of action with respect to, or Merck's or its Affiliates' ability to retain any of the businesses, product lines or assets of, Merck, its Affiliates, its subsidiaries, KalVista or the Program, or otherwise receive the full benefits of this Agreement. In addition, neither Merck nor KalVista shall have any obligation to litigate with any Governmental Authority to oppose any enforcement action or remove any court or regulatory orders impeding the ability to consummate the transactions contemplated by this Agreement.

Other Consents; Efforts

(a) .

(a) Each of the Parties shall use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement and the other Acquisition Documents, including satisfying the conditions to Closing in Article VII. Without limitation of the foregoing, KalVista shall use its reasonable best efforts to give all notices to, and obtain all consents from, the Third Parties identified in Section 6.5(a) of the Updated Schedules. Merck shall reasonably cooperate with KalVista in obtaining any such consents but shall have no obligation to make any payments or other accommodations (or agree to do any of the foregoing) in connection with providing such cooperation.

(b) Following the Closing, to the extent not delivered by KalVista at Closing, KalVista shall prepare and execute (or, as applicable, cause its applicable Affiliates to prepare and execute) all assignments and other instruments of transfer reasonably required to transfer to Merck or its applicable Affiliate the Registered Intellectual Property that are Owned Intellectual Property Rights. As between KalVista and Merck, Merck shall be responsible for filing such assignments and preparing and filing any confirmatory assignments or other instruments of transfer with applicable Governmental Authorities following the Closing Date. Merck shall be responsible for paying all out-of-pocket costs and expenses associated with such transfers and filing. KalVista shall be responsible for providing assistance to Merck as reasonably requested to effect such transfers and filings.

Section 6.6 Wrong Pockets.

(a) Assets. If, on or after the Closing Date, either Party becomes aware that any of the Purchased Assets has not been transferred to Merck or that any of the Excluded Assets has been transferred to Merck, it shall promptly notify the other and the Parties shall, as soon as reasonably practicable, ensure that such property is transferred, at the expense of KalVista and with any necessary prior Third Party consent or approval, to (i) Merck or its applicable Affiliate, in the case of any Purchased Asset which was not transferred to Merck or its applicable Affiliate at the Closing; or (ii) KalVista, in the case of any Excluded Asset which was transferred to Merck or its applicable Affiliate at the Closing.

(b) Payments. If, on or after the Closing Date, either Party or its Affiliate receives any payments or other funds due to the other pursuant to the terms of this Agreement or any other Transaction Document, then the Party or its Affiliate receiving such funds shall, within thirty (30) days after receipt of such funds, forward such funds to the proper Party.

(c) Accounts Payable. If, on or after the Closing Date, (i) Merck or any of its Affiliates receives any invoices from any Third Party with respect to any account payable of the Program outstanding prior to the Closing, then Merck shall, within thirty (30) days after receipt of such invoice, provide such invoice to KalVista; and (ii) KalVista or any of its Affiliates receives any invoices from any Third Party with respect to any account payable of Merck or any of its Affiliates for any period after the Closing, then KalVista shall, within thirty (30) days after receipt of such invoice, provide such invoice to Merck.

Bulk Sales Laws

. The Parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Applicable Law of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Merck; it being understood that any Liabilities arising out of the failure of KalVista to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Applicable Law of any jurisdiction shall be treated as Excluded Liabilities.

[State Takeover Laws

. If any “fair price,” “business combination” or “control share acquisition” statute or other similar statute or regulation is or may become applicable to any of the transactions contemplated by this Agreement or any other Transaction Document, Parent, KalVista and Merck shall use their respective reasonable best efforts to (a) take such actions as are reasonably necessary so that the transactions contemplated hereunder or thereunder may be consummated as promptly as practicable on the terms contemplated hereby or thereby and (b) otherwise take all such actions as are reasonably necessary to eliminate or minimize the effects of any such statute or regulation on such transactions.]

Delivery of Tangible Purchased Assets

. To the extent not delivered to Merck at the Closing, KalVista shall deliver, or cause to be delivered, all tangible Purchased Assets to Merck promptly following the Closing at such times and locations as agreed by Merck and KalVista.

ARTICLE VII
CONDITIONS TO CLOSING

Conditions to Obligations of All Parties

. The obligations of each Party to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

(a) Regulatory Approvals. Any applicable waiting or review periods (or extensions thereof) relating to the transaction contemplated hereby under the HSR Act and the Non-U.S. Competition Laws identified on Schedule 7.1(a) shall have expired or been terminated.

(b) No Adverse Order or Law; No Action. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order or Applicable Law which is in effect and has the effect of making the transactions contemplated by this Agreement or the other Acquisition Documents illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder or thereunder to be rescinded following completion thereof.

Conditions to Obligations of Merck

. The obligations of Merck to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or, to the extent permitted by Applicable Law, Merck's waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of KalVista set forth in Article IV shall be true and correct in all material respects (except for those representations and warranties that are qualified by "materiality," "Material Adverse Effect" and words of similar import set forth therein, which shall be true and correct in all respects), in each case, on and as of the Agreement Date and the Closing Date (other than those representations and warranties which address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects); provided, however, that the KalVista Fundamental Representations shall be true and correct in all respects, in each case, on and as of the Agreement Date and the Closing Date (other than those representations and warranties which address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Covenants. KalVista shall have performed and complied in all material respects with all of its agreements, covenants and conditions required by this Agreement to be performed or complied with by KalVista on or prior to the Closing Date.

(c) Material Adverse Effect. There shall not have occurred, and be continuing, any Material Adverse Effect since the Agreement Date.

(d) Consents. KalVista shall have provided to Merck each of the approvals, consents or waivers set forth in Section 6.5 of the Updated Schedules, each in form and substance reasonably acceptable to Merck.

[***]Confidential Treatment Requested.

(e) No Actions. No Actions shall be pending or threatened by any Governmental Authority of the type described in Section 7.1(b).

(f) Certain Closing Deliveries. KalVista shall have delivered or caused to be delivered to Merck:

(i) the Escrow Agreement, duly executed by KalVista and the Escrow Agent;

(ii) a bill of sale and assignment and assumption agreement, substantially in the form of Exhibit A (the "**Bill of Sale**"), duly executed by KalVista;

(iii) assignment agreements, substantially in the form of Exhibit B (the "**Intellectual Property Assignments**"), duly executed by KalVista;

(iv) any other Transfer Documents, in form and substance reasonably satisfactory to the Parties and duly executed by KalVista;

(v) a certificate, dated the Closing Date and signed by a duly authorized officer of KalVista, that certifies that each of the conditions set forth in Section 7.2(a), Section 7.2(b) and Section 7.2(c) have been satisfied; and

(vi) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of KalVista certifying that attached thereto are true and complete copies of: (A) KalVista's Organizational Documents; (B) all resolutions adopted by the board of directors or managers (or equivalent governing body) of KalVista authorizing the execution, delivery and performance of this Agreement and the other Acquisition Documents and the consummation of the transactions contemplated hereby and thereby; and (C) the name, title, incumbency and signatures of the officers authorized to execute this Agreement, the Acquisition Documents, and the other documents to be delivered hereunder and thereunder on behalf of KalVista.

Conditions to Obligations of KalVista

. The obligations of KalVista to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or, to the extent permitted by Applicable Law, KalVista's waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Merck set forth in Article V shall be true and correct in all material respects (except for those representations and warranties that are qualified by "materiality," "material adverse effect" and words of similar import set forth therein, which shall be true and correct in all respects), in each case, on and as of the Agreement Date and the Closing Date (other than those representations and warranties which address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects); provided, however, that the Merck Fundamental Representations shall be true and correct in all respects, in each case, on and as of the Agreement Date and the Closing Date (other than those representations and warranties which

[***]Confidential Treatment Requested.

address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Covenants. Merck shall have performed and complied in all material respects with all of its agreements, covenants and conditions required by this Agreement to be performed or complied with by Merck on or prior to the Closing Date.

(c) Certain Closing Deliveries. Merck shall have delivered or caused to be delivered to KalVista:

(i) the Escrow Agreement, duly executed by Merck;

(ii) the Bill of Sale, duly executed by Merck;

(iii) the Intellectual Property Assignments, duly executed by Merck;

(iv) any other Transfer Documents in form and substance reasonably satisfactory to the Parties and duly executed by Merck; and

(v) a certificate, dated the Closing Date and signed by a duly authorized officer of Merck, that certifies that each of the conditions set forth in Section 7.3(a) and Section 7.3(b) have been satisfied.

ARTICLE VIII
INDEMNIFICATION

Survival

. The representations and warranties of the Parties contained in this Agreement shall survive until the first anniversary of the Closing Date; except that the representations and warranties set forth in (a) Section 4.7 (Intellectual Property), Section 4.8 (Inventory) and Section 4.11 (Regulatory Matters) shall survive until the date that is [***] after the Closing Date and (b) (i) Section 4.1 (Organization and Qualification), Section 4.2 (Authorization), Section 4.3(a) (No Conflicts), Section 4.6 (Title to Purchased Assets), Section 4.12 (Tax Matters), and Section 4.13 (Brokers) (the representations and warranties set forth in this Section 8.1(b)(i), collectively, the "**KalVista Fundamental Representations**") and (ii) Section 5.1 (Organization and Qualification), Section 5.2 (Authorization), Section 5.3(a) (No Conflicts), and Section 5.4 (Brokers) (the representations and warranties set forth in this Section 8.1(b)(ii), collectively, the "**Merck Fundamental Representations**") shall survive until the expiration of the applicable statute of limitations with respect to the particular matter that is the subject matter thereof (taking into account all extensions of any applicable statute of limitations permitted under Applicable Law). All covenants and agreements of the Parties in this Agreement shall survive until the earlier of (a) the date on which such covenant or agreement is fully performed in accordance with this Agreement and (b) the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent, known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of

the relevant representation or warranty and such claims shall survive until fully and finally resolved.

Indemnification by KalVista

. From and after the Closing, subject to the other terms and conditions of this Article VIII, KalVista shall indemnify and defend each of Merck and its Affiliates and their respective Representatives (collectively, the "**Merck Indemnified Parties**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Merck Indemnified Parties based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of KalVista contained in this Agreement or in any certificate or instrument delivered by or on behalf of KalVista pursuant to this Agreement;

(b) any breach of or failure to perform any covenant, agreement or obligation to be performed by KalVista pursuant to this Agreement;

(c) any Excluded Asset or any Excluded Liability;

(d) any Excluded Taxes; or

(e) any failure of KalVista to pay any Transfer Taxes to be borne by KalVista under Section 3.3.

Indemnification by Merck

. From and after the Closing, subject to the other terms and conditions of this Article VIII, Merck shall indemnify and defend each of KalVista and its Affiliates and their respective Representatives (collectively, the "**KalVista Indemnified Parties**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the KalVista Indemnified Parties based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Merck contained in this Agreement or in any certificate or instrument delivered by or on behalf of Merck pursuant to this Agreement;

(b) any breach of or failure to perform any covenant, agreement or obligation to be performed by Merck pursuant to this Agreement;

(c) any Assumed Liability; or

(d) all Liabilities for Taxes of Merck or any of its Affiliates, for Transfer Taxes that are not Excluded Taxes, for Taxes attributable to a breach of the covenants set forth in Section 6.6 by Merck or any of its Affiliates, and for VAT to be borne by Merck under Section 3.3(a) or withholding Taxes to be borne by Merck under Section 3.3(c).

Certain Limitations

. The indemnification provided for in Section 8.2 and Section 8.3 shall be subject to the following limitations:

(a) Threshold. Notwithstanding anything to the contrary herein, no Merck Indemnified Party or KalVista Indemnified Party may recover Losses pursuant to Section 8.2(a) or Section 8.3(a), respectively, [***]; provided, however, that this Section 8.4(a) shall not apply to any claims for fraud or inaccuracy in or breach of the KalVista Fundamental Representations or Merck Fundamental Representations.

(b) KalVista Cap. [***] This Section 8.4(b) shall not apply to any claims for fraud.

(c) Merck Cap. [***] This Section 8.4(c) shall not apply to any claims for fraud.

(d) No Effect of Materiality. For purposes of this Article VIII, for calculating the amount of any Losses with respect to any inaccuracy in or breach of any representation or warranty, any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty shall be disregarded.

(e) No Duplication of Recovery. Notwithstanding anything to the contrary in this Agreement, no Person shall be entitled to recover more than once for any Loss or be indemnified under this Agreement for Losses for which such Person has been otherwise compensated under any other Transaction Document.

(f) Limitation on Liability. IN NO EVENT SHALL A PARTY OR ITS AFFILIATES, OR THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER BASED UPON A CLAIM OR ACTION OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EXCEPT WITH RESPECT TO ANY SUCH LOSSES (i) ACTUALLY AWARDED TO A THIRD PARTY IN RESPECT OF THIRD PARTY CLAIMS INDEMNIFIED HEREUNDER OR (ii) RISING OUT OF OR BASED ON A PARTY'S FRAUD OR WILLFUL MISCONDUCT OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER SECTION 6.3.

Indemnification Procedures

. The Party making a claim under this Article VIII is referred to as the "**Indemnified Party**" and the Party against whom such claim is asserted under this Article VIII is referred to as the "**Indemnifying Party**".

(a) Third Party Claims - Notice. In the event that an Indemnified Party is seeking indemnification under this Article VIII in respect of any Action made or brought by a Third Party (a "**Third Party Claim**"), it shall inform the Indemnifying Party of such Third Party Claim as soon as reasonably practicable after it receives notice of such Third Party Claim (such notice, the "**Claim Notice**"); provided, however, the failure to inform the Indemnifying Party as soon as reasonably practicable shall not relieve the Indemnifying Party of its indemnification obligations, except and to the extent that the Indemnifying Party is actually prejudiced by reason of such failure. Such Claim Notice shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount of the Loss that has been or may be sustained by the Indemnified Party.

(b) Third Party Claims - Control. Subject to Merck's right to control any Actions relating to the Intellectual Property Rights included in the Purchased Assets (even where KalVista is the Indemnifying Party), the Indemnifying Party shall have the right, exercisable by notice to the Indemnified Party within ten (10) Business Days after receipt of a Claim Notice, to assume direction and control of the defense, litigation, settlement, appeal or other disposition of the Third Party Claim with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party; provided that the Indemnifying Party shall not be entitled to assume the defense of any Third Party Claim if such Third Party Claim (i) seeks any relief other than monetary damages, (ii) has been brought by or on behalf of any Governmental Authority or in connection with taxes or any criminal or regulatory enforcement action, (iii) is reasonably likely to result in a regulatory enforcement action by a Governmental Authority against the Indemnified Party, or (iv) relates to the intellectual property rights of the Indemnified Party (the conditions set forth in clauses (i), (ii), (iii) and (iv) above are collectively referred to as the "**Defense Conditions**"). Within ten (10) Business Days after the Indemnifying Party has given notice to the Indemnified Party of its exercise of its right to defend a Third Party Claim, the Indemnified Party will give notice to the Indemnifying Party of any objection thereto based upon the Defense Conditions. If the Indemnified Party reasonably so objects, the Indemnified Party will continue to defend the Third Party Claim, at the expense of the Indemnifying Party, until such time as such objection is withdrawn. If no such notice is given, or if any such objection is withdrawn, the Indemnifying Party will be entitled, at its sole cost and expense, to assume direction and control of such defense. During such time as the Indemnifying Party is controlling the defense of such Third Party Claim, the Indemnified Party will cooperate, and will cause its Affiliates and Representatives to cooperate upon request of the Indemnifying Party, in the defense or prosecution of the Third Party Claim, including by furnishing such records, information and testimony and attending such conferences, discovery proceedings, hearings, trials or appeals as may reasonably be requested by the Indemnifying Party. Notwithstanding anything to the contrary contained in this Section 8.5(b), the Indemnified Party or its Affiliates shall not be required to furnish any information or provide any testimony if such furnishing or provision would (A) violate Applicable Law or (B) jeopardize any attorney/client privilege or other established legal privilege, provided that the Indemnified Party and its Affiliates use their reasonable best efforts to furnish such information or testimony in a manner that would not violate Applicable Law or jeopardize any such legal privilege. In the event that the Defense Conditions are not satisfied or the Indemnifying Party does not notify the Indemnified Party of the Indemnifying Party's intent to defend any Third Party Claim within ten (10) Business Days after receipt of the Claim Notice, the Indemnified Party may (without further notice to the Indemnifying Party) undertake the defense thereof with counsel of its choice and at the Indemnifying Party's expense (including reasonable, out-of-pocket attorneys' fees and costs and expenses of enforcement or defense). The Indemnifying Party or the Indemnified Party, as the case may be, will have the right, at its own expense, to participate in (including the right to conduct discovery, interview and examine witnesses and participate in all settlement conferences), but not control, the defense of any Third Party Claim that the other Party is defending as provided in this Agreement.

(c) Third Party Claims – Settlement. The Indemnifying Party will not, without the prior written consent of the Indemnified Party, enter into any compromise or settlement of a Third Party Claim that (i) commits the Indemnified Party to take, or to forbear to take, any action, or (ii) does not include a complete release of claims against the Indemnified Party. The

Indemnified Party will have the sole and exclusive right to settle any Third Party Claim, on such terms and conditions as it deems reasonably appropriate, to the extent such Third Party Claim involves equitable or other non-monetary relief solely against the Indemnified Party, but will not have the right to settle such Third Party Claim to the extent such Third Party Claim involves monetary damages or equitable or other non-monetary relief against the Indemnifying Party without the prior written consent of the Indemnifying Party (such consent not to be unreasonably withheld, conditioned or delayed). Neither the Indemnifying Party nor the Indemnified Party will make any admission of liability in respect of any Third Party Claim without the prior written consent of the other Party.

(d) Direct Claims. Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "**Direct Claim**") shall be asserted by the Indemnified Party by informing the Indemnifying Party of such claim as soon as reasonably practicable (an "**Indemnification Demand**"); provided, however, that the failure to inform the Indemnifying Party as soon as reasonably practicable shall not relieve the Indemnifying Party of its indemnification obligations, except and to the extent that the Indemnifying Party is actually prejudiced by reason of such failure. Such Indemnification Demand by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount of the Loss that has been or may be sustained by the Indemnified Party. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to reasonably investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Indemnified Party's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. Notwithstanding anything to the contrary contained in this Section 8.5(d), the Indemnified Party shall not be required to furnish any information or provide any such access if such furnishing or access would (i) violate Applicable Law or (ii) jeopardize any attorney/client privilege or other established legal privilege, provided that the Indemnified Party uses its reasonable best efforts to furnish such information in a manner that would not violate Applicable Law or jeopardize any such legal privilege. If the Indemnifying Party fails to notify the Indemnified Party within thirty (30) days following receipt of an Indemnification Demand that it disputes such Direct Claim set forth therein, the Direct Claim set forth in the Indemnification Demand shall be conclusively deemed a Loss to be indemnified under this Agreement, and the Indemnified Party shall be indemnified for the amount of the Loss stated in such Indemnification Demand on demand or, in the case of any Indemnification Demand in which the amount of such Loss (or any portion thereof) are estimated, on such later date when the amount of such Loss (or such portion thereof) becomes finally determined; provided, however, that the lack of final determination of the amount of estimated Loss (or any portion thereof) shall not limit the right of Merck to set off any claims against the Milestone Payments or the Royalty Payments in accordance with Section 8.8 in the amount of the estimated Losses set forth in the applicable Indemnification Demand. If an Indemnifying Party notifies the Indemnified Party that it disputes any such Direct Claim, the Indemnifying Party and the Indemnified Party shall attempt in good faith for a period of thirty (30) days following the Indemnified Party's receipt of such notice to agree upon a resolution and determination of the amount of the indemnified Loss with respect to such Direct Claim. If no such agreement with respect to the Direct Claim can be reached

after such thirty (30)-day period of good faith negotiation (subject to further extensions of such time period for negotiation as mutually agreed upon in writing by the Parties), either the Indemnifying Party or the Indemnified Party may seek resolution pursuant to Section 13.14(b) of the Option Agreement (as incorporated herein pursuant to Section 10.1) for purposes of having the Direct Claim resolved in accordance with the terms of this Agreement.

Payments

. Once a Loss (a) is agreed to by the Indemnifying Party, (b) is conclusively deemed to be an indemnifiable Loss after the Indemnifying Party fails to dispute an Indemnification Demand pursuant to Section 8.5(d), or (c) is finally determined in accordance with Section 13.14(b) of the Option Agreement (as incorporated herein pursuant to Section 10.1), the Indemnifying Party shall satisfy its obligations to pay the amount of such Loss to the Indemnified Party within fifteen (15) Business Days after determination of such Loss, by wire transfer of immediately available funds.

Source of Recovery

. The Merck Indemnified Parties' sources for payment of indemnification obligations hereunder shall be satisfied (a) first, from seeking recovery from the Escrow Amount pursuant to the Escrow Agreement, (b) second, if and to the extent a Milestone Payment or Royalty Payment is then due and payable hereunder, by set off pursuant to Section 8.8 against any such Milestone Payment or Royalty Payment that is then due and payable, or (c) third, by seeking recovery directly from KalVista or Parent. KalVista shall provide the Escrow Agent with any instructions required by the Escrow Agreement in order for the Escrow Agent to release any portion of the Escrow Amount to Merck in satisfaction of any amounts owed to any Merck Indemnified Party under this Article VIII.

Right of Set-Off

.

(a) Merck is expressly authorized to set off any Losses for which it is finally determined in accordance with Section 8.6 to be entitled to indemnification hereunder against any Milestone Payment or Royalty Payment that becomes due and payable under the Transaction Documents.

(b) Notwithstanding Section 6.3 and Section 6.5 of the Option Agreement, if at the time any Milestone Payment or Royalty Payment is due and payable there shall be any outstanding indemnification claim pursuant to Section 8.2 in which the amount of Losses with respect thereto shall not have been finally determined in accordance with Section 8.6, then the amount of such Milestone Payment or Royalty Payment shall be reduced by the amount of Losses that the Merck Indemnified Party reasonably estimates to be subject to such indemnification claim and that is set forth in the Claim Notice or the Indemnification Demand (taking into account the information then available to the Merck Indemnified Party). If the final amount of Losses for such indemnification claim is less than the amount by which such Milestone Payment or Royalty Payment was reduced for such claim, then Merck shall promptly deliver the difference to KalVista.

Tax Treatment of Indemnification Payments

. All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Applicable Law.

Effect of Investigation

(a) . The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 7.2 or Section 7.3, as the case may be.

Exclusive Remedies

. Subject to Section 13.19 of the Option Agreement (as incorporated herein pursuant to Section 10.1), the Parties acknowledge and agree that, following the Closing, their sole and exclusive monetary remedy with respect to any and all claims (other than claims arising from fraud on the part of a Party in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein shall be pursuant to the indemnification provisions set forth in this Article VIII; provided that, subject to Section 8.4, the foregoing shall not limit any Party's remedies under any other Transaction Document. Nothing in this Section 8.11 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any Person's fraudulent conduct.

ARTICLE IX
TERMINATION

Termination

. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of KalVista and Merck;

(b) by either Merck or KalVista, in the event that (i) there shall be any Applicable Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable;

(c) by Merck (provided that Merck is not then in material breach of any of its representations, warranties, covenants, or other agreements contained in this Agreement), in the event of a breach by KalVista of any of its representations, warranties, covenants, or agreements contained in this Agreement if such breach (i) would give rise to the failure of a condition set forth in Section 7.1 or Section 7.2 and (ii) cannot be or has not been cured by KalVista within the earlier of (x) [***] after the delivery of written notice to KalVista of such breach and (y) the third (3rd) Business Day prior to the End Date;

(d) by KalVista (provided that KalVista is not then in material breach of any of its representations, warranties, covenants, or other agreements contained in this Agreement), in the event of a breach by Merck of any of its representations, warranties, covenants, or agreements contained in this Agreement if such breach (i) would give rise to the failure of a condition set forth in Section 7.1 or Section 7.3 and (ii) cannot be or has not been cured by Merck within the earlier of

(x) [***] after the delivery of written notice to Merck of such breach and (y) the third (3rd) Business Day prior to the End Date; or

(e) by either Merck or KalVista by providing written notice to the other at any time after the Agreement Date if the Closing has not occurred by reason of the failure of any condition set forth in Section 7.1 or Section 7.2, in the case of Merck's termination right, or Section 7.1 or Section 7.3, in the case of KalVista's termination right, to be satisfied prior to the date that is [***] after the Agreement Date; provided that if the condition set forth in Section 7.1(a) is the only condition in Article VII (other than any condition in Article VII that by its terms can be satisfied only at the Closing) not to be satisfied by such date, such date shall be automatically be extended until the earlier of (i) the date that is [***] after the Agreement Date and (ii) [***] following the date on which the condition set forth in Section 7.1(a) is satisfied (the applicable date, the "**End Date**") provided, however, that the right to terminate this Agreement under this Section 9.1(e) shall not be available to any Party (A) whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the transactions contemplated by this Agreement to be consummated on or before the End Date or (B) if the other Party has commenced an action for specific performance to cause the Closing to occur pursuant to Section 13.19 of the Option Agreement (as incorporated herein pursuant to Section 10.1).

Effect of Termination

.

(a) In the event of the termination of this Agreement in accordance with this Article IX, this Agreement shall forthwith become void and of no further force or effect, and there shall be no Liability on the part of any Party; provided, however, that this Section 9.2 (Effect of Termination) and Article X (Miscellaneous) shall survive the termination of this Agreement and shall remain in full force and effect in accordance with their respective terms, and (b) neither KalVista nor Merck shall be relieved of any Liability arising from any fraud or willful and knowing breach by such Party of any provision of this Agreement prior to the date of such termination. A "willful and knowing breach" by a Party of a provision of this Agreement shall mean that such party knowingly undertook an action, or failed to undertake an action, with the understanding that the action, or the failure to act, was a breach by such Party of the applicable provisions of this Agreement.

(b) As soon as practicable following a termination of this Agreement in accordance with this Article IX for any reason, but in no event more than [***] after such termination, Merck and KalVista shall, to the extent practicable, withdraw all filings, applications and other submissions relating to the transactions contemplated by this Agreement filed or submitted by or on behalf of such Person, any Governmental Authority or other Person.

ARTICLE X
MISCELLANEOUS

General

. Article 13 of the Option Agreement is hereby incorporated by reference into this Agreement, *mutatis mutandis*.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

[**MERCK]**

By: _____
Name:
Title:

KALVISTA PHARMACEUTICALS LIMITED

By: _____
Name:
Title:

[FORM OF] BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT

This Bill of Sale and Assignment and Assumption Agreement (this "**Bill of Sale**") is made as of this [___] day of [_____], by and between KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales ("**KalVista**")[4], and [Merck], a [●] ("**Merck**").

RECITALS

WHEREAS, KalVista and Merck are parties to the Asset Purchase and License Agreement, dated as of [●] (the "**Asset Purchase Agreement**"); and

WHEREAS, pursuant to the Asset Purchase Agreement, KalVista has agreed to sell, assign, transfer, convey and deliver all of its right, title and interest in, to and under the Purchased Assets and transfer the Assumed Liabilities to Merck, and Merck has agreed to purchase and accept the Purchased Assets and accept, assume and become liable for the Assumed Liabilities.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Bill of Sale and of the representations, warranties, conditions, agreements and promises contained in the Asset Purchase Agreement, this Bill of Sale and the other Transfer Documents, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. Definitions. Unless otherwise specifically provided herein, capitalized terms used in this Bill of Sale and not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

2. Conveyance and Acceptance. In accordance with the provisions of the Asset Purchase Agreement, KalVista hereby sells, assigns, transfers, conveys and delivers to Merck all of KalVista's right, title and interest in, to and under the Purchased Assets, and Merck hereby purchases and accepts all of KalVista's right, title and interest in, to and under the Purchased Assets, in each case, free and clear of any Encumbrances (other than Permitted Encumbrances).

3. Assumption of Assumed Liabilities. In accordance with the provisions of the Asset Purchase Agreement, KalVista hereby assigns to Merck the Assumed Liabilities and Merck hereby unconditionally accepts, assumes and agrees to become liable for the Assumed

---

4 **Note to Draft:** This Bill of Sale to include any KalVista Affiliates that own any of the Purchased Assets and to be revised accordingly.

Liabilities. Merck shall not assume or have or incur any responsibility of any nature for any Liabilities of KalVista or any of its Affiliates other than the Assumed Liabilities.

4. Asset Purchase Agreement Controls. Notwithstanding any other provision of this Bill of Sale to the contrary, nothing contained herein shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions, including warranties, covenants, agreements, conditions, representations or, in general any of the rights and remedies, or any of the obligations of Merck or KalVista (or any of their respective Affiliates) set forth in the Asset Purchase Agreement or the Option Agreement. This Bill of Sale is subject to and governed entirely in accordance with the terms and conditions of the Asset Purchase Agreement. Nothing contained herein is intended to modify or supersede any of the provisions of the Asset Purchase Agreement or the Option Agreement.

5. Incorporation by Reference. The following provisions of the Option Agreement are hereby incorporated by reference, substituting in each such section, the term "Bill of Sale" as defined herein for the term "Agreement" as defined in the Option Agreement: Section 13.1 (Entire Agreement; Amendment); Section 13.3 (Governing Law); Section 13.4 (Notices); Section 13.7 (Assignment); Section 13.8 (Counterparts); Section 13.9 (Further Actions); Section 13.10 (Severability); and Section 13.17 (Third-Party Beneficiaries; Affiliates).

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Bill of Sale and Assignment and Assumption Agreement as of the date first written above.

KALVISTA PHARMACEUTICALS LIMITED

By: _____

Name: _____

Title: _____

[***]Confidential Treatment Requested.

[MERCK]

By: _____

Name: _____

Its: _____

EXHIBIT B

[FORM OF] INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

This Intellectual Property Assignment Agreement (this "**Agreement**") is made as of [_____] (the "**Effective Date**") by and between KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales ("**KalVista**")[5], and [Merck], a [●] ("**Merck**"). Merck and KalVista are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, KalVista and Merck are parties to the Asset Purchase and License Agreement, dated as of [●] (the "**Asset Purchase Agreement**"); and

WHEREAS, pursuant to the Asset Purchase Agreement, KalVista has agreed to sell, assign, transfer, convey and deliver all of its right, title and interest in, to and under all Intellectual Property Rights and Common IP (each as defined in the Asset Purchase Agreement) to Merck, and Merck has agreed to purchase and accept the Intellectual Property Rights and Common IP.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions, agreements and promises contained in the Asset Purchase Agreement, this Agreement and the other Transfer Documents, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Assignment.** KalVista hereby sells, assigns, transfers, conveys and delivers to Merck all of KalVista's rights, title, and interest (including the right to recover for unsettled past, present and future infringement and including the right to claim priority) in, to, and under all Intellectual Property Rights and Common IP, including (a) the patents and patent applications set forth on Attachment A hereto, any and all letters patent that may be granted thereon or derived therefrom or based on any regional or national phase application thereof, and any and all divisions, continuations, continuations-in-part, reissues, reexaminations, and extensions thereof (the "**Patents**"), (b) all trademarks and trademark applications identified on Attachment A hereto (the "**Trademarks**")[6] and (c) all copyrights and copyright applications identified on Attachment A hereto (the "**Copyrights**")[7]. The Parties agree to have executed and file with the United States Patent and Trademark Office the confirmatory assignment with respect to the Patents in the form attached hereto as Attachment B, and with respect to any jurisdiction other than the United States, confirmatory assignments with respect to the Patents substantially in the form attached hereto as Attachment B or as otherwise required or customary in such jurisdiction. KalVista shall take any reasonable actions, and will execute, deliver, and file such documents and instruments, in each case at Merck's expense, as required in order to effectuate the assignment of the Patents as set forth in this Agreement. In the event that Merck is unable, after reasonable notice to KalVista, for any reason whatsoever, to secure KalVista's signature to any document KalVista is required to execute

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[5] **Note to Draft:** This Agreement to include any KalVista Affiliates that own any of the assigned IP.

[6] **Note to Draft:** To include Trademarks, if any.

[7] **Note to Draft:** To include Copyrights, if any.

pursuant to this Section 1 to vest, secure, perfect, protect or enforce the rights and interests of Merck in and to the Patents, Trademarks and Copyrights, KalVista hereby irrevocably

designates and appoints Merck and its duly authorized officers and agents as KalVista's agents and attorneys-in-fact, to act for and on its behalf and instead of KalVista, to execute and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by KalVista.

2. **GENERAL.**

2.1 **Definitions**. Unless otherwise specifically provided herein, capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

2.2 **Asset Purchase Agreement Controls**. Notwithstanding any other provision of this Agreement to the contrary, nothing contained herein shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions, including warranties, covenants, agreements, conditions, representations or, in general any of the rights and remedies, or any of the obligations of Merck or KalVista (or any of their respective Affiliates) set forth in the Asset Purchase Agreement or the Option Agreement. This Agreement is subject to and governed entirely in accordance with the terms and conditions of the Asset Purchase Agreement. Nothing contained herein is intended to modify or supersede any of the provisions of the Asset Purchase Agreement or the Option Agreement.

2.3 **Incorporation by Reference**. The following provisions of the Option Agreement are hereby incorporated by reference, *mutatis mutandis*: Section 13.1 (Entire Agreement; Amendment); Section 13.3 (Governing Law); Section 13.4 (Notices); Section 13.7 (Assignment); Section 13.8 (Counterparts); Section 13.9 (Further Actions); Section 13.10 (Severability); and Section 13.17 (Third-Party Beneficiaries; Affiliates).

[Signature page follows]

In Witness Whereof, the Parties have caused this Agreement to be executed by their duly authorized representatives.

KalVista Pharmaceuticals Limited

By:

Name:

Title:

[Merck]

By:

Name:

Title:

[***]Confidential Treatment Requested.

Attachment A

CERTAIN INTELLECTUAL PROPERTY RIGHTS AND COMMON IP

I. PATENTS[4]

Patent/Publication No	Application No	Application No.	Country	Title	Status

II. TRADEMARKS

III. COPYRIGHTS

4 **Note to Draft:** To include, without limitation, the patents set forth on Exhibit C to the Option Agreement.

Attachment B

CONFIRMATORY ASSIGNMENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

WHEREAS, KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales, having its principal place of business at Building 227, Tetricus Science Park, Porton Down, SP40JQ, United Kingdom ("**ASSIGNOR**"), owns certain patents and/or patent applications, as set forth in Appendix 1 attached hereto and incorporated herein by this reference, and including any and all letters patent that may be granted thereon or derived therefrom or based on any regional or national phase application thereof, and any and all divisions, continuations, continuations-in-part, reissues, reexaminations, and extensions thereof ("**PATENTS**"); and

WHEREAS, [Merck], a [●] having its principal place of business at [●] ("**ASSIGNEE**"), acquired ASSIGNOR's rights, title and interest in, to and under the PATENTS;

WHEREAS, ASSIGNOR and ASSIGNEE have entered into a certain Asset Purchase Agreement and Intellectual Property Assignment Agreement, each dated as of [●], assigning, among other things, all right, title and interest in, to and under the PATENTS from ASSIGNOR to ASSIGNEE;

NOW, THEREFORE, ASSIGNOR hereby confirms that, for good and valuable consideration paid by ASSIGNEE to ASSIGNOR, the receipt and sufficiency of which hereby is acknowledged, ASSIGNOR assigned to ASSIGNEE the ASSIGNOR'S entire rights, title and interest in and to the PATENTS.

[Signature page follows]

[***]Confidential Treatment Requested.

In Witness Whereof, ASSIGNOR has caused this Assignment to be duly executed by an authorized officer on this ____ day of _____, 20[xx].

KalVista Pharmaceuticals Limited

By:

Name:

Title:

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 20[xx], before me, the undersigned notary public in and for said County and State, personally appeared _____,

____ personally known to me *[or]*
____ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies) and that, by his signature(s) on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s) acted executed the instrument.

Witness my hand and official seal.

_____

My commission expires on

_____

[***]Confidential Treatment Requested.

AGREED AND ACKNOWLEDGED:

[MERCK]

By:

Name:

Title:

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 20[xx], before me, the undersigned notary public in and for said County and State, personally appeared _____,

____ personally known to me *[or]*
____ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies) and that, by his signature(s) on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.

_____

My commission expires on

_____

[***]Confidential Treatment Requested.

ATTACHMENT 1

PATENTS[5]

Patent/Publication No.	Application No	Application No.	Country	Title	Status

[5] **Note to Draft:** To include, without limitation, the patents set forth on Exhibit C to the Option Agreement.

TRANSITION SCHEDULE: PRECLINICAL BIOLOGY, TOXICOLOGY, DMPK, REGULATORY AND CHEMISTRY MANUFACTURING AND CONTROL

Activity Description
[***]
[***]
•**Regulatory Documentation** 1.[***] 2.[***] 3.[***] 4.[***] 5.[***]
CMC
I.Drug Product (DP) Clinical Supply. A. GMP Inventory Transfer. [***] B. DP Clinical Supply by KalVista. [***] C. DP for Clinical Supply by Merck. [***]
II.Drug Substance. A.DS Inventory. [***] B.DS Tech Transfer. [***]
III.DP Tech Transfer. [***]
Analytical Tech Transfer. [***]
IV.Vendors. [***]

[***]Confidential Treatment Requested.

Exhibit F

Oral DME Asset Purchase and License Agreement

[see attached.]

[***]Confidential Treatment Requested.

ASSET PURCHASE AND LICENSE AGREEMENT

by and between

[MERCK][8][,]

[and]

KALVISTA PHARMACEUTICALS LIMITED

[and

KALVISTA PHARMACEUTICALS, INC.,
solely for purposes of Sections 6.8, 6.9, 6.10 and 9.3 and Articles VIII and X][9]

Dated as of [●]

8 **Note to Draft:** Merck entity to be determined closer in time to Agreement signing.

9 **Note to Draft:** [***]

TABLE OF CONTENTS

Page

[***]Confidential Treatment Requested.

[***]Confidential Treatment Requested.

EXHIBITS:

SCHEDULES:

[***]Confidential Treatment Requested.

INDEX OF DEFINED TERMS

[***]Confidential Treatment Requested.

ASSET PURCHASE AND LICENSE AGREEMENT

This Asset Purchase and License Agreement (this "**Agreement**") is entered into as of [●] (the "**Agreement Date**"), by and between [Merck], a [●] ("**Merck**"), [and] KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales ("**KalVista**")[, and, solely for purposes of Sections 6.8, 6.9, 6.10 and 9.3 and Articles VIII and X, KalVista Pharmaceuticals, Inc., a Delaware corporation ("**Parent**")]. Merck and KalVista may each be referred to herein as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS, KalVista discovered molecules that Specifically Modulate the Target, including the IVT Compounds and Oral DME Compounds;

WHEREAS, KalVista and Merck entered into that certain Option Agreement, dated as of October 6, 2017 (the "**Option Agreement**"), among other things, granting to Merck the Oral DME Option, all in accordance with the terms and conditions of the Option Agreement;

WHEREAS, concurrently with the Parties entry into the Option Agreement, KalVista Pharmaceuticals, Inc., a Delaware corporation ("**Parent**"), and Merck entered into a Guarantee under which Parent guaranteed the performance of KalVista's obligations under the Option Agreement and the Transaction Documents, subject to the terms and conditions of such Guarantee; and

WHEREAS, on [●], Merck made an Option Exercise with respect to the Oral DME Option and, pursuant to the Option Agreement, the Parties are entering into this Agreement and at the Closing will enter into the other Acquisition Documents.

NOW, THEREFORE, in consideration of the foregoing and the premises and conditions set forth herein, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Certain Definitions

. For purposes of this Agreement, the following terms have the meanings specified in this Article I. Unless otherwise specifically provided herein, capitalized terms used but not otherwise defined herein have the meanings ascribed thereto in the Option Agreement.

(a) "**Acquisition Documents**" means this Agreement, the Bill of Sale, the Escrow Agreement, the Intellectual Property Assignments, any Transfer Documents and any other agreements or documents entered into, or certificates delivered, at or in connection with the Closing.

(b) "**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena

or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

(c) "**Books and Records**" means all books, records, files (including data files) and documents (including financial, research and development and expense records, correspondence and all files relating to the filing, prosecution, issuance, maintenance, enforcement or defense of any Intellectual Property Rights or Common IP, including application files (including searches and opinions of counsel regarding availability of trademarks), registration certificates, file wrappers, ribboned and sealed letters patents, written third party correspondence, including laboratory notebooks, procedures, tests, dosage information, criteria for patient selection, safety and efficacy and study protocols, investigators brochures, regulatory and clinical records, and all pharmacovigilance and other safety records) in all forms, including electronic, in which they are stored or maintained, and all data and information included or referenced therein, in each case that are Controlled by or otherwise in the possession of KalVista or any of its Affiliates, and in each case are related to the Program, but excluding: (i) human resources policies and any other employee books and records, (ii) any financial, Tax and accounting records to the extent not related to the Program, and (iii) any books and records to the extent Applicable Law prohibits their transfer. The Parties will cooperate to effect the transfer of any Books and Records protected by established legal privilege.

(d) "**Compounds**" means the "Oral DME Compounds", as defined in the Option Agreement.

(e) "**Contracts**" means any contracts, agreements, purchase orders and all other legally binding arrangements, including all amendments, exhibits and schedules thereto.

(f) "**Encumbrance**" means any charge, claim, condition, equitable interest, lien, license, security interest, pledge, defect or irregularity in title, right of first option, right of first refusal or similar restriction, or any other restriction on use, transfer or exercise of any other attribute of ownership.

(g) "**Escrow Agent**" means the entity designated by Merck and reasonably acceptable to KalVista to serve as escrow agent under the Escrow Agreement.

(h) "**Escrow Agreement**" means the escrow agreement to be entered into at Closing by Merck, KalVista and the Escrow Agent, in a form reasonably acceptable to Merck and KalVista.

(i) "**Escrow Amount**" means an amount in cash equal to [***] of the Option Exercise Fee.

(j) "**Excluded Taxes**" means (i) Taxes that arise from or with respect to the Purchased Assets or the Program and that (A) relate or are attributable to the Pre-Closing Tax Period or (B) are attributable to a breach of the representations and warranties set forth in Section 4.12 (Tax Matters) or a breach of the covenants set forth in Section 6.6 by KalVista or any of its Affiliates; (ii) all Transfer Taxes for which KalVista is responsible pursuant to this Agreement;

and (iii) all Liabilities for Taxes imposed on KalVista or any of its Affiliates that are not Assumed Liabilities or indemnified by Merck under Section 8.3(d).

(k) "**Good Clinical Practices**" means the FDA's standards for the design, conduct, performance, monitoring, auditing, recording, analysis, and reporting of clinical trials contained in 21 C.F.R. Parts 50, 54, 56 and 312 and comparable regulatory standards promulgated by the EMA or other Regulatory Authorities, as such standards may be updated from time to time.

(l) "**Good Laboratory Practices**" means the then-current good laboratory practice standards promulgated or endorsed by the FDA, as defined in 21 C.F.R. Part 58, and comparable regulatory standards promulgated by the EMA or other Regulatory Authorities, as such standards may be updated from time to time, including applicable quality guidelines promulgated under the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use.

(m) "**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

(n) "**HAE Field**" means diagnostic, prophylactic or therapeutic use of a product in humans solely for HAE.

(o) "**HSR Act**" means the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976.

(p) "**In-License Agreement**" means any Contract to which KalVista or any of its Affiliates is a party pursuant to which such Person obtains any Intellectual Property Rights which are owned by any Third Party, in each case, other than agreements relating to any software that is generally commercially available and is mass marketed and licensed pursuant to a standard form click-wrap or shrink-wrap agreement that is not subject to any negotiation and does not include any handwritten signatures of the parties to such agreement.

(q) "**Inventory**" means all inventory of Compounds and Product Controlled by KalVista or its Affiliates as of the Closing Date, wherever located, including all finished goods, work in process, raw materials, packaging, assay materials (including cell lines and other reagents), starting materials and intermediates from the synthesis of Products, in each case, to the extent not constituting another type of Purchased Asset described in Section 2.1.

(r) "**Knowledge**" means the actual knowledge of any officer of KalVista, after due investigation or inquiry.

(s) "**Liabilities**" means any and all liabilities, obligations, costs and expenses or commitments of any nature whatsoever, accrued or fixed, absolute or contingent, matured or unmatured, or determined or determinable.

(t) "**Material Adverse Effect**" means any event, occurrence, fact, condition or change that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (i) the Program, the Purchased Assets or the Assumed Liabilities as a whole,

or (ii) the ability of KalVista to consummate the transactions contemplated by this Agreement or any other Acquisition Document; provided, however, that, for purposes of clause (i), "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change arising out of or attributable to: (A) general economic or political conditions, including the worsening of any existing conditions; (B) conditions generally affecting the pharmaceutical industry; (C) any changes in financial or securities markets in general, including the worsening of any existing conditions; (D) acts of war, armed hostilities or terrorism, or the escalation or worsening thereof, or any hurricane, flood, tornado, earthquake or other natural disaster or force majeure event; (E) any changes in Applicable Laws or accounting rules; and (F) the public announcement, pendency or completion of the transactions contemplated by this Agreement or any other Acquisition Document; provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (A) through (E) above shall be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Program, Purchased Assets or Assumed Liabilities compared to other participants in the pharmaceutical industry.

(u) "**Material Contracts**" means, collectively, the Assumed Contracts, the In-License Agreements and the Out-License Agreements.

(v) "**Non-U.S. Competition Law**" means any Applicable Law of any jurisdiction outside of the United States with respect to antitrust, competition or trade regulation.

(w) "**Organizational Documents**" means, with respect to a Person that is an entity, the organizational documents of such Person, including all amendments thereof, which include any articles of organization, limited liability company agreements, certificates of incorporation, bylaws and other similar documents.

(x) "**Out-License Agreement**" means any Contract to which KalVista or any of its Affiliates is a party pursuant to which such Person assigns, licenses, sublicenses, makes available (including by the grant of an option) or otherwise grants any right or access to any Third Party any Intellectual Property Rights, other than any such Contracts granting non-material, non-exclusive licenses entered into in the ordinary course consistent with past practice.

(y) "**Owned Intellectual Property Rights**" means Intellectual Property Rights and Common IP owned by KalVista or any of its Affiliates that relate to the Compounds or Products.

(z) "**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances, exemptions, consents and similar rights issued or granted by Governmental Authorities.

(aa) "**Permitted Encumbrances**" means (i) liens for Taxes not yet due and payable and (ii) Encumbrances listed in Section 1.1(aa) of the Updated Schedules or, if there are no Updated Schedules, the Initial Schedules.

(bb) "**Pre-Closing Tax Period**" means any taxable period ending on or prior to the Closing Date and, with respect to any taxable period that begins on or before and ends after the Closing Date, the portion of such period that ends on the Closing Date.

(cc) "**Product**" means "Oral DME Product", as defined in the Option Agreement.

(dd) "**Program**" means the program of KalVista and its Affiliates related to the research, development, manufacture and expected Commercialization of any Compounds or Products.

(ee) "**Purchased Books and Records**" means all Books and Records that are exclusively related to the Program or set forth on Schedule 1.1(ee).

(ff) "**Registered Intellectual Property Right**" means any Intellectual Property Right or Common IP that is issued or granted by, registered with, renewed by or the subject of a pending application before any Governmental Authority or internet domain name registrar.

(gg) "**Representatives**" means, with respect to a Person, such Person's officers, directors, managers, employees, consultants, contractors and agents and, solely with respect to Merck and following the Closing, Merck's licensees and sublicensees with respect to any Compound or Product.

(hh) "**Research Tools**" means those knock-out animals, assays and other tools Controlled by KalVista or any of its Affiliates that are necessary to the ongoing research and development of any Compound or Product.

(ii) ["**Subsequent Transaction**" means any (i) transaction that results or would result in any Third Party or group (within the meaning of Section 13(d) of the Securities Exchange Act of 1934) (other than Merck and its Affiliates) acquiring, directly or indirectly, beneficial ownership of fifty percent (50%) or more of the total voting power of Parent or ownership of or an exclusive license to fifty percent (50%) or more of the consolidated total assets of Parent and its subsidiaries, including all or a material portion of the Purchased Assets that are necessary for the Program, in any case, pursuant to a merger, consolidation, or other business combination, sale of shares of capital stock, sale of assets, tender offer or exchange offer, license, or similar transaction, including any single or multi-step transaction or series of related transactions or (ii) recapitalization, extraordinary dividend or other corporate reorganization of Parent, in each case (clauses (i) and (ii)), other than the transactions contemplated by the Option Agreement and this Agreement.]

(jj) ["**Superior Offer**" means [***]]

(kk) "**Tax**" means all taxes, charges, fees, duties, levies or other assessments, including, income, gross receipts, net proceeds, turnover, real and personal property (tangible and intangible), sales, use, franchise, excise, value added, license, payroll, unemployment, unclaimed property, escheat, environmental, customs duties, capital stock, disability, stamp, leasing, lease, user, transfer, fuel, excess profits, occupational and interest equalization, windfall profits,

severance and employees' income withholding and social security or similar taxes imposed by any Governmental Authority, in each case to the extent relevant in the given context, and such term includes any interest, penalties or additions to tax attributable to such taxes.

(ll) "**Tax Returns**" means all returns, declarations, reports, statements and other documents filed or required to be filed with any Governmental Authority in respect of, any and all Taxes (including any schedule or attachment thereto, and including any amendment thereof).

(mm) "**Transfer Documents**" means (i) with respect to the Purchased Assets, such bills of sale, asset transfer agreements, endorsements, assignments, affidavits and other instruments of sale, conveyance, transfer and assignment between KalVista or its Affiliates, on the one hand, and Merck or its Affiliates, on the other hand, as are necessary under Applicable Law in order to transfer to Merck or its applicable Affiliate all right, title and interest of KalVista and its Affiliates, to and under the Purchased Assets in accordance with the terms hereof, and (ii) with respect to the Assumed Liabilities, such instruments of assumption between KalVista or its Affiliates, on the one hand, and Merck or its Affiliates, on the other hand, as are necessary under Applicable Law in order for the Assumed Liabilities to be effectively assumed by and transferred to Merck or its Affiliates, in each case, other than the Bill of Sale and Intellectual Property Assignments.

ARTICLE II
PURCHASE AND SALE; CLOSING

Purchased Assets

. Subject to the terms and conditions set forth herein, at the Closing, KalVista shall or shall cause its applicable Affiliates to sell, assign, transfer, convey and deliver, as applicable, to Merck or Merck's designated Affiliates, and Merck or its applicable Affiliates shall purchase and accept from KalVista or its applicable Affiliates, free and clear of any Encumbrances (other than Permitted Encumbrances), all of KalVista's or its applicable Affiliates' right, title and interest in, to and under all assets, properties and rights of whatever kind and nature, whether tangible or intangible (including goodwill), wherever located and whether now existing or hereafter acquired prior to the Closing (other than the Excluded Assets), in each case, which are used or held for use in connection with the Program (collectively, the "**Purchased Assets**"), including the following:

(a) all Compounds and Products;

(b) all Research Tools; provided, that, upon Merck's reasonable request, KalVista shall provide Merck with access to (and hereby grants a license and right of use to) any knock-out animals, assays and other tools Controlled by KalVista or any of its Affiliates that were used by KalVista in the research and development of any Compound or Product but are not Research Tools, for the purpose of researching and developing such Compound or Product;

(c) all Intellectual Property Rights and all Common IP related to the Compounds or Products;

(d) all Regulatory Documentation (including the global safety database for the Products) and Regulatory Approvals, in each case to the extent transferable to Merck or its Affiliates and related to any Compound or Product; provided that KalVista shall be entitled to retain copies of the foregoing (i) to the extent necessary to comply with Applicable Law or perform its obligations under the Option Agreement and (ii) if applicable, to the extent necessary or useful to develop or Commercialize products in the HAE Field;

(e) originals, or where not available, copies of all Purchased Books and Records; provided that KalVista shall be entitled to retain copies of the Purchased Books and Records to the extent necessary to comply with Applicable Law or perform its obligations under the Option Agreement; provided further that KalVista shall provide Merck with copies of all Books and Records that relate to the Compounds or Products and which do not constitute Purchased Books and Records and, upon Merck's request therefor, access to the originals of such Books and Records;

(f) (i) all Contracts related to the Program as of the Agreement Date and set forth in Schedule 2.1(f), (ii) all Contracts related to the Program entered into by KalVista after the Agreement Date and for which KalVista obtained Merck's written approval prior to execution thereof and added to Schedule 2.1(f) and (iii) any other Contracts related to the Program entered into by KalVista after the Agreement Date which Merck expressly agrees to assume in connection with the Closing, which Contract is added to Schedule 2.1(f) (collectively, the "**Assumed Contracts**"); provided, that no less than ten (10) days prior to the Closing Date, the Parties shall cooperate to update Schedule 2.1(f) to reflect any Contracts related to the Program entered into by KalVista after the Agreement Date that are deemed Assumed Contracts pursuant to the foregoing clauses (ii) and (iii);

(g) all Inventory;

(h) all rights to any Action of KalVista or its Affiliates (if any) to the extent related to or arising out of the Program, whether arising by way of counterclaim or otherwise, other than Actions relating solely to Excluded Taxes and refunds related to Excluded Taxes;

(i) all rights of KalVista or its Affiliates under warranties, indemnities and all similar rights against Third Parties to the extent related to or arising from the conduct of the Program; and

(j) all goodwill to the extent relating to any Product or any other Purchased Assets.

Excluded Assets

. KalVista and Merck expressly agree and acknowledge that all assets of KalVista other than the Purchased Assets will be "**Excluded Assets**" for purposes of this Agreement and such Excluded Assets shall include the following assets of KalVista or its Affiliates:

(a) all Contracts that are not Assumed Contracts;

(b) all assets, properties and rights not related to the Program or the Purchased Assets, including the Oral HAE Compounds and materials, antibodies, cell lines, knock-out animals, assays, plasmids and other tools Controlled by KalVista or any of its Affiliates that were exclusively used to research and develop any of the Oral HAE Compounds, and the items set forth on Schedule 2.2(b)[3];

(c) all real property, fixtures and tangible personal property of KalVista or its Affiliates (other than Biological Materials, Research Tools and Inventory);

(d) all cash, bank accounts and accounts receivable;

(e) all Organizational Documents;

(f) all employees of KalVista or any of its Affiliates and all plans, Contracts, policies and other arrangements related to the compensation of or benefits provided to any current or former director, manager, employee or consultant of or to KalVista or any of its Affiliates, and all assets related thereto;

(g) all insurance benefits arising from the conduct of the Program prior to and at the Closing;

(h) all Tax refunds arising from the conduct of the Program prior to and at the Closing or relating to Excluded Taxes; and

(i) all rights which accrue or will accrue to KalVista under the Transaction Documents.

Assumed Liabilities

. Subject to the terms and conditions set forth herein, at the Closing, Merck or its designated Affiliate shall accept, assume and become liable for all Liabilities to the extent relating to the Purchased Assets and arising out of events, occurrences or activities of or on behalf of Merck or its Affiliates after the Closing, and no other Liabilities. The Liabilities to be assumed by Merck or its designated Affiliate pursuant to this Section 2.3 are referred to as the "**Assumed Liabilities**."

Excluded Liabilities

. Notwithstanding any other provisions in this Agreement to the contrary, Merck shall not assume or be responsible for any Liability of KalVista or its Affiliates of any kind or nature whatsoever other than the Assumed Liabilities (all such other Liabilities, the "**Excluded Liabilities**"). For the avoidance of doubt, (a) any Liabilities that relate to any failure to perform, improper performance, warranty or other breach, default or violation by KalVista or its Affiliates at or prior to the Closing, (b) any employment-related Liabilities of KalVista or any of its Affiliates, (c) any indebtedness of KalVista or any of its Affiliates and (d) any Liabilities for Excluded Taxes, shall be Excluded Liabilities.

[3] **Note to Draft:** Schedule 2.2(b) to include screening assays and related methodologies for the selection of compounds to bind and inhibit Plasma Kallikrein.

Non-Assignable Assets

. If any asset, property or right included in the Purchased Assets is not assignable or transferable to Merck either by virtue of the provisions thereof or under Applicable Law without the prior consent of a Third Party (each, a "**Non-Assignable Asset**"), and any such consent has not been obtained prior to the Closing, then, notwithstanding anything to the contrary in this Agreement or any other Transaction Document, this Agreement and the related instruments of transfer shall not constitute an assignment or transfer of the Non-Assignable Asset. From and after the Agreement Date until the earlier of (a) the date on which all such consents are obtained and (b) the first anniversary of the Closing Date, KalVista shall use its commercially reasonable efforts to obtain all such consents with respect to the Non-Assignable Assets. From and after the Closing, any Non-Assignable Assets shall be held by KalVista in trust for Merck and KalVista authorizes Merck, to the extent permitted by Applicable Law and the terms of the Non-Assignable Assets, to perform all of the covenants and obligations thereunder and all benefits and obligations existing thereunder shall be for Merck's account. From and after the Closing Date until all such consents are obtained, KalVista shall use its commercially reasonable efforts to take or cause to be taken any actions in its name or otherwise reasonably requested by Merck so as to provide Merck with the benefits of the Non-Assignable Assets and to effect collection of money or other consideration that becomes due and payable under the Non-Assignable Assets, and KalVista shall promptly pay over to Merck all money or other consideration received by KalVista or its Affiliates in respect of all Non-Assignable Assets. For any such Non-Assignable Asset that is a Contract, during the period in which KalVista is operating under such Contract in accordance with this Section 2.5, KalVista shall not, without the prior consent of Merck, amend or waive any material rights under such Contract with respect to the Program. If, after the Closing, any Non-Assignable Asset becomes assignable (either because consent is obtained or otherwise), KalVista shall promptly notify Merck and transfer and assign such previously Non-Assignable Asset to Merck or its Affiliate without any additional consideration therefor.

Closing

. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place at the Washington, D.C. offices of Covington & Burling LLP, at 10:00 a.m. local time, on the third (3rd) Business Day after all of the conditions to the Closing set forth in Article VII are either satisfied or, to the extent permitted by Applicable Law, waived (other than conditions which, by their nature, are to be satisfied on the Closing Date, but subject to the satisfaction or waiver of such conditions), or at such other date, time or place as may be mutually agreed in writing by the Parties. The date on which the Closing is to occur is herein referred to as the "**Closing Date**". The Closing shall be deemed to have occurred at 12:00 a.m., Eastern Time, on the Closing Date, such that Merck shall be deemed the owner of the Purchased Assets on and after the Closing Date.

License.

As of the Closing Date, Merck hereby grants to KalVista, and KalVista hereby accepts, an exclusive, transferable, sublicensable (through multiple tiers), royalty-free, perpetual and irrevocable license in the Territory under the Common IP included in the Purchased Assets to make, use, sell, offer for sale and import any product and to practice any method, in each case, solely for use within the HAE Field or, if applicable, such other field in which KalVista used such Common IP immediately prior to the Closing, provided, however, that no license is granted with respect to the composition of matter of any IVT Compound or Oral DME Compound. KalVista acknowledges that the Common IP licensed pursuant to this Section

2.7 (other than any Common IP disclosed in a Patent) is the Confidential Information of Merck and shall be subject to the terms and conditions of Section 6.3 after the Closing; provided that KalVista may use and disclose such Common IP to the extent necessary or useful to develop and Commercialize products in the HAE Field or, if applicable, such other field in which KalVista used such Common IP immediately prior to the Closing; provided, further, that, to the extent that any Common IP that constitutes trade secrets is disclosed in connection with such development or Commercialization, KalVista shall ensure that the confidentiality of such trade secrets is maintained.

Technology Transfer and Transition Plan.

(a) The Parties shall use commercially reasonable efforts to comply with the transition plans set forth as Schedule 2.8 (collectively the "**Transition Plan**"), which, for clarity, consist of those plans for KalVista to transfer to Merck: (i) regulatory obligations (including reporting obligations) in respect of the Regulatory Documentation for the Products (including, as applicable, the Oral DME Compounds) for other than the Retained Trials; (ii) results and data from all pre-clinical studies and clinical trials conducted prior to the Closing Date, as well as from the Retained Trials; (iii) clinical study agreements, contracts with contract research organizations, manufacturing supply agreements, clinical supplies and other data and materials, in each case, to the extent included in the Purchased Assets, to support clinical supply responsibilities; (iv) Compound and Product manufacturing technology within the Intellectual Property Rights as more fully described in Section 2.8(c); and (v) other such Information comprising the Intellectual Property Rights in existence as of the Effective Date or thereafter and not otherwise subject to the preceding clauses (i) through (v) (collectively, the "**Transfer Activities**"). KalVista and Merck shall initiate the Transfer Activities promptly after the Closing Date and as specified in the Transition Plan. The initial embodiments of Information comprising the Intellectual Property Rights to be transferred to Merck consist of the contents of the virtual data room that Merck has had access to prior to the date hereof as part of its due diligence for entering into this Agreement. As soon as is reasonably practicable after the Closing Date (but in no event later than thirty (30) days after the Closing Date or such other date as may be mutually agreed by the Parties), KalVista shall execute and deliver a letter to the applicable Regulatory Authority authorizing the transfer to Merck of the existing IND/CTAs and other Regulatory Documentation relating to the Product (including, as applicable, the Oral DME Compounds). KalVista and Merck shall use commercially reasonable efforts to perform the Transfer Activities and complete such Transfer Activities within the time periods specified on Schedule 2.8.

(b) KalVista shall retain operational responsibility for any ongoing clinical trial for any Product (including, as applicable, the Oral DME Compounds), unless and until Merck requests a transfer) (collectively, "**Retained Trials**"), and Merck shall assume financial responsibility for such Retained Trials as of the Closing Date. Upon completion of the Retained Trials, at Merck's discretion, KalVista shall either (i) inactivate the existing IND/CTAs in its name for the Product, or (ii) execute and deliver a letter to the applicable Regulatory Authority authorizing the transfer to Merck of ownership of the existing IND/CTAs and other Regulatory Documentation relating to such Product (including, as applicable, the Oral DME Compounds), with Merck executing and delivering a letter to the applicable Regulatory Authority accepting such transfer.

(c) Without limitation of Section 3.4 of the Option Agreement, in accordance with the Transition Plan, KalVista shall transfer to Merck (or to any Third Party manufacturers designated by Merck (not to exceed the number of Third Party manufacturers engaged by KalVista as of the Closing Date)) all Information comprising the Intellectual Property Rights available to KalVista, which KalVista has the right to transfer, that is necessary or useful for Merck or such Third Party manufacturers to replicate or continue the processes employed or in development by or on behalf of KalVista as of the Closing Date to manufacture the Compounds and Products, as applicable, including all development reports underlying Critical Process Parameters and Critical Quality Attributes.

(d) Without limitation to Section 2.8(c) or Section 3.4 of the Option Agreement, upon Merck's reasonable request, KalVista shall reasonably make available to Merck (or its designee) appropriately qualified KalVista personnel (or personnel of applicable Third Parties engaged in the Program) to provide consulting and technical support to Merck with respect to the Compounds, Products or other Purchased Assets, including with respect to the manufacture of the Compounds and Products; provided that the first two hundred (200) hours of such consulting and technical support and up to six (6) post-meeting consultations shall be at KalVista's cost and expense and thereafter shall be at Merck's cost and expense (with Merck's cost and expense being equal to (i) KalVista's reasonably incurred out-of-pocket expenses (if any) incurred in conducting such activities and providing such support and (ii) the proportion of the full-time equivalent cost of KalVista's employees engaged in conducting such activities and providing such support that equates to the proportion of such employees total working time spent conducting such activities and providing such support, in each case ((i) and (ii)), without mark-up).

ARTICLE III
CONSIDERATION

Purchase Price

. The aggregate purchase price (the "**Purchase Price**") for the Purchased Assets shall be (i) the option exercise fee set forth in Section 6.2(b) of the Option Agreement with respect to the Compounds (the "**Option Exercise Fee**"), plus the assumption of the Assumed Liabilities, (ii) the milestone obligations, if any, pursuant to Section 6.3(b) of the Option Agreement (the "**Milestone Payments**"), and (iii) the royalty payment obligations, if any, pursuant to Section 6.5 of the Option Agreement with respect to Products (the "**Royalty Payments**"). On the Closing Date, Merck shall pay the Option Exercise Fee as follows:

(a) An amount equal to the Option Exercise Fee less the Escrow Amount shall be paid by Merck by wire transfer of immediately available funds to the account set forth in Section 7.2 of the Option Agreement or as otherwise designated in writing by KalVista to Merck no later than three (3) Business Days prior to the Closing Date; and

(b) The Escrow Amount shall be deposited by wire transfer of immediately available funds to an account designated by the Escrow Agent and shall be held and distributed in accordance with the terms of the Escrow Agreement to satisfy any indemnifiable damages owed to any Merck Indemnified Parties pursuant to Article VIII, with all amounts (including interest accrued thereon) not subject to pending claims remaining in such account [***] (the "**Escrow Termination Date**") to be released to KalVista on the Escrow Termination Date.

[***]Confidential Treatment Requested.

Purchase Price Allocation

. KalVista and Merck agree that the Purchase Price and the Assumed Liabilities shall be allocated among the Purchased Assets pursuant to an allocation schedule (the "**Allocation Schedule**"). [***].

Tax Matters

.

(a) Value Added Taxes. Any payments made by Merck under this Agreement (and any Milestone Payments or Royalty Payments made under the Option Agreement) are exclusive of any value added Tax ("**VAT**") imposed upon such payments. Where VAT is properly added to a payment made under this Agreement (or any Milestone Payments or Royalty Payments made under the Option Agreement), Merck shall pay the amount of VAT only on receipt of a valid tax invoice issued in accordance with the laws and regulations of the country in which the VAT is chargeable.

(b) Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and other similar Taxes and fees other than VAT ("**Transfer Taxes**") incurred in connection with this Agreement and the other Acquisition Documents shall be borne equally between KalVista and Merck when due. For each Tax Return relating to any Transfer Tax, the Party that customarily files such Tax Return shall, at its own expense, timely file such Tax Return (and the relevant other Party shall cooperate with respect thereto) and shall pay, or cause to be paid, in a timely manner the amount of liability for Transfer Tax shown on such Tax Return. If required by Applicable Law, the Parties shall, and shall cause their Affiliates to, join in the execution of any such Tax Returns. Promptly upon notification by the respective other Party, Merck shall reimburse KalVista, in the case of any such Tax Return filed by Parent, KalVista or any of their Affiliates, and KalVista shall reimburse Merck, in the case of any such Tax Return filed by Merck or any of its Affiliates, the portion of the liability for Transfer Taxes for which it is responsible pursuant to this Section 3.3(b), in each case subject to receipt of satisfactory evidence of payment of such liability for Transfer Tax.

(c) Tax Withholding. If any payments made by Merck pursuant to this Agreement (or any Milestone Payments or Royalty Payments made under the Option Agreement) are subject to withholding Taxes under Applicable Laws of any jurisdiction or Governmental Authority, Merck is authorized deduct and withhold the amount of such Taxes for the account of KalVista to the extent required by Applicable Law; such amounts payable to KalVista will be reduced by the amount of Taxes deducted and withheld; and treated as paid to KalVista for all purposes of this Agreement. Notwithstanding anything in the foregoing to the contrary, (i) Merck shall be responsible for any withholding Taxes imposed on any payments made pursuant to this Agreement (or any Milestone Payments or Royalty Payments made under the Option Agreement) by any jurisdiction or Governmental Authority outside of the United Kingdom, Switzerland or the United States as a result of Merck's exploitation or use of any of the Purchased Assets through an Affiliate, branch or other place of business in such jurisdiction; and (ii) Merck shall increase the amounts payable to KalVista under this Agreement (or any Milestone Payments or Royalty Payments made under the Option Agreement) with respect to such withholding Taxes so that KalVista receives the same amount of payments after deduction of such withholding Taxes (including with respect to any additional payments under this Section 3.3(c)) as KalVista would have if such withholding Taxes had not been imposed.

(d) Tax Cooperation. The Parties agree to cooperate and produce on a timely basis any Tax forms, reports, or certificates, including an IRS Form W-9 or IRS Form W-8BEN, reasonably requested by the other Party in connection with any payment made by Merck to KalVista under this Agreement. The Parties further agree to cooperate in accordance with Applicable Law to minimize indirect Taxes (such as VAT and Transfer Taxes) in connection with this Agreement. Each Party will provide the relevant other Party with assistance to enable such other Party to recover any Taxes withheld or to obtain an exemption from withholding Tax as permitted by Applicable Laws.

(e) Each Party further agrees to provide reasonable cooperation to the other Party, at the other Party's expense, in connection with any official or unofficial Tax audit or contest relating to payments made by Merck to KalVista under this Agreement.

(f) In determining the portion of Excluded Taxes (other than Transfer Taxes, which are allocated pursuant to Section 3.3(b)) with respect to any taxable period that begins on or before the Closing Date and ends after the Closing Date, the amount of such Excluded Taxes shall be prorated on a *per diem* basis between the Pre-Closing Tax Period and the portion of the taxable period beginning on the day after the Closing Date.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF KALVISTA

KalVista hereby represents and warrants to Merck, as of the Agreement Date and the Closing Date, as follows, with each such representation and warranty subject to such exceptions, if any, as are set forth in the correspondingly numbered section of the Updated Schedules, each of which exceptions shall clearly indicate the Section and, if applicable, the Subsection of this Article IV to which it relates, and such exceptions shall only apply to such Section or Subsection of this Article IV unless, and only to the extent that, it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other Sections or Subsections:

Organization and Qualification

. KalVista is a corporation duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction in which it was organized and has the full corporate power and authority to own, operate or lease the properties and assets owned, operated or leased by it and to carry on the Program. KalVista is duly qualified or licensed to do business and is in good standing (to the extent such concept is recognized by the applicable jurisdiction) in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

Authorization

. KalVista has the requisite corporate power and authority to enter into this Agreement and the other Acquisition Documents to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by KalVista of this Agreement and any other Acquisition Document to which it is a party, the performance by KalVista of its obligations hereunder and thereunder and the consummation by KalVista of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of KalVista. This

Agreement has been duly executed and delivered by KalVista and, assuming due authorization, execution and delivery by Merck, this Agreement constitutes a legal, valid and binding obligation of KalVista enforceable against KalVista in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or other Applicable Law of general application relating to or affecting the enforcement of creditors rights' generally (the "**Enforceability Exceptions**"). When each other Acquisition Document to which KalVista is or will be a party has been duly executed and delivered by KalVista, assuming due authorization, execution and delivery by each other party thereto, such Acquisition Document will constitute a legal and binding obligation of KalVista enforceable against it in accordance with its terms, except as may be limited by the Enforceability Exceptions.

No Conflicts; Consents

.

(a) The execution, delivery and performance by KalVista of this Agreement and the other Acquisition Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the Organizational Documents of KalVista; or (ii) assuming compliance with the HSR Act and any applicable Non-U.S. Competition Law, result in a violation or breach of any provision of any Applicable Law or Governmental Order applicable to KalVista, the Program or the Purchased Assets.

(b) The execution, delivery and performance by KalVista of this Agreement and the other Acquisition Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) except as set forth in Section 4.3(b) of the Updated Schedules, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any Third Party the right to accelerate, terminate, modify or cancel any Material Contract or any KalVista Permit; or (ii) result in the creation or imposition of any Encumbrance other than any Permitted Encumbrance on the Purchased Assets.

(c) Except as set forth in Section 4.3(c) of the Updated Schedules, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to KalVista in connection with the execution and delivery of this Agreement or any of the other Acquisition Documents and the consummation of the transactions contemplated hereby and thereby, except for such filings as may be required under the HSR Act and any comparable filings under applicable Non-U.S. Competition Law, and the expiration of the waiting periods thereunder.

Absence of Certain Changes

. Since [_____]4, there has not occurred a Material Adverse Effect and, KalVista has conducted the Program in accordance with the Clinical Development Plan and the Option Agreement.

Material Contracts

. Each Material Contract is valid and binding on KalVista or its applicable Affiliate and, to KalVista's Knowledge, each other party thereto, and in full force and effect, and, assuming due authorization, execution and delivery by each other party thereto, is enforceable against KalVista or its applicable Affiliate and, to KalVista's Knowledge, each other party thereto, in accordance with the terms thereof, except as may be limited by the Enforceability Exceptions. KalVista or its applicable Affiliate is not and, to KalVista's Knowledge, no other party to any Material Contract is in breach of or default under any Material Contract. Neither KalVista nor any of its Affiliates has received or provided any written notice alleging any breach of or default under or indicating any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute a breach of or default under any Material Contract or result in termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Merck.

Title to Purchased Assets

. KalVista has good and valid title to all of the Purchased Assets free and clear of Encumbrances other than Permitted Encumbrances.

Intellectual Property

.

(a) KalVista is the sole legal and beneficial owner of all the rights and interest in the Intellectual Property Rights and the Common IP.

(b) Section 4.7(b) of the Updated Schedules sets forth a true and complete list of all Registered Intellectual Property Rights as of the Agreement Date, setting forth in each case (i) the jurisdiction of application/registration and, in the case of domain names and social media identifiers, the registrant and registrar for such domain name and the social media platform and account holder for such social media identifier, (ii) the record and legal owner thereof, including all co- or joint-owners thereof, (iii) the application, registration, issuance or grant number, and (iv) the filing, application, registration, issuance and grant date. All Registered Intellectual Property Rights are subsisting, valid and enforceable and all fees, documents and recordations required for the prosecution and maintenance of the Registered Intellectual Property Rights have been paid and filed with the relevant Governmental Authority.

(c) There is no pending or, to KalVista's Knowledge, threatened Action against KalVista or its Affiliates (i) that challenges the validity, enforceability, or registrability of any of

4 **Note to Draft:** To be set at the date that is the last day of the immediately preceding fiscal year prior to the Agreement Date.

the Intellectual Property Rights or Common IP or (ii) alleging that the Program or the manufacture or use of the Compounds or the Products does or did infringe, misappropriate or otherwise violate the intellectual property rights (including Patent rights) of a Third Party. No Intellectual Property Right or Common IP is subject to any Governmental Order that restricts in any manner the exploitation of such Intellectual Property Rights or Common IP.

(d) No Third Party has filed or threatened to file any opposition, cancellation, abandonment or other similar proceeding with respect to the Intellectual Property Rights or Common IP. There are no prior rights agreements, coexistence agreements, settlement agreements or other agreements with Third Parties affecting, limiting or otherwise restricting the use, registration, or scope of any Intellectual Property Rights or Common IP.

(e) To KalVista's Knowledge, no Third Party is infringing, misappropriating or otherwise violating the Intellectual Property Rights or Common IP. To KalVista's Knowledge, there are no intellectual property rights of any Third Party that would be infringed, misappropriated or violated by the practice or use of the Intellectual Property Rights or Common IP or the commercial manufacture or Commercialization of any Product.

(f) Each of the Patents comprising Intellectual Property Rights and Common IP properly identifies each and every inventor of the claims thereof as determined in accordance with Applicable Laws. All inventors entitled to be named on Patents comprising Intellectual Property Rights or Common IP have waived (to the extent permitted by Applicable Law) all moral rights therein, and no inventor entitled to be named on any Patent comprising Intellectual Property Rights or Common IP is entitled to any compensation with respect thereto.

(g) Section 4.7(g) of the Updated Schedules contains a true and complete listing of each In-License Agreement. Other than as set forth in the Contracts set forth in Section 4.7(g) of the Updated Schedules, neither KalVista nor any of its Affiliates is subject to any royalty, license fee or payment obligations (excluding contingent indemnity obligations) with respect to any Intellectual Property Rights or Common IP.

(h) Section 4.7(h) of the Updated Schedules contains a true and complete listing of each Out-License Agreement.

(i) KalVista and its Affiliates have taken commercially reasonable actions to protect, preserve and maintain the confidentiality and security of all material proprietary and non-public information included within the Intellectual Property Rights and Common IP. All Persons who have developed any Intellectual Property Rights or Common IP for KalVista or any of its Affiliates have executed written Contracts pursuant to which such Persons have assigned to KalVista or its applicable Affiliate all of their rights, title and interest in and to all such Intellectual Property Rights or Common IP, as applicable, they may develop in the course of their employment or engagement, to the extent such rights, title and interest in and to such Intellectual Property Rights or Common IP do not, or did not, automatically vest in KalVista or its applicable Affiliate by operation of law. To KalVista's Knowledge, none of such Persons is in violation of the Contracts or obligations described in this Section 4.7(i). KalVista has made available to Merck true, correct and complete copies of all such Contracts, each as amended or modified, including any waivers currently in effect with respect thereto.

(j) No funding, facilities or personnel of any Governmental Authority or any university, college, research institute or other educational institution has been used to create any Intellectual Property Rights or Common IP owned by KalVista or any of its Affiliates, except for any such funding or use of facilities or personnel that has not resulted in such Governmental Authority or institution obtaining ownership, license or use rights to such Intellectual Property Rights or Common IP.

Inventory

. All Inventory (a) meets its respective specifications, (b) has been manufactured in accordance with applicable cGMPs, (c) has not been adulterated (within the meaning of 21 U.S.C. § 351 or similar Applicable Law) or misbranded (within the meaning of 21 U.S.C. § 352 or similar Applicable Law), (d) is suitable for administration to humans and I is usable in the Program in accordance with Applicable Laws. All Inventory is owned by KalVista free and clear of all Encumbrances (other than Permitted Encumbrances), and no Inventory is held on a consignment basis.

Legal Proceedings; Governmental Orders

.

(a) There are no Actions pending or, to KalVista's Knowledge, threatened against or by KalVista or any of its Affiliates relating to the Program, the Purchased Assets or the Assumed Liabilities.

(b) Neither KalVista nor any of its Affiliates is subject to any Governmental Order relating to the Program, the Purchased Assets or the Assumed Liabilities.

Compliance with Laws

.

(a) KalVista's and its Affiliates' activities with respect to the Program are and have at all times in the past [***] been in compliance in all material respects with all Applicable Laws. During the past [***] neither KalVista nor any of its Affiliates has received any written notice of any violation, or alleged violation of any Applicable Laws with respect to the Program.

(b) KalVista and its Affiliates have obtained and are in compliance in all material respects with all Permits (including Regulatory Filings) that are required for the conduct by KalVista and its Affiliates of the Program or for the ownership or use of the Purchased Assets (the "**KalVista Permits**"), and all of such KalVista Permits are valid and in full force and effect. No Action is pending or, to KalVista's Knowledge, threatened to revoke, suspend, cancel, terminate, or adversely modify any such KalVista Permit.

(c) Neither KalVista, its Affiliates, any of their respective, directors, officers or employees, nor, to KalVista's Knowledge, any of KalVista's or its Affiliates' agents engaged in the conduct of the Program (i) has violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977 ("**FCPA**"), (ii) has violated or is in violation of any Applicable Law enacted in any jurisdiction in connection with or arising under the OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions (the "**OECD Convention**"), (iii) has violated or is in violation of any provision of the UK Bribery Act of 2010 ("**UK Bribery Act**"), (iv) has made, offered to make, promised to make, or authorized the payment or giving of, directly or indirectly, any bribe, rebate, payoff, influence payment,

kickback, or other unlawful payment or gift of money or anything of value prohibited under any Applicable Law addressing matters comparable to those addressed by the FCPA, the UK Bribery Act or the OECD Convention implementing legislation concerning such payments or gifts in any jurisdiction (any such payment, a "**Prohibited Payment**"), (v) has been subject to any investigation by any Governmental Authority with regard to any Prohibited Payment, or (vi) has violated or is in violation of any other Applicable Laws regarding use of funds for political activity or commercial bribery.

Regulatory Matters

.

(h) KalVista and its Affiliates have filed with all applicable Regulatory Authorities all material filings, declarations, listings, registrations, reports or submissions, including adverse event reports, required to be filed with respect to the Program. All applications, submissions, information and data utilized by KalVista and its Affiliates as the basis for, or submitted by or, to KalVista's Knowledge, on behalf of KalVista or any of its Affiliates in connection with, any and all requests for KalVista Permits, were true and correct in all material respects as of the date of submission, and any updates, changes, corrections, or modification to such applications, submissions, information, and data required under Applicable Laws have been submitted to the applicable Regulatory Authority.

(i) With respect to the Program, neither KalVista nor any of its Affiliates (x) has committed any act, made any statement, or failed to make any statement that would reasonably be expected to provide a basis for the FDA to invoke its policy with respect to "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" or for any other Regulatory Authority to invoke any similar policy and (y) is the subject of any pending or, to KalVista's Knowledge, threatened investigation by any Regulatory Authority pursuant to any such policies. Neither KalVista, its Affiliates, any of their respective officers, directors or employees nor, to KalVista's Knowledge, its or its Affiliates' independent contractors, agents or clinical investigators involved in the Program (i) is or has been debarred under 21 U.S.C. Section 335a, (ii) is or has been debarred, excluded or suspended from participation in any U.S. federal health care program, (iii) is or has been debarred by any other federal or international healthcare related agency, (iv) has engaged in any conduct that has resulted, or would reasonably be expected to result, in debarment under Applicable Law, including 21 U.S.C. Section 335a, or exclusion from participation in government programs under 42 U.S.C. § 1320a-7 or another Applicable Law, (v) has had a civil monetary penalty assessed against it, him or her under Section 1128A of the Social Security Act, (vi) is currently listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs, or (vii) to KalVista's Knowledge, is the target or subject of any current investigation relating to any possible violation of any Applicable Law which could result in debarment or exclusion under any Applicable Law. No Action that would reasonably be expected to result in such a debarment or exclusion are pending or, to KalVista's Knowledge, threatened against KalVista or its officers, directors, employees, independent contractors, agents, or clinical investigators, or any other person described in 42 C.F.R. § 1001.1001(a)(1)(ii) and, to KalVista's Knowledge, there are no facts that could reasonably give rise to such an action.

(j) The manufacture of any Compounds or Products on behalf of KalVista and its Affiliates has been and is being conducted in compliance with all Applicable Laws, including

cGMPs. None of KalVista, its Affiliates or, to KalVista's Knowledge, any Third Party engaged in the manufacture of a Compound or Product has received any FDA Form 483, "Warning Letter," "untitled letter," or other similar correspondence or notice from the FDA or any other applicable Regulatory Authority related to the Program or any Compound or Product.

(k) All studies, tests, and preclinical and clinical trials conducted by or on behalf of KalVista or any of its Affiliates with respect to any Compound or Product have been and are being conducted in accordance with valid protocols and in material compliance with Applicable Laws, including the applicable requirements of Good Laboratory Practices or Good Clinical Practices. Neither KalVista nor any its Affiliates has received any written notices, correspondence, or other communication from any institutional review board or applicable Regulatory Authority recommending or requiring the termination, suspension, or material modification of any ongoing or planned clinical trial conducted by, or on behalf of, KalVista or its Affiliates with respect to any Compound or Product. KalVista has made available to Merck all material pre-clinical and clinical data generated from research and development activities with respect to the Compounds and the Products (irrespective of whether any particular activities are continuing).

(l) Neither KalVista nor, to KalVista's Knowledge, any of its officers, directors, employees, independent contractors, agents or clinical investigators involved in the conduct of the Program is a party to, or bound by, any individual integrity agreement, corporate integrity agreement or other similar formal agreement with any Governmental Authority resulting from a failure, or alleged failure, to comply with any Applicable Laws.

(m) Neither KalVista nor any of its Affiliates has marketed, advertised or Commercialized any Compound or Product.

(n) No claims for liability for death or injury to any Person as a result of any defect in any Compound or Product, any warranty or recall of any Compound or Product, or any statutory liability or any liability assessed with respect to any failure to warn arising out of any Compound or Product, including any claims for liability for death or injury to any Person as a result of any clinical trial conducted with respect to any Compound or Product, have been asserted against KalVista or any of its Affiliates.

Tax Matters

.

(a) KalVista has duly and timely filed (taking into account any valid extensions) all Tax Returns that it was required to file under Applicable Law with respect to the Program and Purchased Assets. All such Tax Returns were correct and complete in all material respects and were prepared in compliance with all Applicable Law. All Taxes due and owing by KalVista (whether or not shown on any Tax Return) with respect to the Purchased Assets have been timely paid when due. There are no Encumbrances for Taxes on any of the Purchased Assets, except for Permitted Encumbrances.

(b) KalVista has established, in accordance with generally accepted accounting principles applied on a basis consistent with that of preceding periods, adequate reserves for the payment of, and will timely pay, all Liabilities for Excluded Taxes, the non-payment of which

would result in an Encumbrance on any Purchased Asset, would otherwise adversely affect the Program or would result in Merck or any of its Affiliates becoming liable therefor.

Brokers

. No broker, finder or investment banker is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of KalVista or its Affiliates.

Vote Required

. No vote of the holders of any shares of any class or series of capital stock of KalVista or Parent is necessary to approve the transactions contemplated by this Agreement or the other Acquisition Documents. [The affirmative vote of the holders of a majority of the shares of common stock of Parent entitled to vote thereon (the "**Required Parent Stockholder Vote**"), and the affirmative vote of the holders of a majority of shares of common stock of KalVista (the "**Required KalVista Stockholder Vote**"), are the only votes of the holders of any class or series of Parent's or KalVista's capital stock necessary to approve the transactions contemplated by this Agreement or the other Acquisition Documents.][5] No state takeover statute (including Section 203 of the General Corporation Law of the State of Delaware) or similar Applicable Law applies or purports to apply to the transactions contemplated by this Agreement and the other Transaction Documents or any of the other transactions contemplated hereby or thereby.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF MERCK

Merck represents and warrants to KalVista as of the Agreement Date and the Closing Date as follows:

Organization and Qualification

. Merck is a corporation duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction in which it was organized and has full corporate power and authority to own, operate or lease the properties and assets owned, operated or leased by it and to carry on its business as currently conducted. Merck is duly qualified or licensed to do business and is in good standing (to the extent such concept is recognized by the applicable jurisdiction) in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing would not reasonably be expected to have a material adverse effect on Merck's ability to perform its obligations under this Agreement or the Option Agreement.

Authorization

. Merck has the requisite corporate power and authority to enter into this Agreement and the other Acquisition Documents to which Merck is a party, to carry

[5] **Note to Draft:** [***]

out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Merck of this Agreement and any other Acquisition Document to which Merck is a party, the performance by Merck of its obligations hereunder and thereunder and the consummation by Merck of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Merck. This Agreement has been duly executed and delivered by Merck and, assuming due authorization, execution and delivery by KalVista, this Agreement constitutes a legal, valid and binding obligation of Merck enforceable against Merck in accordance with its terms, except as may be limited by the Enforceability Exceptions. When each other Acquisition Document to which Merck is or will be a party has been duly executed and delivered by Merck, assuming due authorization, execution and delivery by each other party thereto, such Acquisition Document will constitute a legal and binding obligation of Merck enforceable against it in accordance with its terms, except as may be limited by the Enforceability Exceptions.

No Conflicts; Consents

.

(a) The execution, delivery and performance by Merck of this Agreement and the other Acquisition Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) conflict with or result in a violation or breach of, or default under, the Organizational Documents of Merck; or (ii) assuming compliance with the HSR Act and any Non-U.S. Competition Law, result in a violation or breach of any provision of any Applicable Law or Governmental Order applicable to Merck.

(b) The execution, delivery and performance by Merck of this Agreement and the other Acquisition Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any Third Party the right to accelerate, terminate, modify or cancel any Contract or Permit to which Merck is a party, except for those consents, notices or other actions that, if not received or made, as applicable, would not reasonably be expected to have a material adverse effect on Merck's ability to perform its obligations under this Agreement or the Option Agreement.

(c) No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Merck in connection with the execution and delivery of this Agreement or any of the other Acquisition Documents and the consummation of the transactions contemplated hereby and thereby, except for such filings as may be required under the HSR Act and any comparable filings under applicable Non-U.S. Competition Law, and the expiration of the waiting periods thereunder.

Brokers

. No broker, finder or investment banker is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Merck or its Affiliates.

Sufficiency of Funds

. Merck, on the Closing Date, will have sufficient cash on hand or other sources of immediately available funds to enable it to pay the Option Exercise Fee.

Legal Proceedings

. There are no Actions pending, or to Merck's knowledge, threatened against or by Merck or any Affiliate of Merck that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

ARTICLE VI
COVENANTS

Access

. During the period from the Agreement Date through the earlier of the Closing Date and the termination of this Agreement in accordance with Section 9.1 (the "**Pre-Closing Period**"), and upon reasonable advance notice to KalVista, KalVista shall provide Merck and Merck's Representatives with reasonable access during normal business hours to KalVista's and its Affiliates' existing books and records (including Contracts, financial, operating, pre-clinical, clinical other data), properties and other assets, business and operations, and to KalVista's officers, employees and Representatives, in each case, to the extent related to the Program, the Purchased Assets or the Assumed Liabilities, and KalVista shall use commercially reasonable efforts to provide Merck and its Representatives reasonable access to the facilities, books, records and personnel of Third Parties engaged in the conduct of the Program, as Merck or its Representatives may reasonably request; provided, however, that any such access shall not interfere unreasonably with the normal operation of KalVista's business or business of any such Third Party. Notwithstanding anything to the contrary contained in this Section 6.1, KalVista shall not be required to furnish any information or provide any such access if such furnishing or access would (A) violate Applicable Law or (B) jeopardize any attorney/client privilege or other established legal privilege, provided that KalVista uses its commercially reasonable efforts to furnish such information in a manner that would not violate Applicable Law or jeopardize any such legal privilege.

Notice of Certain Events

(a) . During the Pre-Closing Period, KalVista shall give prompt written notice to Merck of any fact, circumstance, event or action the existence, occurrence or taking of which has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 7.2 to be satisfied.

Confidentiality

. All Confidential Information (as defined in the Option Agreement) provided hereunder will be subject to and treated in accordance with the terms of the Option Agreement.

Governmental Approvals

.

(a) From and after the Agreement Date, each Party shall cooperate and coordinate to, promptly: (i) make, or cause to be made, all filings and submissions required under Applicable Law applicable to such Party or any of its Affiliates in connection with the consummation of the transactions contemplated by this Agreement, including (A) the Notification

and Report Forms as required by the HSR Act and (B) filings under any other comparable pre-transaction notification forms required by Non-U.S. Competition Laws of any applicable jurisdiction, as agreed by the Parties; and (ii) use reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for the consummation of the transactions contemplated by this Agreement and the other Acquisition Documents. The Parties shall not willfully take any action that would reasonably be expected to have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals. Each Party will cause all documents that it is responsible for filing with any Governmental Authority under this Section 6.4(a) to comply in all material respects with all Applicable Law. All filing fees incurred in connection with the filings contemplated by this Section 6.4(a) shall be borne by Merck.

(b) Merck and KalVista each shall work together and promptly supply the other with reasonable assistance and information that is necessary to effectuate any filings or applications pursuant to Section 6.4(a). Except where prohibited by Applicable Law relating to the exchange of information, and subject to Article 10 of the Option Agreement, each of Merck and KalVista shall (i) consult with the other prior to taking a material position with respect to any such filing and (ii) to the extent legally permitted, permit the other to review and discuss in advance, and, to the extent reasonably practicable, consider in good faith, the views of the other Party regarding the information pertaining to such Party and their Affiliates contained in any such filing. The Parties may, as they deem advisable and necessary, designate any competitively sensitive materials provided to the other under this Section 6.4 as "outside counsel only". Such materials and the information contained therein shall be given only to outside counsel of the recipient and will not be disclosed by such outside counsel to employees, officers, or directors of the recipient without the advance written consent of the Party providing such materials.

(c) Each of Merck and KalVista will notify the other promptly upon the receipt of (i) any comments from any officials of any Governmental Authority in connection with any filings made pursuant hereto and (ii) any request by any officials of any Governmental Authority for amendments or supplements to any filings made pursuant to, or information or documents to comply in all material respects with, any Applicable Law. Whenever any event occurs that is required to be set forth in an amendment or supplement to any filing made pursuant to Section 6.4(a), or whenever a Governmental Authority investigating the transactions described herein under the HSR Act, any Non-U.S. Competition Laws or any other Applicable Law requests information or documents from either Party, as the case may be, such Party will promptly inform the other of such occurrence and cooperate in promptly filing with the applicable Governmental Authority such amendment or supplement or promptly producing to the applicable Governmental Authority responsive documents and information reasonably requested by such Governmental Authority.

(d) Notwithstanding anything to the contrary set forth herein, in no event will Merck or its Affiliates be obligated to agree to accept any undertaking or condition, to enter into any consent decree, to make any divestiture, to enter into any licensing arrangement, to accept any operational restriction, to enter into any hold separate agreement, or take any other action that, in the reasonable judgment of Merck, could be expected to limit the right of Merck or its Affiliates to own or operate all or any portion of their respective businesses or assets (including the Program or the Purchased Assets of KalVista after the Closing Date). With regard to any Governmental

Authority, neither KalVista nor any of its Affiliates shall, without Merck's advance written consent, propose or agree or commit to any divestiture or licensing transaction, accept any operational restriction, or commit to alter their businesses or commercial practices in any way, or otherwise take or commit to take any action that limits Merck or its Affiliates' freedom of action with respect to, or Merck's or its Affiliates' ability to retain any of the businesses, product lines or assets of, Merck, its Affiliates, its subsidiaries, KalVista or the Program, or otherwise receive the full benefits of this Agreement. In addition, neither Merck nor KalVista shall have any obligation to litigate with any Governmental Authority to oppose any enforcement action or remove any court or regulatory orders impeding the ability to consummate the transactions contemplated by this Agreement.

Other Consents; Efforts

(a) .

(a) Each of the Parties shall use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement and the other Acquisition Documents, including satisfying the conditions to Closing in Article VII. Without limitation of the foregoing, KalVista shall use its reasonable best efforts to give all notices to, and obtain all consents from, the Third Parties identified in Section 6.5(a) of the Updated Schedules. Merck shall reasonably cooperate with KalVista in obtaining any such consents but shall have no obligation to make any payments or other accommodations (or agree to do any of the foregoing) in connection with providing such cooperation.

(b) Following the Closing, to the extent not delivered by KalVista at Closing, KalVista shall prepare and execute (or, as applicable, cause its applicable Affiliates to prepare and execute) all assignments and other instruments of transfer reasonably required to transfer to Merck or its applicable Affiliate the Registered Intellectual Property that are Owned Intellectual Property Rights. As between KalVista and Merck, Merck shall be responsible for filing such assignments and preparing and filing any confirmatory assignments or other instruments of transfer with applicable Governmental Authorities following the Closing Date. Merck shall be responsible for paying all out-of-pocket costs and expenses associated with such transfers and filing. KalVista shall be responsible for providing assistance to Merck as reasonably requested to effect such transfers and filings.

Section 6.6 Wrong Pockets.

(a) Assets. If, on or after the Closing Date, either Party becomes aware that any of the Purchased Assets has not been transferred to Merck or that any of the Excluded Assets has been transferred to Merck, it shall promptly notify the other and the Parties shall, as soon as reasonably practicable, ensure that such property is transferred, at the expense of KalVista and with any necessary prior Third Party consent or approval, to (i) Merck or its applicable Affiliate, in the case of any Purchased Asset which was not transferred to Merck or its applicable Affiliate at the Closing; or (ii) KalVista, in the case of any Excluded Asset which was transferred to Merck or its applicable Affiliate at the Closing.

(b) Payments. If, on or after the Closing Date, either Party or its Affiliate receives any payments or other funds due to the other pursuant to the terms of this Agreement or

any other Transaction Document, then the Party or its Affiliate receiving such funds shall, within thirty (30) days after receipt of such funds, forward such funds to the proper Party.

(c) Accounts Payable. If, on or after the Closing Date, (i) Merck or any of its Affiliates receives any invoices from any Third Party with respect to any account payable of the Program outstanding prior to the Closing, then Merck shall, within thirty (30) days after receipt of such invoice, provide such invoice to KalVista; and (ii) KalVista or any of its Affiliates receives any invoices from any Third Party with respect to any account payable of Merck or any of its Affiliates for any period after the Closing, then KalVista shall, within thirty (30) days after receipt of such invoice, provide such invoice to Merck.

Bulk Sales Laws

. The Parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Applicable Law of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Merck; it being understood that any Liabilities arising out of the failure of KalVista to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Applicable Law of any jurisdiction shall be treated as Excluded Liabilities.

[State Takeover Laws

.[6] If any "fair price," "business combination" or "control share acquisition" statute or other similar statute or regulation is or may become applicable to any of the transactions contemplated by this Agreement or any other Transaction Document, Parent, KalVista and Merck shall use their respective reasonable best efforts to (a) take such actions as are reasonably necessary so that the transactions contemplated hereunder or thereunder may be consummated as promptly as practicable on the terms contemplated hereby or thereby and (b) otherwise take all such actions as are reasonably necessary to eliminate or minimize the effects of any such statute or regulation on such transactions.

Section 6.9 [***]

[*

**]

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

(f) [***]

[6] **Note to Draft:** [***]

(g) [***].

(i) [***].

(ii) [***].

(iii) [***].

Delivery of Tangible Purchased Assets

. To the extent not delivered to Merck at the Closing, KalVista shall deliver, or cause to be delivered, all tangible Purchased Assets to Merck promptly following the Closing at such times and locations as agreed by Merck and KalVista.

ARTICLE VII
CONDITIONS TO CLOSING

Conditions to Obligations of All Parties

. The obligations of each Party to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

(a) Regulatory Approvals. Any applicable waiting or review periods (or extensions thereof) relating to the transaction contemplated hereby under the HSR Act and the Non-U.S. Competition Laws identified on Schedule 7.1(a) shall have expired or been terminated.

(b) No Adverse Order or Law; No Action. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order or Applicable Law which is in effect and has the effect of making the transactions contemplated by this Agreement or the other Acquisition Documents illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder or thereunder to be rescinded following completion thereof.

Conditions to Obligations of Merck

. The obligations of Merck to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or, to the extent permitted by Applicable Law, Merck's waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of KalVista set forth in Article IV [and of Parent in Section 10.2] shall be true and correct in all material respects (except for those representations and warranties that are qualified by "materiality," "Material Adverse Effect" and words of similar import set forth therein, which shall be true and correct in all respects), in each case, on and as of the Agreement Date and the Closing Date (other than those representations and warranties which address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects); provided, however, that the KalVista Fundamental Representations shall be true and correct in all respects, in each case, on and as of the Agreement Date and the Closing Date (other than those

representations and warranties which address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Covenants. KalVista shall have performed and complied in all material respects with all of its agreements, covenants and conditions required by this Agreement to be performed or complied with by KalVista on or prior to the Closing Date.

(c) Material Adverse Effect. There shall not have occurred, and be continuing, any Material Adverse Effect since the Agreement Date.

(d) Consents. KalVista shall have provided to Merck each of the approvals, consents or waivers set forth in Section 6.5 of the Updated Schedules, each in form and substance reasonably acceptable to Merck.

(e) No Actions. No Actions shall be pending or threatened by any Governmental Authority of the type described in Section 7.1(b).

(f) Certain Closing Deliveries. KalVista shall have delivered or caused to be delivered to Merck:

(i) the Escrow Agreement, duly executed by KalVista and the Escrow Agent;

(ii) a bill of sale and assignment and assumption agreement, substantially in the form of Exhibit A (the "**Bill of Sale**"), duly executed by KalVista;

(iii) assignment agreements, substantially in the form of Exhibit B (the "**Intellectual Property Assignments**"), duly executed by KalVista;

(iv) any other Transfer Documents, in form and substance reasonably satisfactory to the Parties and duly executed by KalVista;

(v) a certificate, dated the Closing Date and signed by a duly authorized officer of KalVista, that certifies that each of the conditions set forth in Section 7.2(a), Section 7.2(b) and Section 7.2(c) have been satisfied; and

(vi) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of KalVista certifying that attached thereto are true and complete copies of: (A) KalVista's Organizational Documents; (B) all resolutions adopted by the board of directors or managers (or equivalent governing body) of KalVista authorizing the execution, delivery and performance of this Agreement and the other Acquisition Documents and the consummation of the transactions contemplated hereby and thereby; and (C) the name, title, incumbency and signatures of the officers authorized to execute this Agreement, the Acquisition Documents, and the other documents to be delivered hereunder and thereunder on behalf of KalVista.

(g) [Stockholder Approval. This Agreement and the transactions contemplated by this Agreement and the Acquisition Documents shall have been duly approved by the Required Parent Stockholder Vote and the Required KalVista Stockholder Vote.][7]

Conditions to Obligations of KalVista

. The obligations of KalVista to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or, to the extent permitted by Applicable Law, KalVista's waiver, at or prior to the Closing, of each of the following conditions:

(h) Representations and Warranties. The representations and warranties of Merck set forth in Article V shall be true and correct in all material respects (except for those representations and warranties that are qualified by "materiality," "material adverse effect" and words of similar import set forth therein, which shall be true and correct in all respects), in each case, on and as of the Agreement Date and the Closing Date (other than those representations and warranties which address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects); provided, however, that the Merck Fundamental Representations shall be true and correct in all respects, in each case, on and as of the Agreement Date and the Closing Date (other than those representations and warranties which address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(i) Covenants. Merck shall have performed and complied in all material respects with all of its agreements, covenants and conditions required by this Agreement to be performed or complied with by Merck on or prior to the Closing Date.

(j) Certain Closing Deliveries. Merck shall have delivered or caused to be delivered to KalVista:

(i) the Escrow Agreement, duly executed by Merck;

(ii) the Bill of Sale, duly executed by Merck;

(iii) the Intellectual Property Assignments, duly executed by Merck;

(iv) any other Transfer Documents in form and substance reasonably satisfactory to the Parties and duly executed by Merck; and

(v) a certificate, dated the Closing Date and signed by a duly authorized officer of Merck, that certifies that each of the conditions set forth in Section 7.3(a) and Section 7.3(b) have been satisfied.

[7] **Note to Draft:** [***]

ARTICLE VIII
INDEMNIFICATION

Survival

. The representations and warranties of the Parties contained in this Agreement shall survive until the first anniversary of the Closing Date; except that the representations and warranties set forth in (a) Section 4.7 (Intellectual Property), Section 4.8 (Inventory) and Section 4.11 (Regulatory Matters) shall survive until the date that is [***] after the Closing Date and (b) (i) Section 4.1 (Organization and Qualification), Section 4.2 (Authorization), Section 4.3(a) (No Conflicts), Section 4.6 (Title to Purchased Assets), Section 4.12 (Tax Matters)[, and] Section 4.13 (Brokers) [and Section 10.2(a) (Organization and Qualification of Parent), Section 10.2(b) (Authorization of Parent) and Section 10.2(c))(i) and (ii) (No Conflicts of Parent)] (the representations and warranties set forth in this Section 8.1(b)(i), collectively, the "**KalVista Fundamental Representations**") and (ii) Section 5.1 (Organization and Qualification), Section 5.2 (Authorization), Section 5.3(a) (No Conflicts), and Section 5.4 (Brokers) (the representations and warranties set forth in this Section 8.1(b)(ii), collectively, the "**Merck Fundamental Representations**") shall survive until the expiration of the applicable statute of limitations with respect to the particular matter that is the subject matter thereof (taking into account all extensions of any applicable statute of limitations permitted under Applicable Law). All covenants and agreements of the Parties in this Agreement shall survive until the earlier of (a) the date on which such covenant or agreement is fully performed in accordance with this Agreement and (b) the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent, known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until fully and finally resolved.

Indemnification by KalVista

. From and after the Closing, subject to the other terms and conditions of this Article VIII, KalVista [and Parent] shall[, jointly and severally,] indemnify and defend each of Merck and its Affiliates and their respective Representatives (collectively, the "**Merck Indemnified Parties**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Merck Indemnified Parties based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of KalVista [or Parent] contained in this Agreement or in any certificate or instrument delivered by or on behalf of KalVista pursuant to this Agreement;

(b) any breach of or failure to perform any covenant, agreement or obligation to be performed by KalVista [or Parent] pursuant to this Agreement;

(c) any Excluded Asset or any Excluded Liability;

(d) any Excluded Taxes; or

(e) any failure of KalVista to pay any Transfer Taxes to be borne by KalVista under Section 3.3.

Indemnification by Merck

. From and after the Closing, subject to the other terms and conditions of this Article VIII, Merck shall indemnify and defend each of KalVista and its Affiliates and their respective Representatives (collectively, the "**KalVista Indemnified Parties**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the KalVista Indemnified Parties based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Merck contained in this Agreement or in any certificate or instrument delivered by or on behalf of Merck pursuant to this Agreement;

(b) any breach of or failure to perform any covenant, agreement or obligation to be performed by Merck pursuant to this Agreement;

(c) any Assumed Liability; or

(d) all Liabilities for Taxes of Merck or any of its Affiliates, for Transfer Taxes that are not Excluded Taxes, for Taxes attributable to a breach of the covenants set forth in Section 6.6 by Merck or any of its Affiliates, and for VAT to be borne by Merck under Section 3.3(a) or withholding Taxes to be borne by Merck under Section 3.3(c).

Certain Limitations

. The indemnification provided for in Section 8.2 and Section 8.3 shall be subject to the following limitations:

(a) Threshold. Notwithstanding anything to the contrary herein, no Merck Indemnified Party or KalVista Indemnified Party may recover Losses pursuant to Section 8.2(a) or Section 8.3(a), respectively, [***] provided, however, that this Section 8.4(a) shall not apply to any claims for fraud or inaccuracy in or breach of the KalVista Fundamental Representations or Merck Fundamental Representations.

(b) KalVista Cap. [***] This Section 8.4(b) shall not apply to any claims for fraud.

(c) Merck Cap. [***] This Section 8.4(c) shall not apply to any claims for fraud.

(d) No Effect of Materiality. For purposes of this Article VIII, for calculating the amount of any Losses with respect to any inaccuracy in or breach of any representation or warranty, any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty shall be disregarded.

(e) No Duplication of Recovery. Notwithstanding anything to the contrary in this Agreement, no Person shall be entitled to recover more than once for any Loss or be indemnified under this Agreement for Losses for which such Person has been otherwise compensated under any other Transaction Document.

(f) Limitation on Liability. IN NO EVENT SHALL A PARTY OR ITS AFFILIATES, OR THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER BASED UPON A CLAIM OR ACTION OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EXCEPT WITH RESPECT TO ANY SUCH LOSSES (i) ACTUALLY AWARDED TO A THIRD PARTY IN RESPECT OF THIRD PARTY CLAIMS INDEMNIFIED HEREUNDER OR (ii) RISING OUT OF OR BASED ON A PARTY'S FRAUD OR WILLFUL MISCONDUCT OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER SECTION 6.3.

Indemnification Procedures

. The Party making a claim under this Article VIII is referred to as the "**Indemnified Party**" and the Party against whom such claim is asserted under this Article VIII is referred to as the "**Indemnifying Party**".

(a) Third Party Claims - Notice. In the event that an Indemnified Party is seeking indemnification under this Article VIII in respect of any Action made or brought by a Third Party (a "**Third Party Claim**"), it shall inform the Indemnifying Party of such Third Party Claim as soon as reasonably practicable after it receives notice of such Third Party Claim (such notice, the "**Claim Notice**"); provided, however, the failure to inform the Indemnifying Party as soon as reasonably practicable shall not relieve the Indemnifying Party of its indemnification obligations, except and to the extent that the Indemnifying Party is actually prejudiced by reason of such failure. Such Claim Notice shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount of the Loss that has been or may be sustained by the Indemnified Party.

(b) Third Party Claims - Control. Subject to Merck's right to control any Actions relating to the Intellectual Property Rights included in the Purchased Assets (even where KalVista is the Indemnifying Party), the Indemnifying Party shall have the right, exercisable by notice to the Indemnified Party within ten (10) Business Days after receipt of a Claim Notice, to assume direction and control of the defense, litigation, settlement, appeal or other disposition of the Third Party Claim with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party; provided that the Indemnifying Party shall not be entitled to assume the defense of any Third Party Claim if such Third Party Claim (i) seeks any relief other than monetary damages, (ii) has been brought by or on behalf of any Governmental Authority or in connection with taxes or any criminal or regulatory enforcement action, (iii) is reasonably likely to result in a regulatory enforcement action by a Governmental Authority against the Indemnified Party, or (iv) relates to the intellectual property rights of the Indemnified Party (the conditions set forth in clauses (i), (ii), (iii) and (iv) above are collectively referred to as the "**Defense Conditions**"). Within ten (10) Business Days after the Indemnifying Party has given notice to the Indemnified Party of its exercise of its right to defend a Third Party Claim, the Indemnified Party will give notice to the Indemnifying Party of any objection thereto based upon the Defense Conditions. If the Indemnified Party reasonably so objects, the Indemnified Party will continue to defend the Third Party Claim, at the expense of the Indemnifying Party, until such time as such objection is withdrawn. If no such notice is given, or if any such objection is withdrawn, the Indemnifying Party will be entitled, at its sole cost and expense, to assume direction and control of such defense. During such time as the Indemnifying Party is controlling the defense of such Third Party Claim,

the Indemnified Party will cooperate, and will cause its Affiliates and Representatives to cooperate upon request of the Indemnifying Party, in the defense or prosecution of the Third Party Claim, including by furnishing such records, information and testimony and attending such conferences, discovery proceedings, hearings, trials or appeals as may reasonably be requested by the Indemnifying Party. Notwithstanding anything to the contrary contained in this Section 8.5(b), the Indemnified Party or its Affiliates shall not be required to furnish any information or provide any testimony if such furnishing or provision would (A) violate Applicable Law or (B) jeopardize any attorney/client privilege or other established legal privilege, provided that the Indemnified Party and its Affiliates use their reasonable best efforts to furnish such information or testimony in a manner that would not violate Applicable Law or jeopardize any such legal privilege. In the event that the Defense Conditions are not satisfied or the Indemnifying Party does not notify the Indemnified Party of the Indemnifying Party's intent to defend any Third Party Claim within ten (10) Business Days after receipt of the Claim Notice, the Indemnified Party may (without further notice to the Indemnifying Party) undertake the defense thereof with counsel of its choice and at the Indemnifying Party's expense (including reasonable, out-of-pocket attorneys' fees and costs and expenses of enforcement or defense). The Indemnifying Party or the Indemnified Party, as the case may be, will have the right, at its own expense, to participate in (including the right to conduct discovery, interview and examine witnesses and participate in all settlement conferences), but not control, the defense of any Third Party Claim that the other Party is defending as provided in this Agreement.

(c) Third Party Claims – Settlement. The Indemnifying Party will not, without the prior written consent of the Indemnified Party, enter into any compromise or settlement of a Third Party Claim that (i) commits the Indemnified Party to take, or to forbear to take, any action, or (ii) does not include a complete release of claims against the Indemnified Party. The Indemnified Party will have the sole and exclusive right to settle any Third Party Claim, on such terms and conditions as it deems reasonably appropriate, to the extent such Third Party Claim involves equitable or other non-monetary relief solely against the Indemnified Party, but will not have the right to settle such Third Party Claim to the extent such Third Party Claim involves monetary damages or equitable or other non-monetary relief against the Indemnifying Party without the prior written consent of the Indemnifying Party (such consent not to be unreasonably withheld, conditioned or delayed). Neither the Indemnifying Party nor the Indemnified Party will make any admission of liability in respect of any Third Party Claim without the prior written consent of the other Party.

(d) Direct Claims. Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "**Direct Claim**") shall be asserted by the Indemnified Party by informing the Indemnifying Party of such claim as soon as reasonably practicable (an "**Indemnification Demand**"); provided, however, that the failure to inform the Indemnifying Party as soon as reasonably practicable shall not relieve the Indemnifying Party of its indemnification obligations, except and to the extent that the Indemnifying Party is actually prejudiced by reason of such failure. Such Indemnification Demand by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount of the Loss that has been or may be sustained by the Indemnified Party. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to reasonably investigate the matter or circumstance alleged to give rise to

the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Indemnified Party's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. Notwithstanding anything to the contrary contained in this Section 8.5(d), the Indemnified Party shall not be required to furnish any information or provide any such access if such furnishing or access would (i) violate Applicable Law or (ii) jeopardize any attorney/client privilege or other established legal privilege, provided that the Indemnified Party uses its reasonable best efforts to furnish such information in a manner that would not violate Applicable Law or jeopardize any such legal privilege. If the Indemnifying Party fails to notify the Indemnified Party within thirty (30) days following receipt of an Indemnification Demand that it disputes such Direct Claim set forth therein, the Direct Claim set forth in the Indemnification Demand shall be conclusively deemed a Loss to be indemnified under this Agreement, and the Indemnified Party shall be indemnified for the amount of the Loss stated in such Indemnification Demand on demand or, in the case of any Indemnification Demand in which the amount of such Loss (or any portion thereof) are estimated, on such later date when the amount of such Loss (or such portion thereof) becomes finally determined; provided, however, that the lack of final determination of the amount of estimated Loss (or any portion thereof) shall not limit the right of Merck to set off any claims against the Milestone Payments or the Royalty Payments in accordance with Section 8.8 in the amount of the estimated Losses set forth in the applicable Indemnification Demand. If an Indemnifying Party notifies the Indemnified Party that it disputes any such Direct Claim, the Indemnifying Party and the Indemnified Party shall attempt in good faith for a period of thirty (30) days following the Indemnified Party's receipt of such notice to agree upon a resolution and determination of the amount of the indemnified Loss with respect to such Direct Claim. If no such agreement with respect to the Direct Claim can be reached after such thirty (30)-day period of good faith negotiation (subject to further extensions of such time period for negotiation as mutually agreed upon in writing by the Parties), either the Indemnifying Party or the Indemnified Party may seek resolution pursuant to Section 13.14(b) of the Option Agreement (as incorporated herein pursuant to Section 10.1) for purposes of having the Direct Claim resolved in accordance with the terms of this Agreement.

Payments

. Once a Loss (a) is agreed to by the Indemnifying Party, (b) is conclusively deemed to be an indemnifiable Loss after the Indemnifying Party fails to dispute an Indemnification Demand pursuant to Section 8.5(d), or (c) is finally determined in accordance with Section 13.14(b) of the Option Agreement (as incorporated herein pursuant to Section 10.1), the Indemnifying Party shall satisfy its obligations to pay the amount of such Loss to the Indemnified Party within fifteen (15) Business Days after determination of such Loss, by wire transfer of immediately available funds.

Source of Recovery

. The Merck Indemnified Parties' sources for payment of indemnification obligations hereunder shall be satisfied (a) first, from seeking recovery from the Escrow Amount pursuant to the Escrow Agreement, (b) second, if and to the extent a Milestone Payment or Royalty Payment is then due and payable hereunder, by set off pursuant to Section 8.8 against any such Milestone Payment or Royalty Payment that is then due and payable, or (c) third, by seeking recovery directly from KalVista or Parent. KalVista shall provide the Escrow Agent with any instructions required by the Escrow Agreement in order for the Escrow Agent to release

any portion of the Escrow Amount to Merck in satisfaction of any amounts owed to any Merck Indemnified Party under this Article VIII.

Right of Set-Off

.

(a) Merck is expressly authorized to set off any Losses for which it is finally determined in accordance with Section 8.6 to be entitled to indemnification hereunder against any Milestone Payment or Royalty Payment that becomes due and payable under the Transaction Documents.

(b) Notwithstanding Section 6.3 and Section 6.5 of the Option Agreement, if at the time any Milestone Payment or Royalty Payment is due and payable there shall be any outstanding indemnification claim pursuant to Section 8.2 in which the amount of Losses with respect thereto shall not have been finally determined in accordance with Section 8.6, then the amount of such Milestone Payment or Royalty Payment shall be reduced by the amount of Losses that the Merck Indemnified Party reasonably estimates to be subject to such indemnification claim and that is set forth in the Claim Notice or the Indemnification Demand (taking into account the information then available to the Merck Indemnified Party). If the final amount of Losses for such indemnification claim is less than the amount by which such Milestone Payment or Royalty Payment was reduced for such claim, then Merck shall promptly deliver the difference to KalVista.

Tax Treatment of Indemnification Payments

. All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Applicable Law.

Effect of Investigation

(a) . The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 7.2 or Section 7.3, as the case may be.

Exclusive Remedies

. Subject to Section 13.19 of the Option Agreement (as incorporated herein pursuant to Section 10.1), the Parties acknowledge and agree that, following the Closing, their sole and exclusive monetary remedy with respect to any and all claims (other than claims arising from fraud on the part of a Party in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein shall be pursuant to the indemnification provisions set forth in this Article VIII; provided that, subject to Section 8.4, the foregoing shall not limit any Party's remedies under any other Transaction Document. Nothing in this Section 8.11 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any Person's fraudulent conduct.

ARTICLE IX
TERMINATION

Termination

. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of KalVista and Merck;

(b) by either Merck or KalVista, in the event that (i) there shall be any Applicable Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable;

(c) by Merck (provided that Merck is not then in material breach of any of its representations, warranties, covenants, or other agreements contained in this Agreement), in the event of a breach by KalVista of any of its representations, warranties, covenants, or agreements contained in this Agreement if such breach (i) would give rise to the failure of a condition set forth in Section 7.1 or Section 7.2 and (ii) cannot be or has not been cured by KalVista within the earlier of (x) [***] after the delivery of written notice to KalVista of such breach and (y) [***] prior to the End Date;

(d) by KalVista (provided that KalVista is not then in material breach of any of its representations, warranties, covenants, or other agreements contained in this Agreement), in the event of a breach by Merck of any of its representations, warranties, covenants, or agreements contained in this Agreement if such breach (i) would give rise to the failure of a condition set forth in Section 7.1 or Section 7.3 and (ii) cannot be or has not been cured by Merck within the earlier of (x) [***] after the delivery of written notice to Merck of such breach and (y) the third (3rd) Business Day prior to the End Date; [or]

(e) by either Merck or KalVista by providing written notice to the other at any time after the Agreement Date if the Closing has not occurred by reason of the failure of any condition set forth in Section 7.1 or Section 7.2, in the case of Merck's termination right, or Section 7.1 or Section 7.3, in the case of KalVista's termination right, to be satisfied prior to the date that is [***] after the Agreement Date; provided that if the condition set forth in Section 7.1(a) is the only condition in Article VII (other than any condition in Article VII that by its terms can be satisfied only at the Closing) not to be satisfied by such date, such date shall be automatically be extended until the earlier of (i) the date that is [***] after the Agreement Date and (ii) [***] following the date on which the condition set forth in Section 7.1(a) is satisfied (the applicable date, the "**End Date**") provided, however, that the right to terminate this Agreement under this Section 9.1(e) shall not be available to any Party (A) whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the transactions contemplated by this Agreement to be consummated on or before the End Date or (B) if the other Party has commenced an action for specific performance to cause the Closing to occur pursuant to Section 13.19 of the Option Agreement (as incorporated herein pursuant to Section 10.1) [.] [;]

(f) [by either KalVista or Merck if (i) the Parent Stockholders' Meeting (including any adjournments and postponements thereof) shall have been held and completed and Parent's stockholders shall have taken a final vote on the transactions contemplated by this Agreement and (ii) such transactions shall not have been approved at the Parent Stockholders' Meeting (and shall not have been approved at any adjournment or postponement thereof) by the Required Parent Stockholder Vote; provided, however, that the right to terminate this Agreement under this Section 9.1(f) shall not be available to KalVista where the failure to obtain the Required Parent Stockholder Vote shall have been caused by the action or failure to act of Parent or KalVista and such action or failure to act constitutes a material breach by Parent or KalVista of this Agreement; or][8]

(g) [by Merck (at any time prior to the approval of the transactions contemplated by this Agreement by the Required Parent Stockholder Vote) if: (i) an Adverse Recommendation Change shall have been made; or (ii) Parent, KalVista or any of their respective Representatives shall have materially breached the provisions set forth in Section 11.6 of the Option Agreement or Section 6.10.][9]

Effect of Termination

.

(a) In the event of the termination of this Agreement in accordance with this Article IX, this Agreement shall forthwith become void and of no further force or effect, and there shall be no Liability on the part of any Party; provided, however, that this Section 9.2 (Effect of Termination)[, Section 9.3 (Termination Fee; Expense Reimbursement)] and Article X (Miscellaneous) shall survive the termination of this Agreement and shall remain in full force and effect in accordance with their respective terms, and (b) neither KalVista nor Merck shall be relieved of any Liability arising from any fraud or willful and knowing breach by such Party of any provision of this Agreement prior to the date of such termination. A "willful and knowing breach" by a Party of a provision of this Agreement shall mean that such party knowingly undertook an action, or failed to undertake an action, with the understanding that the action, or the failure to act, was a breach by such Party of the applicable provisions of this Agreement.

(b) As soon as practicable following a termination of this Agreement in accordance with this Article IX for any reason, but in no event more than [***] after such termination, Merck [, and] KalVista [and Parent] shall, to the extent practicable, withdraw all filings, applications and other submissions relating to the transactions contemplated by this Agreement filed or submitted by or on behalf of such Person, any Governmental Authority or other Person.

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8 **Note to Draft:** [***]

9 **Note to Draft:** [***]

[Termination Fee; Expense Reimbursement

.[19]

(a) Termination Fee.

(i) [***]

(ii) [***]

(b) [***]

(c) [***]

(d) The Parties agree that, subject to Section 9.2, the payment of the fees and expenses set forth in this Section 9.3 shall be the sole and exclusive remedy of Merck against KalVista or Parent (or any of their Representatives or stockholders) (collectively, the "**KalVista Parties**") following a termination of this Agreement under the circumstances described in this Section 9.3, it being understood that in no event shall KalVista be required to pay any amounts payable pursuant to this Section 9.3 on more than one occasion. Subject to Section 9.2, following the payment of the fees and expenses set forth in this Section 9.3, (i) none of the KalVista Parties shall have any further liability in connection with or arising out this Agreement or the termination thereof, any breach by KalVista or Parent giving rise to such termination, or the failure of the transactions contemplated by this Agreement to be consummated, (ii) neither Merck nor any of its Affiliates shall be entitled to bring or maintain any other Action again any KalVista Party in connection with or arising out this Agreement or the termination thereof, any breach by KalVista or Parent giving rise to such termination, or the failure of the transactions contemplated by this Agreement to be consummated and (iii) Merck and its Affiliates shall be precluded from any other remedy against any KalVista Party, at law or in equity or otherwise, in connection with or arising out this Agreement or the termination thereof, any breach by KalVista or Parent giving rise to such termination or the failure of the transactions contemplated by this Agreement to be consummated. Each of the Parties acknowledges that (1) the agreements contained in this Section 9.3 are an integral part of the transactions contemplated by this agreement, (2) without these agreements, the Parties would not enter into this Agreement and (3) any amount payable pursuant to this Section 9.3 is not a penalty, but rather is liquidated damages in a reasonable amount that will compensate the Parties in the circumstances in which such amount is payable.]

ARTICLE X
MISCELLANEOUS

General

. Article 13 of the Option Agreement is hereby incorporated by reference into this Agreement, *mutatis mutandis*.

[10] **Note to Draft:** [***]

Section 10.2 [Representations and Warranties of Parent.[20]

Organization and Qualification

. Parent is duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction in which it was organized and has full power and authority to own, operate or lease the properties and assets owned, operated or leased by it and to carry on its business as currently conducted. Parent is duly qualified or licensed to do business and is in good standing (to the extent such concept is recognized by the applicable jurisdiction) in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing would not reasonably be expected to have a material adverse effect on Parent's ability to perform its obligations under this Agreement, the Option Agreement or the Parent Guarantee.

Authorization

. Parent has the requisite corporate power and authority to enter into this Agreement and the other Acquisition Documents to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Parent of this Agreement and any other Acquisition Document to which it is a party, the performance by Parent of its obligations hereunder and thereunder and the consummation by Parent of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Parent. This Agreement has been duly executed and delivered by Parent and, assuming due authorization, execution and delivery by Merck, this Agreement constitutes a legal, valid and binding obligation of Parent enforceable against Parent in accordance with its terms, except as may be limited by the Enforceability Exceptions. When each other Acquisition Document to which Parent is or will be a party, if any, has been duly executed and delivered by Parent, assuming due authorization, execution and delivery by each other party thereto, such Acquisition Document will constitute a legal and binding obligation of Parent enforceable against it in accordance with its terms, except as may be limited by the Enforceability Exceptions.

No Conflicts; Consents

. The execution, delivery and performance by Parent of this Agreement and the other Acquisition Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the Organizational Documents of Parent; (ii) assuming compliance with the HSR Act and any applicable Non-U.S. Competition Law, result in a violation or breach of any provision of any Applicable Law or Governmental Order applicable to Parent, its business, KalVista, the Program or the Purchased Assets; (iii) except as set forth in Section 4.3(a) of the Updated Schedules, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any Third Party the right to accelerate, terminate, modify or cancel any Material Contract or any KalVista Permit; or (iv) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on the Purchased Assets. No consent, approval, Permit, Governmental Order, declaration or filing with,

[11] **Note to Draft:** [***]

[***]Confidential Treatment Requested.

or notice to, any Governmental Authority is required by or with respect to Parent in connection with the execution and delivery of this Agreement or any of the other Acquisition Documents and the consummation of the transactions contemplated hereby and thereby, except for such filings as may be required under the HSR Act and any comparable filings under comparable Non-U.S. Competition Law, and the expiration of the waiting periods thereunder. No state takeover statute (including Section 203 of the General Corporation Law of the State of Delaware) or similar Applicable Law applies or purports to apply to the transactions contemplated by this Agreement and the other Transaction Documents or any of the other transactions contemplated hereby or thereby.]

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

[**MERCK]**

By: _____
Name:
Title:

KALVISTA PHARMACEUTICALS LIMITED

By: _____
Name:
Title:

[KALVISTA PHARMACEUTICALS, INC., solely for purposes of Sections 6.8, 6.9, 6.10 and 9.3 and Articles VIII and X

By: _____
Name:
Title:]

[FORM OF] BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT

This Bill of Sale and Assignment and Assumption Agreement (this "**Bill of Sale**") is made as of this [___] day of [_____], by and between KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales ("**KalVista**")[21], and [Merck], a [●] ("**Merck**").

RECITALS

WHEREAS, KalVista and Merck are parties to the Asset Purchase and License Agreement, dated as of [●] (the "**Asset Purchase Agreement**"); and

WHEREAS, pursuant to the Asset Purchase Agreement, KalVista has agreed to sell, assign, transfer, convey and deliver all of its right, title and interest in, to and under the Purchased Assets and transfer the Assumed Liabilities to Merck, and Merck has agreed to purchase and accept the Purchased Assets and accept, assume and become liable for the Assumed Liabilities.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Bill of Sale and of the representations, warranties, conditions, agreements and promises contained in the Asset Purchase Agreement, this Bill of Sale and the other Transfer Documents, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

6. Definitions. Unless otherwise specifically provided herein, capitalized terms used in this Bill of Sale and not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

7. Conveyance and Acceptance. In accordance with the provisions of the Asset Purchase Agreement, KalVista hereby sells, assigns, transfers, conveys and delivers to Merck all of KalVista's right, title and interest in, to and under the Purchased Assets, and Merck hereby purchases and accepts all of KalVista's right, title and interest in, to and under the Purchased Assets, in each case, free and clear of any Encumbrances (other than Permitted Encumbrances).

8. Assumption of Assumed Liabilities. In accordance with the provisions of the Asset Purchase Agreement, KalVista hereby assigns to Merck the Assumed Liabilities and Merck hereby unconditionally accepts, assumes and agrees to become liable for the Assumed

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12 **Note to Draft:** This Bill of Sale to include any KalVista Affiliates that own any of the Purchased Assets and to be revised accordingly.

9. Liabilities. Merck shall not assume or have or incur any responsibility of any nature for any Liabilities of KalVista or any of its Affiliates other than the Assumed Liabilities.

10. Asset Purchase Agreement Controls. Notwithstanding any other provision of this Bill of Sale to the contrary, nothing contained herein shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions, including warranties, covenants, agreements, conditions, representations or, in general any of the rights and remedies, or any of the obligations of Merck or KalVista (or any of their respective Affiliates) set forth in the Asset Purchase Agreement or the Option Agreement. This Bill of Sale is subject to and governed entirely in accordance with the terms and conditions of the Asset Purchase Agreement. Nothing contained herein is intended to modify or supersede any of the provisions of the Asset Purchase Agreement or the Option Agreement.

11. Incorporation by Reference. The following provisions of the Option Agreement are hereby incorporated by reference, substituting in each such section, the term "Bill of Sale" as defined herein for the term "Agreement" as defined in the Option Agreement: Section 13.1 (Entire Agreement; Amendment); Section 13.3 (Governing Law); Section 13.4 (Notices); Section 13.7 (Assignment); Section 13.8 (Counterparts); Section 13.9 (Further Actions); Section 13.10 (Severability); and Section 13.17 (Third-Party Beneficiaries; Affiliates).

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Bill of Sale and Assignment and Assumption Agreement as of the date first written above.

KALVISTA PHARMACEUTICALS LIMITED

By: _____

Name: _____

Title: _____

[***]Confidential Treatment Requested.

[MERCK]

By: _____

Name: _____

Its: _____

[***]Confidential Treatment Requested.

EXHIBIT B

[FORM OF] INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

This Intellectual Property Assignment Agreement (this "**Agreement**") is made as of [_____] (the "**Effective Date**") by and between KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales ("**KalVista**")[22], and [Merck], a [●] ("**Merck**"). Merck and KalVista are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, KalVista and Merck are parties to the Asset Purchase and License Agreement, dated as of [●] (the "**Asset Purchase Agreement**"); and

WHEREAS, pursuant to the Asset Purchase Agreement, KalVista has agreed to sell, assign, transfer, convey and deliver all of its right, title and interest in, to and under all Intellectual Property Rights and Common IP (each as defined in the Asset Purchase Agreement) to Merck, and Merck has agreed to purchase and accept the Intellectual Property Rights and Common IP.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions, agreements and promises contained in the Asset Purchase Agreement, this Agreement and the other Transfer Documents, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Assignment.** KalVista hereby sells, assigns, transfers, conveys and delivers to Merck all of KalVista's rights, title, and interest (including the right to recover for unsettled past, present and future infringement and including the right to claim priority) in, to, and under all Intellectual Property Rights and Common IP, including (a) the patents and patent applications set forth on Attachment A hereto, any and all letters patent that may be granted thereon or derived therefrom or based on any regional or national phase application thereof, and any and all divisions, continuations, continuations-in-part, reissues, reexaminations, and extensions thereof (the "**Patents**"), (b) all trademarks and trademark applications identified on Attachment A hereto (the "**Trademarks**")[23] and (c) all copyrights and copyright applications identified on Attachment A hereto (the "**Copyrights**")[24]. The Parties agree to have executed and file with the United States Patent and Trademark Office the confirmatory assignment with respect to the Patents in the form attached hereto as Attachment B, and with respect to any jurisdiction other than the United States, confirmatory assignments with respect to the Patents substantially in the form attached hereto as Attachment B or as otherwise required or customary in such jurisdiction. KalVista shall take any reasonable actions, and will execute, deliver, and file such documents and instruments, in each case at Merck's expense, as required in order to effectuate the assignment of the Patents as set forth

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[13] **Note to Draft:** This Agreement to include any KalVista Affiliates that own any of the assigned IP.

[14] **Note to Draft:** To include Trademarks, if any.

[15] **Note to Draft:** To include Copyrights, if any.

in this Agreement. In the event that Merck is unable, after reasonable notice to KalVista, for any reason whatsoever, to secure KalVista's signature to any document KalVista is required to

execute pursuant to this Section 1 to vest, secure, perfect, protect or enforce the rights and interests of Merck in and to the Patents, Trademarks and Copyrights, KalVista hereby irrevocably designates and appoints Merck and its duly authorized officers and agents as KalVista's agents and attorneys-in-fact, to act for and on its behalf and instead of KalVista, to execute and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by KalVista.

2. **GENERAL.**

2.1 **Definitions**. Unless otherwise specifically provided herein, capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

2.2 **Asset Purchase Agreement Controls**. Notwithstanding any other provision of this Agreement to the contrary, nothing contained herein shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions, including warranties, covenants, agreements, conditions, representations or, in general any of the rights and remedies, or any of the obligations of Merck or KalVista (or any of their respective Affiliates) set forth in the Asset Purchase Agreement or the Option Agreement. This Agreement is subject to and governed entirely in accordance with the terms and conditions of the Asset Purchase Agreement. Nothing contained herein is intended to modify or supersede any of the provisions of the Asset Purchase Agreement or the Option Agreement.

2.3 **Incorporation by Reference**. The following provisions of the Option Agreement are hereby incorporated by reference, *mutatis mutandis*: Section 13.1 (Entire Agreement; Amendment); Section 13.3 (Governing Law); Section 13.4 (Notices); Section 13.7 (Assignment); Section 13.8 (Counterparts); Section 13.9 (Further Actions); Section 13.10 (Severability); and Section 13.17 (Third-Party Beneficiaries; Affiliates).

[Signature page follows]

In Witness Whereof, the Parties have caused this Agreement to be executed by their duly authorized representatives.

KalVista Pharmaceuticals Limited

By:

Name:

Title:

[Merck]

By:

Name:

Title:

[***]Confidential Treatment Requested.

Attachment A

CERTAIN INTELLECTUAL PROPERTY RIGHTS AND COMMON IP

IV. PATENTS

Patent/Publication No.	Application No	Application No.	Country	Title	Status

V. TRADEMARKS

VI. COPYRIGHTS

Attachment B

CONFIRMATORY ASSIGNMENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

WHEREAS, KalVista Pharmaceuticals Limited, a private company limited by shares incorporated and registered in England and Wales, having its principal place of business at Building 227, Tetricus Science Park, Porton Down, SP40JQ, United Kingdom ("**ASSIGNOR**"), owns certain patents and/or patent applications, as set forth in Appendix 1 attached hereto and incorporated herein by this reference, and including any and all letters patent that may be granted thereon or derived therefrom or based on any regional or national phase application thereof, and any and all divisions, continuations, continuations-in-part, reissues, reexaminations, and extensions thereof ("**PATENTS**"); and

WHEREAS, [Merck], a [●] having its principal place of business at [●] ("**ASSIGNEE**"), acquired ASSIGNOR's rights, title and interest in, to and under the PATENTS;

WHEREAS, ASSIGNOR and ASSIGNEE have entered into a certain Asset Purchase Agreement and Intellectual Property Assignment Agreement, each dated as of [●], assigning, among other things, all right, title and interest in, to and under the PATENTS from ASSIGNOR to ASSIGNEE;

NOW, THEREFORE, ASSIGNOR hereby confirms that, for good and valuable consideration paid by ASSIGNEE to ASSIGNOR, the receipt and sufficiency of which hereby is acknowledged, ASSIGNOR assigned to ASSIGNEE the ASSIGNOR'S entire rights, title and interest in and to the PATENTS.

[Signature page follows]

[***]Confidential Treatment Requested.

In Witness Whereof, ASSIGNOR has caused this Assignment to be duly executed by an authorized officer on this ____ day of _____, 20[xx].

KalVista Pharmaceuticals Limited

By:

Name:

Title:

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 20[xx], before me, the undersigned notary public in and for said County and State, personally appeared _____,

____ personally known to me *[or]*
____ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies) and that, by his signature(s) on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s) acted executed the instrument.

Witness my hand and official seal.

_____

My commission expires on

_____

[***]Confidential Treatment Requested.

AGREED AND ACKNOWLEDGED:

[MERCK]

By:

Name:

Title:

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 20[xx], before me, the undersigned notary public in and for said County and State, personally appeared _____,

____ personally known to me *[or]*
____ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies) and that, by his signature(s) on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.

_____

My commission expires on

_____

[***]Confidential Treatment Requested.

ATTACHMENT 1

PATENTS

Patent/Publication No.	Application No	Application No.	Country	Title	Status

[***]Confidential Treatment Requested.

TRANSITION SCHEDULE: PRECLINICAL BIOLOGY, TOXICOLOGY, DMPK, REGULATORY AND CHEMISTRY MANUFACTURING AND CONTROL

Activity Description
[***]
[***]
•**Regulatory Documentation** 1.[***] 2.[***] 3.[***] 4.[***] 5.[***]
CMC
V.Drug Product (DP) Clinical Supply. A. GMP Inventory Transfer. [***] B. DP Clinical Supply by KalVista. [***] C. DP for Clinical Supply by Merck. [***]
VI.Drug Substance. C.DS Inventory. [***] D.DS Tech Transfer. [***]
VII.DP Tech Transfer. [***]
Analytical Tech Transfer. [***]
VIII.Vendors. [***]

Exhibit G

KalVista Wire Instructions

[see attached.]

[***]Confidential Treatment Requested.

[***]Confidential Treatment Requested.

Exhibit H

Press Release

[see attached.]

KalVista Pharmaceuticals Announces Collaboration with Merck

– Covers Development of Investigational Plasma Kallikrein Inhibitors for Treatment of Diabetic Macular Edema –

– $37 Million Upfront Fee Plus Potential Milestone Payments and Sales Royalties –

– Merck Acquires 9.9% Stake in KalVista in Private Placement–

– Investigational Intravitreal DME Candidate KVD001 Phase 2 Clinical Trial Still Planned to Initiate in 2017 –

Cambridge, MA, October 10, 2017 – KalVista Pharmaceuticals, Inc. (NASDAQ: KALV), a clinical stage pharmaceutical company focused on the discovery, development, and commercialization of small molecule protease inhibitors, today announced that it has entered into a collaboration agreement with Merck, known as MSD outside the United States and Canada, through a subsidiary, for KVD001, the Company's investigational intravitreal (IVT) injection candidate currently in development for potential treatment of diabetic macular edema (DME), as well as future oral DME compounds based upon plasma kallikrein inhibition.

"We are pleased to collaborate with Merck for the continuing development of KVD001 and future oral programs for patients with DME," said Andrew Crockett, Chief Executive Officer of KalVista. "Plasma kallikrein inhibition is a novel approach to the treatment of DME that we believe may offer benefit to a significant number of patients, and an oral therapy particularly would represent a groundbreaking advance for treatment of this indication. We have always believed that development and commercialization of our DME therapies would require the resources of a large pharmaceutical company, and we believe Merck has the wherewithal and resources to help us advance development of our DME drug candidates. Importantly for KalVista, this collaboration also meets our strategic objectives of maintaining control of our oral HAE portfolio that we plan to develop independently. We look forward to providing more details about the Phase 2 trial for KVD001 in DME patients as the trial commences."

Under the terms of the agreement, KalVista has granted to Merck certain rights including an option to acquire KVD001 through a period following completion of the Phase 2 proof-of-concept trial that KalVista intends to commence later this year. KalVista also has granted to Merck a similar option to acquire investigational orally delivered molecules for DME that KalVista will continue to develop as part of its ongoing research and development activities. As consideration for the agreement, Merck will pay to KalVista a $37 million non-refundable

upfront fee. KalVista is further eligible to receive payments associated with the exercise of the options by Merck and the achievement of milestones for each program that potentially total up to $715 million. KalVista also will receive tiered royalties on net sales for therapeutic candidates commercialized under this agreement. KalVista will fund and retain control over the planned Phase 2 clinical trial of KVD001 as well as development of the investigational oral DME compounds through Phase 2, unless Merck exercises its options earlier.

In addition to the collaboration, KalVista has entered into a separate $9.1 million private placement transaction with Merck under which Merck has acquired 1,070,589 shares of KalVista, representing a 9.9% ownership stake, at a price of $8.50 per share. This private placement closed concurrent with execution of the Option Agreement.

“The KalVista team has already made important progress in advancing this candidate into the clinic. At Merck, we look forward to the opportunity to apply our expertise and resources upon the achievement of proof of concept for KVD001,” said Ben Thorner, senior vice president and Head of Business Development & Licensing Merck Research Laboratories. “Merck is seeking to collaborate on the development of candidates that we believe have the potential to transform practice in areas where there is a clear need for new and improved therapeutic options.”

The agreement with Merck covers only the investigational IVT and oral plasma kallikrein inhibitor programs for DME. KalVista retains full rights to its oral hereditary angioedema (HAE) portfolio, and will have the opportunity to select and develop future oral HAE compounds. KalVista intends to continue to aggressively pursue its efforts to develop a best-in-class oral therapy for HAE, as well as additional programs focused on other proteases.

About KalVista Pharmaceuticals, Inc.
KalVista Pharmaceuticals, Inc. is a pharmaceutical company focused on the discovery, development, and commercialization of small molecule protease inhibitors for diseases with significant unmet need. The initial focus is on inhibitors of plasma kallikrein, which is an important component of the body’s inflammatory response and which, in excess, can lead to increased vascular permeability, edema and inflammation. KalVista has developed a proprietary portfolio of novel, small molecule plasma kallikrein inhibitors initially targeting hereditary angioedema (HAE) and diabetic macular edema (DME). The Company has created a structurally diverse portfolio of oral plasma kallikrein inhibitors from which it plans to select multiple drug candidates to advance into clinical trials for HAE. The first candidate of this planned portfolio, KVD818, is currently in a first-in-human study and additional program candidates are in preclinical development. KalVista’s most advanced program, an intravitreally administered plasma kallikrein inhibitor known as KVD001, has successfully completed its first-in-human study in patients with DME and is being prepared for Phase 2 studies in 2017.

For more information, please visit www.kalvista.com.

Forward-Looking Statements
This press release contains "forward-looking" statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will"

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and similar references to future periods. These statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from what we expect. Examples of forward-looking statements include, among others, available funding and future clinical trial timing and results. Further information on potential risk factors that could affect our business and its financial results are detailed in the annual report on Form 10-K filed on July 27, 2017, our most recent Quarterly Report on Form 10-Q, and other reports as filed from time to time with the Securities and Exchange Commission. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Contact:
KalVista Pharmaceuticals, Inc.

Leah Monteiro
Director, Corporate Communications & Investor Relations
857-999-0808
leah.monteiro@kalvista.com

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Exhibit 10.2

[***] Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Execution Copy

STOCK PURCHASE AGREEMENT

dated as of October 6, 2017

between

KALVISTA PHARMACEUTICALS, INC.,

and

MERCK SHARP & DOHME CORP.

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This STOCK PURCHASE AGREEMENT ("**Agreement**") is made and entered into as of October 6, 2017, by and between KalVista Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), and Merck Sharp & Dohm Corp., a New Jersey corporation ("**Investor**" and together with the Company, the "**Parties**").

PRELIMINARY STATEMENTS

Investor desires to purchase from the Company, and the Company desires to sell and issue to Investor, upon the terms and conditions stated in this Agreement, 1,070,589 shares of the Company's Common Stock, par value $0.001 per share ("**Common Stock**," together with any securities into which such shares may be reclassified, whether by merger, charter amendment or otherwise, the "**Shares**").

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used in this Agreement shall have the meanings indicated below or elsewhere in this Agreement:

"**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person (for the purposes of this definition "**control**," when used with respect to any specified Person, means the actual power to direct the management and policies of such Person, directly or indirectly, whether through ownership of at least 50% of the voting securities of such Person or by contract or otherwise; and the terms "**controlling**" and "**controlled**" shall have meanings correlative to the foregoing); provided that, with respect to Investor, the term "Affiliate" shall not include any employee benefit plan of Investor or its Affiliates.

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

"**Board**" means the Board of Directors of the Company.

"**Business Day**" means any day other than Saturday, Sunday or any other day on which banking institutions in New York, New York are permitted or required by applicable law to remain closed.

"**Change of Control of the Company**" means (a) a merger, consolidation, recapitalization or other reorganization of the Company, unless securities representing more than 50% of the total combined voting power of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the Persons who beneficially owned the Company's outstanding voting securities immediately prior to such transaction; (b) a sale, transfer, exclusive license or other disposition of all or substantially all of the Company's assets or all or a majority of the Company's assets which relate to the IVT Option or Oral DME Option (each as defined in the Option Agreement), or any plan of dissolution or liquidation of the Company; or (c) the closing of any transaction or series of transactions to which any Person or any group of Persons comprising a "group" within the meaning of Rule 13d-5(b)(1) of the Exchange Act becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing (or convertible into or exercisable for securities possessing) more than 50% of the total combined voting power of the Company's securities (as measured in terms of the power to vote with respect to the election

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of Board members) outstanding immediately after the consummation of such transaction or series of transactions, whether such transaction involves a direct issuance from the Company or the acquisition of outstanding securities held by one or more of the Company's existing stockholders.

"**Closing**" has the meaning set forth in Section 2.02.

"**Closing Date**" has the meaning set forth in Section 2.02.

"**Common Stock**" has the meaning set forth in the Preliminary Statements.

"**Company**" has the meaning set forth in the Preamble.

"**Company Permit**" has the meaning set forth in Section 3.13(b).

"**Competing Bid**" means an offer by any Standstill Party to acquire Voting Stock of the Company that, if consummated, would result in a Change of Control of the Company; provided that such offer is made at a time that follows a publicly announced offer by another Person (other than any Standstill Party) that, if consummated, would result in a Change of Control of the Company and during such time as such offer is effective.

"**Effect**" means any change, event, circumstance, condition or effect.

"**Effectiveness Period**" has the meaning set forth in Section 6.01(b).

"**ERISA**" has the meaning set forth in Section 3.21.

"**ERISA Affiliate**" has the meaning set forth in Section 3.21.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**FCPA**" has the meaning set forth in Section 3.13(c).

"**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

"**GAAP**" means United States generally accepted accounting principles.

"**Governmental Authority**" means any federal, state, county, city or other political subdivision authority, department, court, agency or official, or any non-governmental self-regulatory organization, agency, commission or authority.

"**Indemnified Party**" has the meaning set forth in Section 6.04(c).

"**Indemnifying Party**" has the meaning set forth in Section 6.04(c).

"**Intellectual Property**" has the meaning set forth in Section 3.17(a).

"**Interference**" has the meaning set forth in Section 6.01(g).

"**Investor**" has the meaning set forth in the Preamble.

"**Investor Controlled Entity**" means an entity of which Investor collectively owns or controls, directly or indirectly, not less than a majority of the outstanding voting power entitled to vote in the election of directors of such entity (or, in the event the entity is not a corporation, the governing members, board or other similar body of such entity).

"**KalVista UK**" means KalVista Pharmaceuticals Limited, a wholly owned subsidiary of the Company.

"**Lock-Up Period**" means the period from and after the Closing Date until the earliest to occur of [***]

"**Losses**" means any and all losses, claims, damages, liabilities, judgments, awards, penalties, fines, amounts paid in settlement and costs and expenses, including reasonable attorneys' fees.

"**Material Adverse Effect**" means any Effect that, individually or when taken together with all other Effects, has had, or would be reasonably expected to have, a material adverse effect on (a) the legality, validity or enforceability of any of the Transaction Documents; (b) the results of operations, assets, business or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole on a consolidated basis; or (c) the Company's ability to perform on a timely basis its obligations under any of the Transaction Documents.

"**Material Contract**" means any contract, instrument or other agreement to which the Company or any of its subsidiaries is a party or by which it is bound that is material to the business of the Company and its subsidiaries, taken as a whole, including those that have been filed or were required to have been filed as an exhibit to the SEC Filings pursuant to Item 601(b)(4) or Item 601(b)(10) of Regulation S-K.

"**NASDAQ**" means The NASDAQ Stock Market LLC.

"**Option Agreement**" means that Option Agreement entered into on even date hereof between KalVista UK and Merck Sharp & Dohme Corp., an Affiliate of Investor, pursuant to which, among other things, the Company granted to Merck Sharp & Dohme Corp. exclusive options to acquire certain compounds and related programs of KalVista UK.

"**OFAC**" has the meaning set forth in Section 3.16.

"**Parent Entity**" means any entity that owns, directly or indirectly, at least a majority of the outstanding voting power entitled to vote in the election of directors of Investor.

"**Parties**" has the meaning set forth in the Preamble.

"**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a Governmental Authority.

"**Pension Plan**" has the meaning set forth in Section 3.21.

"**Prospectus**" means the prospectus included in a Registration Statement (including a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus including

post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"**Purchase Price**" has the meaning set forth in Section 2.01.

"**Registrable Securities**" means the Shares issued or issuable pursuant to the Transaction Documents, together with any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"**Registration Statement**" means a registration statement filed under Article VI, including (in each case) the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**SEC Filings**" has the meaning set forth in Section 3.03.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Shares**" has the meaning set forth in the Preliminary Statements.

"**Standstill Parties**" has the meaning set forth in Section 5.03(a).

"**Standstill Period**" means the period from and after the Closing Date [***]

"**Transaction Documents**" means this Agreement, the Voting Agreement and any schedules and exhibits attached hereto or thereto.

"**Voting Agreement**" has the meaning set forth in Section 5.06.

"**Voting Stock**" means shares of Common Stock and any other securities of the Company having the ordinary power to vote in the election of members of the Board.

"**10-K**" means the Annual Report on Form 10-K for the fiscal year ended April 30, 2017, filed by the Company with the SEC.

"**13D Group**" means any group of Persons that would be required under Section 13(d) of the Exchange Act, and the rules and regulations promulgated thereunder, to file a statement on Schedule 13D or Schedule 13G with the SEC as a "person" within the meaning of Section 13(d)(3) of the Exchange Act if such group beneficially owned Voting Stock representing more than 5% of any class of Voting Stock then outstanding.

ARTICLE II

PURCHASE AND SALE OF SHARES

Section 2.01. Purchase and Sale

. Subject to the terms and conditions of this Agreement, Investor shall purchase, and the Company shall sell and issue to Investor, the Shares in exchange for an aggregate amount equal to $9,100,006.50 (the "**Purchase Price**").

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Section 2.02. Closing; Delivery

. The purchase and sale of the Shares (the "**Closing**") shall take place concurrently with the execution and delivery of this Agreement. At the Closing, (a) the Company shall deliver to Investor the Shares, in uncertificated form, and provide appropriate evidence of such issuance in Investor's name, and (b) Investor shall wire immediately available funds to an account designated by the Company in writing in an amount equal the Purchase Price. The "**Closing Date**" means the date on which the Closing occurs. The Closing of the purchase and sale of the Shares shall take place at the Washington, D.C. offices of Covington & Burling LLP, or at such other location and on such other date as the Company and Investor shall mutually agree.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Investor that:

Section 3.01. Organization and Standing

. The Company and each of its subsidiaries are duly organized, validly existing and in good standing, to the extent applicable, under the laws of their respective jurisdictions of organization. The Company and each of its subsidiaries have the corporate or limited liability company power, as applicable, and authority to own, lease and operate their respective assets and properties and to conduct their respective businesses. Each of the Company and its subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its businesses conducted or property owned by it make such qualification necessary, except where the failure to be so qualified and in good standing would not have a Material Adverse Effect. The Company is not in violation of any of the provisions of its Certificate of Incorporation or Bylaws.

Section 3.02. Authority; Noncontravention

.

(a) The Company has all requisite corporate power and authority to enter into the Transaction Documents, to carry out its obligations thereunder and to consummate the transactions contemplated thereunder. The execution and delivery of the Transaction Documents, the performance by the Company of its obligations thereunder and the consummation of the transactions contemplated thereunder have been duly authorized by all requisite corporate action on the part of the Company. The Transaction Documents have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or other applicable law of general application relating to or affecting the enforcement of creditors rights' generally. The Board, by resolutions duly adopted (and not thereafter modified or rescinded) by the vote of the Board, has approved and adopted the Transaction Documents and determined that the terms and conditions of the Transaction Documents are advisable and in the best interests of the Company and its stockholders. The adoption of the Transaction Documents and issuance of the Shares does not require the vote or approval of the holders of the Common Stock or the holders of any securities in the Company's subsidiaries.

(b) The execution, delivery and performance of the Transaction Documents by the Company, and the consummation of the transactions contemplated thereunder, including the issuance of the Shares, do not and will not (i) conflict with, or result in any violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any benefit under any provision of the certificate of incorporation or bylaws of the Company, in each case as amended to date; (ii) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any third party the right to accelerate, terminate, modify or cancel any Material Contract; (iii) conflict with, or result in any violation of or breach of,

[***]Confidential Treatment Requested.

any provision of any applicable statute, rule, regulation, order or other legal requirement of any Governmental Authority having jurisdiction over the Company, any of its subsidiaries or any of their respective assets or properties; or (iv) result in any encumbrance upon the Shares, other than as contemplated by this Agreement or imposed by applicable securities laws, or on any of the properties or assets of the Company or any subsidiary, except, in the case of clause (ii) or (iii), as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) No consent, approval, permit, order or authorization of, or registration, declaration or filing with, any Governmental Authority is required by or with respect to the Company in connection with the execution and delivery of the Transaction Documents or the consummation of the transactions contemplated thereunder, except for (i) the filing of a Current Report on Form 8-K within four Business Days of the Closing Date reporting the transactions contemplated by the Transaction Documents with the SEC; (ii) the application to the NASDAQ for the listing of the Shares for trading thereon in the time and manner required thereby; and (iii) such other consents, approvals, filings, licenses, permits or authorizations, declarations or registrations that, if not obtained, made or given, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.03. Capitalization

. The Company has the capitalization set forth in the 10-K as of the date set forth therein, and all other reports filed by the Company pursuant to the Exchange Act since the filing of the 10-K and prior to the date hereof as of the respective dates set forth therein (collectively, the "**SEC Filings**"). All of the issued and outstanding shares of the Company's capital stock have been duly authorized and validly issued and are fully paid, nonassessable and free of pre-emptive rights and were issued in full compliance with applicable legal requirements and all material requirements set forth in applicable Material Contracts. No Person is entitled to pre-emptive or similar statutory or contractual rights with respect to any securities of the Company. Except as described in the SEC Filings, there are no outstanding warrants, options, convertible securities or other rights, agreements or arrangements of any character under which the Company is or may be obligated to issue any equity securities of any kind, except for securities that may be granted to employees of the Company under the Company's existing equity incentive plan subsequent to the date of the SEC Filings. Except as described in the SEC Filings, there are no voting agreements, buy-sell agreements, option or right of first purchase agreements or other agreements of any kind among the Company and any of the stockholders of the Company relating to the securities of the Company held by them. Except as described in the SEC Filings and in this Agreement, no Person has the right to require the Company to register any securities of the Company under the Securities Act, whether on a demand basis or in connection with the registration of securities of the Company for its own account or for the account of any other Person. Except as described in the SEC Filings, there are no material profit participation or phantom equity awards, interests, or rights with respect to the Company or its capital stock issued to or held by any current or former director, officer, employee or consultant of the Company. The Common Stock has been registered pursuant to Section 12(b) of the Exchange Act and is authorized for trading on the NASDAQ under the trading symbol "KALV", and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock from the NASDAQ, nor has the Company received any notification that the SEC or the NASDAQ is contemplating terminating such registration or listing. All of the authorized shares of Common Stock are entitled to one vote per share.

Section 3.04. Valid Issuance

. The Shares have been duly and validly authorized and, when issued pursuant to this Agreement, will be validly issued, fully paid and nonassessable, and shall be free and clear of all encumbrances, restrictions, preemptive rights and other similar rights, except for restrictions on transfer set forth in the Transaction Documents or imposed by applicable securities laws. The issuance of the Shares does not contravene the rules and regulations of the NASDAQ. Assuming the accuracy of the representations of Investor contained herein, the Shares will be exempt from registration pursuant to Rule 506 of Regulation D promulgated under the Securities Act or Section 4(2) of the Securities Act.

Section 3.05. Poison Pill

. Except as described in the Company's certificate of incorporation filed with the Delaware Secretary of State on April 14, 2015, the Company does not have outstanding stockholder purchase rights, a "poison pill" or any similar arrangement in effect giving any Person the right to purchase any equity interest of the Company upon the occurrence of certain events.

Section 3.06. Absence of Certain Changes

. Except for the execution and performance of the Transaction Documents, the Option Agreement and the discussions, negotiations and transactions related thereto, since May 1, 2017, except as identified and described in the SEC Filings, the Company has conducted its business in the ordinary course consistent with past practice and there has not been:

(a) any Effect that, individually or taken together with all other Effects that have occurred prior to the Closing, has had or would reasonably be expected to have a Material Adverse Effect;

(b) any change in the consolidated assets, liabilities, financial condition or operating results of the Company from that reflected in the 10-K or subsequently filed SEC Filings, except for changes in the ordinary course of business that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;

(c) any declaration or payment of any dividend, or any authorization or payment of any distribution, on any of the capital stock of the Company, or any redemption or repurchase of any securities of the Company;

(d) any material acquisition of any business or entity, or assets of a business or entity, whether by way of merger, consolidation, purchase of stock, purchase of assets, license or otherwise;

(e) any material damage, destruction or loss, whether or not covered by insurance, to any assets or properties of the Company or its subsidiaries;

(f) any waiver, not in the ordinary course of business, by the Company or any of its subsidiaries of a material right or of a material debt owed to it, other than intercompany debt;

(g) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Company or its subsidiaries, except in the ordinary course of business consistent with past practice and that is not material to the assets, properties, financial condition, operating results or business of the Company;

(h) any change or amendment to (i) the Company's Certificate of Incorporation or Bylaws or (ii) any Material Contract;

(i) the loss of the services of any executive officer (as defined in Rule 405 under the Securities Act) of the Company; or

(j) any material labor difficulties or labor union organizing activities with respect to employees of the Company or any of its material subsidiaries.

Section 3.07. SEC Filings

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(a) The Company has timely filed with or otherwise furnished (as applicable) to the SEC all filings required to be made by it pursuant to the Exchange Act and the Securities Act, including the SEC Filings for the last 12 months. As of their respective dates, the SEC Filings, including any financial statements or schedules included or incorporated by reference therein, at the time filed complied as to form in all material

respects with the applicable requirements of the Securities Act and the Exchange Act, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Filings.

(b) As of their respective dates, the SEC Filings, including any financial statements or schedules included or incorporated by reference therein, at the time filed, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(c) The Company is eligible to use Form S-3 to register the disposition of the Shares for sale by Investor as contemplated by Article VI.

(d) As of the date of this Agreement, there are no outstanding or unresolved comments in comment letters received from the SEC or its staff. As of the date of this Agreement, none of the Company's subsidiaries is subject to the reporting requirements of Section 13(a) or 15(d) under the Exchange Act.

Section 3.08. Litigation

. Except as described in the SEC Filings, there are no actions, suits, claims, investigations or proceedings pending before any Governmental Authority against or affecting the Company, its subsidiaries or any of its or their properties, and to the Company's knowledge, no such actions, suits, claims, investigations or proceedings are threatened. Neither the Company nor any subsidiary of the Company is subject to any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

Section 3.09. Financial Statements

. The financial statements included in each SEC Filing, together with the related notes and schedules, comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing (or to the extent corrected by a subsequent restatement) and present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of the dates shown and its consolidated results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with GAAP applied on a consistent basis during the periods involved (except as may be disclosed therein or in the notes thereto, and, in the case of quarterly financial statements, as permitted by Quarterly Reports on Form 10-Q under the Exchange Act). Except as set forth in the financial statements of the Company included in the SEC Filings filed prior to the date hereof, neither the Company nor any of its subsidiaries has incurred any liabilities, contingent or otherwise, except those incurred in the ordinary course of business, consistent (as to amount and nature) with past practices since the date of such financial statements, none of which, individually or in the aggregate, have had or would reasonably be expected to have a Material Adverse Effect. There are no material unconsolidated subsidiaries of the Company or any material off-balance sheet arrangements of any type (including any off balance sheet arrangements required to be disclosed pursuant to Item 303(a)(4) of Regulation S-K promulgated under the Securities Act) that have not been so described in the SEC Filings nor any obligations to enter into any such arrangements.

Section 3.10. Compliance with NASDAQ Continued Listing Requirements

. The Company is in compliance with applicable continued listing requirements of the NASDAQ. There are no proceedings pending or, to the Company's knowledge, threatened against the Company relating to the continued listing of the Common Stock on the NASDAQ and the Company has not received any currently pending notice of the delisting of the Common Stock from the NASDAQ.

Section 3.11. Brokers and Finders

. No broker, finder or investment banker is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement or any other Transaction Document hereby based upon arrangements made by or on behalf of Investor or its Affiliates.

Section 3.12. Subsidiaries.

The Company has disclosed all of its subsidiaries required to be disclosed pursuant to Item 601(b)(21) of Regulation S-K in an exhibit to the 10-K. The Company owns, directly

or indirectly, all of the capital stock or other equity interests of its subsidiary free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity, and all of the issued and outstanding shares of capital stock of its subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

Section 3.13. Compliance with Laws.

(a) The Company and its subsidiaries are and have at all times in the past three years been in compliance with all applicable laws, except where the failure to be so in compliance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. During the past three years, neither the Company nor any of its subsidiaries has received any written notice of any violation, or alleged violation of any applicable laws, except for such violations or alleged violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) The Company and its subsidiaries have obtained and are in compliance in all material respects with all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances, exemptions, consents and similar rights issued or granted by Governmental Authorities that are required for the conduct by the Company and its subsidiaries of their respective businesses and ownership of their respective properties (each, a "**Company Permit**"), and all of such Company Permits are valid and in full force and effect. No action, suit, claim, investigation or proceeding is pending or, to the Company's knowledge, threatened to revoke, suspend, cancel, terminate, or adversely modify any such Company Permit.

(c) None of the Company, its subsidiary or, to the knowledge of the Company, any director, officer, agent, employee, Affiliate or other Person acting on behalf of the Company or its subsidiary, is aware of or has taken any action, directly or indirectly, that would result in a violation by such Persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (collectively, the "**FCPA**"), including making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA. The Company and its subsidiary have conducted their respective businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

Section 3.14. Accounting Controls and Disclosure Controls

. The Company and each of its subsidiaries, considered as one enterprise, maintain a system of internal accounting controls sufficient to provide reasonable assurances that (a) transactions are executed in accordance with management's general or specific authorization; (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (c) receipts and expenditures are being made only in accordance with management's general or specific authorization; (d) access to assets is permitted only in accordance with management's general or specific authorization; and (e) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the SEC Filings, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company and its subsidiaries, considered as one enterprise, have established and currently maintain disclosure controls and procedures that comply with Rule 13a-15 under the Exchange Act, and the Company has determined that such disclosure controls and procedures are effective in compliance with Rule 13a-15 under the Exchange Act.

Section 3.15. No Integration.

Neither the Company nor, to the Company's knowledge, any of its Affiliates has, prior to the date hereof, made any offer or sale of any securities which could be "integrated" (within the meaning of the Securities Act) with the offer and sale of the Shares in a manner that would require registration of the Shares under the Securities Act.

Section 3.16. OFAC.

None of the Company, any subsidiary of the Company or, to the knowledge of the Company, any director, officer, agent, employee, Affiliate or Person acting on behalf of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Company will not directly or indirectly use the proceeds of the sale of the Shares, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

Section 3.17. Intellectual Property.

(a) The Company or its subsidiary own or possess, free and clear of any lien or encumbrance, a valid right to use all material patents, trademarks, service marks, trade names, copyrights, patentable inventions, trade secrets, know-how and other intellectual property (collectively, the "**Intellectual Property**") used by the Company or its subsidiaries in, and necessary to, the conduct of the Company's or its subsidiaries' business as now conducted or as proposed to be conducted. There is no pending or, to Company's knowledge, threatened action, suit, claim, investigation or proceeding against the Company or its subsidiaries (a) that challenges the validity, enforceability, or registrability of any of the Intellectual Property or (b) alleging that the manufacture or use of the Company's compounds or products does or did infringe, misappropriate or otherwise violate the intellectual property rights (including patent rights) of a third party. No Intellectual Property is subject to any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority that restricts in any manner the exploitation of such Intellectual Property.

(b) All Intellectual Property that is subject to a registration or application therefor are subsisting, valid and enforceable and all fees, documents and recordations required for the prosecution and maintenance of such Intellectual Property have been paid and filed with the relevant Governmental Authority. No third party has filed or threatened to file any opposition, cancellation, abandonment or other similar proceeding with respect to the Intellectual Property. There are no prior rights agreements, coexistence agreements, settlement agreements or other agreements with third parties affecting, limiting or otherwise restricting the use, registration, or scope of any Intellectual Property.

(c) To the Company's knowledge, no third party is infringing, misappropriating or otherwise violating the Intellectual Property. To the Company's knowledge, there are no intellectual property rights of any third party that would be infringed, misappropriated or violated by the practice or use of the Intellectual Property or the commercial manufacture or commercialization of any Company product.

(d) The Company and its subsidiary have taken commercially reasonable actions to protect, preserve and maintain the confidentiality and security of all material proprietary and non-public information included within the Intellectual Property. No funding, facilities or personnel of any Governmental Authority or any university, college, research institute or other educational institution has been used to create any Intellectual Property, except for any such funding or use of facilities or personnel that has not resulted in such Governmental Authority or institution obtaining ownership, license or use rights to such Intellectual Property.

Section 3.18. Regulatory Matters.

(a) The Company and its subsidiary have filed with all applicable Governmental Authorities all material filings, declarations, listings, registrations, reports or submissions, including adverse

event reports, required to be filed with respect to the Company's or its subsidiary's programs. All applications, submissions, information and data utilized by the Company and its subsidiary as the basis for, or submitted by or, to the Company's knowledge, on behalf of the Company or its subsidiary in connection with, were true and correct in all material respects as of the date of submission, and any updates, changes, corrections, or modification to such applications, submissions, information, and data required under applicable laws have been submitted to the applicable Governmental Authority.

(b) Neither the Company nor its subsidiary (x) has committed any act, made any statement, or failed to make any statement that would reasonably be expected to provide a basis for the FDA to invoke its policy with respect to "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" or for any other Governmental Authority to invoke any similar policy and (y) is the subject of any pending or, to the Company's knowledge, threatened investigation by any Governmental Authority pursuant to any such policies. Neither the Company, its subsidiary, any of their respective officers, directors or employees nor, to the Company's knowledge, its or its subsidiary's independent contractors, agents or clinical investigators (i) is or has been debarred under 21 U.S.C. Section 335a, (ii) is or has been debarred, excluded or suspended from participation in any U.S. federal health care program, (iii) is or has been debarred by any other federal or international healthcare related agency, (iv) has engaged in any conduct that has resulted, or would reasonably be expected to result, in debarment under applicable law, including 21 U.S.C. Section 335a, or exclusion from participation in government programs under 42 U.S.C. § 1320a-7 or another Applicable Law, (v) has had a civil monetary penalty assessed against it, him or her under Section 1128A of the Social Security Act, (vi) is currently listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs, or (vii) to the Company's knowledge, is the target or subject of any current investigation relating to any possible violation of any applicable law which could result in debarment or exclusion under any applicable law. No action, suit, claim, investigation or proceeding that would reasonably be expected to result in such a debarment or exclusion is pending or, to the Company's knowledge, threatened against the Company, its subsidiary or their officers, directors, employees, independent contractors, agents, or clinical investigators, or any other person described in 42 C.F.R. § 1001.1001(a)(1)(ii) and, to the Company's knowledge, there are no facts that could reasonably give rise to such an action.

(c) The manufacture of any compounds or products on behalf of the Company and its subsidiary has been and is being conducted in compliance with all applicable laws, including cGMPs. None of the Company, its subsidiary or, to the Company's knowledge, any third party engaged in the manufacture of a compound or product has received any FDA Form 483, "Warning Letter," "untitled letter," or other similar correspondence or notice from the FDA or any other applicable Governmental Authority.

(d) All studies, tests, and preclinical and clinical trials conducted by or on behalf of the Company or its subsidiary have been and are being conducted in accordance with valid protocols and in material compliance with applicable laws, including the applicable requirements of Good Laboratory Practices or Good Clinical Practices. Neither the Company nor its subsidiary has received any written notices, correspondence, or other communication from any institutional review board or applicable Governmental Authority recommending or requiring the termination, suspension, or material modification of any ongoing or planned clinical trial conducted by, or on behalf of, the Company or its subsidiary.

(e) None of the Company, its subsidiary or, to the Company's knowledge, any of their officers, directors, employees, independent contractors, agents or clinical investigators is a party to, or bound by, any individual integrity agreement, corporate integrity agreement or other similar formal agreement with any Governmental Authority resulting from a failure, or alleged failure, to comply with any applicable laws.

(f) Neither the Company nor its subsidiary has marketed, advertised or commercialized any compound or product.

(g) No claims for liability for death or injury to any Person as a result of any defect in any compound or product of the Company or its subsidiary, any warranty or recall of any compound or product of the Company or its subsidiary, or any statutory liability or any liability assessed with respect to any failure to warn arising out of any compound or product of the Company or any subsidiary, including any claims for liability for death or injury to any Person as a result of any clinical trial conducted with respect to any such compound or product, have been asserted against the Company or its subsidiary.

Section 3.19. Title to Assets.

Except as set forth in the SEC Filings, the Company and its subsidiary have good and marketable title to all of the properties and assets reflected as owned in the financial statements referred to in Section 3.09, in each case free and clear of any security interests, mortgages, liens, encumbrances, equities, claims and other defects, except such as do not materially and adversely affect the value of such property or assets and do not materially interfere with the use made or proposed to be made of such property by the Company or its subsidiary.

Section 3.20. Insurance.

The Company and its subsidiary carry or are entitled to the benefits of insurance in such amounts and covering such risks as the Company reasonably deems adequate, and all such insurance is in full force and effect. The Company has no reason to believe that it or its subsidiary will not be able (a) to renew its existing insurance coverage as and when such policies expire or (b) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect. Neither the Company nor its subsidiary has been denied any material insurance coverage which it has sought or for which it has applied.

Section 3.21. ERISA.

(a) The Company and its subsidiary and any "employee benefit plan" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, "**ERISA**")) established or maintained by the Company, its subsidiary or their ERISA Affiliates (as defined below) are in compliance in all material respects with ERISA and the Internal Revenue Code of 1986, as amended (the "**Code**"); (b) no "reportable event" (as defined under ERISA), other than an event for which the reporting requirement has been waived under regulations issued by the Pension Benefit Guaranty Corporation, has occurred with respect to any pension plan subject to Title IV of ERISA that is established or maintained by the Company, its subsidiary or any of their ERISA Affiliates ("**Pension Plan**"); (c) no Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA exceed the current value of that Pension Plan's assets, all as determined as of the most recent valuation date for the Pension Plan in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of ERISA; (d) none of the Company, its subsidiary or any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "employee benefit plan," (ii) Sections 4971 or 4975 of the Code, (iii) Section 412 of the Code as a result of a failure to satisfy the minimum funding standard, or (iv) Section 4980B of the Code with respect to the excise tax imposed thereunder; and (e) each "employee benefit plan" established or maintained by the Company, its subsidiary or any of their ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service and nothing has occurred, whether by action or failure to act, which is reasonably likely to cause disqualification of any such employee benefit plan under Section 401(a) of the Code, except in the case of each of clauses (a) through (e), which would not have a Material Adverse Effect. "**ERISA Affiliate**" means, with respect to the Company or its subsidiary, any member of any group of organizations described in Section 414(b), (c), (m) or (o) of the Code, of which the Company or such subsidiary is a member.

Section 3.22. Labor Disputes.

No labor disturbance by or dispute with employees of the Company or its subsidiary exists or, to the knowledge of the Company, is threatened which would reasonably be expected to result in a Material Adverse Effect. None of the employees of the Company or its subsidiary is represented by a union and, to the knowledge of the Company, no union organizing activities are taking place. Neither the Company nor its subsidiary has violated any federal, state or local law or foreign law relating to the

discrimination in hiring, promotion or pay of employees, nor any applicable wage or hour laws, or the rules and regulations thereunder, or analogous foreign laws and regulations, which could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF INVESTOR

Investor hereby represents and warrants that:

Section 4.01. Organization and Standing

. Investor is a corporation duly organized, validly existing and in good standing, to the extent applicable, under the laws of its jurisdiction of organization and has the corporate power and authorization to enter into this Agreement and perform its obligations hereunder.

Section 4.02. Authority; Non-Contravention

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(a) Investor has the requisite corporate power and authority to enter into the Transaction Documents, to carry out its obligations thereunder and to consummate the transactions contemplated thereunder. The execution and delivery of the Transaction Documents, the performance by Investor of its obligations thereunder and the consummation of the transactions contemplated thereunder have been duly authorized by all requisite corporate action by Investor. The Transaction Documents have been duly executed and delivered by Investor and constitute the legal, valid and binding obligations of Investor enforceable against Investor in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or other applicable law of general application relating to or affecting the enforcement of creditors rights' generally.

(b) The execution, delivery and performance by Investor of this Agreement and the other Transaction Documents, and the consummation by Investor of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational or constitutional documents of Investor; (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any contract to which Investor is a party; or (iii) result in a violation of any applicable law to Investor or by which any property or asset of Investor is bound or affected, except, in the case of clause (ii) or (iii), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Investor's ability to perform on a timely basis its obligations under any of the Transaction Documents.

(c) Except as contemplated in this Agreement, no consent, approval, permit, order or authorization of, or registration, declaration or filing with, any Governmental Authority is required by or with respect to Investor in connection with the execution and delivery of the Transaction Documents or the consummation of the transactions contemplated thereunder, except for such other consents, approvals, permits, orders or authorizations, registrations or declarations that, if not obtained, made or given, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Investor's ability to perform on a timely basis its obligations under any of the Transaction Documents.

Section 4.03. Status and Investment Intent of Investor

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(a) Investment Intent. Investor is acquiring the Shares for its own account for investment purposes only and not with a view to any public distribution thereof or with any intention of selling, distributing or otherwise disposing of the Shares in a manner that would violate the registration requirements of the Securities Act. Investor acknowledges and agrees that the Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act and any applicable

state securities laws, except pursuant to an exemption from such registration under the Securities Act and such laws. Investor has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

(b) Investigation. Investor acknowledges and affirms that, with the assistance of its advisors, it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Shares. Investor has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the Shares.

(c) Accredited Investor. Investor is an accredited investor as defined in Rule 501(a) of Regulation D, as amended, under the Securities Act.

Section 4.04. Brokers

. No broker, finder or investment banker is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Investor or its Affiliates.

ARTICLE V

COVENANTS

Section 5.01. Reservation and Listing of Shares

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(a) The Company shall submit to the NASDAQ a supplemental listing application for the Shares to be listed on the NASDAQ promptly (but in any event within three Business Days) following the date hereof. Further, if the Company applies to have its Common Stock or other securities traded on any other principal stock exchange or market other than the NASDAQ, it shall include in such application the Shares, and will take such other action as is reasonably necessary to cause such Common Stock to be so listed. The Company will use commercially reasonable efforts to continue the listing and trading of its Common Stock on the NASDAQ and, in accordance, therewith, will use commercially reasonable efforts to comply in all respects with the Company's reporting, filing and other obligations under the listing rules of the NASDAQ.

Section 5.02. Lock-Up

. During the Lock-Up Period, Investor [***]

Section 5.03. Standstill

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(a) During the Standstill Period, neither Investor, nor any Investor Controlled Entity, Parent Entity, Affiliate of Investor or 13D Group of which Investor or any of its Affiliates is a member (collectively, the "**Standstill Parties**"), shall, directly or indirectly:

(i) except at the specific written request of the Company or pursuant to [***];

(ii) except as permitted by clause (i) of this Section 5.03(a), acquire additional shares of Voting Stock without the consent of the Board if the effect of such acquisition would be to increase the percentage of Common Stock beneficially owned by the Standstill Parties [***]of the then-outstanding shares of Common Stock; provided, however, that notwithstanding the provisions of this clause (ii) of this Section 5.03(a), if the number of shares of then-outstanding Common Stock is reduced or if the aggregate ownership of the Standstill Parties is increased as a result of (A) the participation in any offering by the Company of any securities offered pro-rata to all stockholders of the Company or (B) a repurchase by the Company of then-outstanding Common Stock, stock split, stock dividend or a recapitalization of the Company, the Standstill Parties shall not be required to dispose of any of their

[***]Confidential Treatment Requested.

holdings of Common Stock even though such action resulted in the Standstill Parties' beneficial ownership increasing;

(iii) [***];

(iv) [***];

(v) except as permitted by clause (i) of this Section 5.03(a), [***] ;

(vi) except at the request of the Company or pursuant to [***];

(vii) [***]; or

(viii) publicly disclose any intention, plan or arrangement inconsistent with the foregoing.

Notwithstanding anything to the contrary in this Agreement, (A) the prohibitions in this Section 5.03(a) shall not affect Investor's ability to hold the Shares; (B) the prohibitions in this Section 5.03(a) shall not prevent Investor from making an offer to the Board to acquire all of the outstanding shares of capital stock of the Company or proposing to the Company any other strategic transaction, so long as such offer or proposal is not publicly disclosed; (C) the prohibitions in this Section 5.03(a) shall not apply to any employee pension benefit plan or similar plan of Investor or of any Affiliate of Investor that invests in the Company; (D) in the event that it shall be publicly announced or disclosed that (1) the Company has (x) entered into, or plans to enter into, a Change of Control of the Company transaction or an agreement for a Change of Control of the Company or (y) received an unsolicited offer (determined to be bona fide by the Board in good faith) for a majority of the outstanding shares of capital stock of the Company, or for the sale of the Company or any sale, exclusive license or other disposition of all or substantially all of its assets at any time, or (2) the Board has recommended or approved any of the actions set forth in clause (1), Investor shall be released from compliance with the terms of this Section 5.03(a) with respect to such transaction, offer or process; (E) this Section 5.03(a) shall not prevent Investor from tendering shares in connection with a third-party tender offer or participating in any sale approved by the Board; and (F) this Section 5.03(a) shall not prevent the exercise by Investor of the IVT Option or the Oral DME Option (as such terms are defined in the Option Agreement) or the consummation of the transactions contemplated by Option Agreement or the Asset Purchase and License Agreements (as defined in the Option Agreement).

(b) In the event the Company becomes aware that Investor's holdings (together with any other Standstill Parties' holdings) of the Common Stock exceeds the ownership limitations under Section 5.03(a)(ii), subject to the proviso therein, the Company will promptly provide written notice to Investor. Following delivery of such notice, at the option of the Company, Investor must either (i) sell shares of Common Stock to the Company, as soon as reasonably practicable after it receives notice thereof from the Company, at the closing price of the Common Stock on the NASDAQ on the day prior to the date on which Investor receives such notice, or (ii) sell such shares to a third party as soon as reasonably practicable after receiving such notice and on such date or dates as decided after consultation with the Company, in each case, to cause Investor's holdings (together with the other Standstill Parties' holdings) not to exceed such ownership limitations.

Section 5.04. Public Disclosure

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(a) The Parties agree that the Company shall be permitted to make a single public announcement of the execution of this Agreement and the Voting Agreement which shall be in the form of the press release attached as Exhibit H to the Option Agreement. Either Party shall have the right to disclose all or a portion of such press release at any time. Any further written publication, news release or other written public announcement relating to this Agreement, the Voting Agreement or the performance hereunder or thereunder shall require mutual agreement and first be reviewed and approved by both Parties; provided, however, that,

subject to Section 5.04(b), any disclosure which is required by applicable law as advised by the disclosing Party's counsel may be made without the prior consent of the other Party, although the other Party shall be given prompt notice of any such legally required disclosure and the disclosing Party shall use commercially reasonable efforts to provide the other Party an opportunity to discuss and comment on the proposed disclosure and consider such comments in good faith before making such disclosure. Except as provided by the foregoing, neither Party shall use the name(s) of the other Party or the other Party's personnel who have participated in this Agreement or the Voting Agreement, or any abbreviation or variant thereof, in any press release or commercial advertisement or similar material, unless such Party obtains in advance the written consent of the named Party.

(b) A copy of this Agreement and the Voting Agreement may be filed by either Party or its Affiliates with the SEC or equivalent securities agency if such filing is, in the reasonable opinion of such Party's legal counsel, required by applicable law. Before filing this Agreement or the Voting Agreement, or any of the terms hereof or thereof, pursuant to this subsection, the Parties will consult with one another on the terms of this Agreement or the Voting Agreement to be redacted in making any such filing, with the Party that is required, or whose Affiliate is required, to file this Agreement providing as much advanced notice as is feasible under the circumstances, and considering in good faith the comments of the other Party. In connection with any such filing, such Party shall endeavor, at its own expense, to obtain confidential treatment of such terms reasonably requested by the other Party and other trade secret information to the extent permitted by such securities agency.

Section 5.05. Securities Law Matters

.

(a) Restricted Securities. Investor understands that the Shares are characterized as "restricted securities" under the U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances.

(b) Legends. It is understood that, except as provided below, book entry accounts evidencing the Shares may bear the following or any similar legends:

> THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY APPLICABLE STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS.
>
> THESE SECURITIES MAY BE SUBJECT TO TRANSFER RESTRICTIONS SET FORTH IN A CERTAIN SECURITIES PURCHASE AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER.

(c) Removal of Legends. Notwithstanding the foregoing, Investor shall be entitled to receive from the Company a like number of shares not bearing such legend (and the Company shall remove, or cause to be removed, the applicable legend from the book entry accounts evidencing the Shares) upon the request of Investor (i) at such time as such restrictions are no longer applicable and (ii) with respect to the restriction on transfer of such shares under the Securities Act, at such time as such legend is no longer required in order to ensure compliance with the Securities Act.

Section 5.06. Voting Agreement

. Investor hereby agrees to vote or cause to be voted all shares of Voting Stock owned or controlled by Investor or its Affiliates in the manner provided for in the Voting Agreement attached hereto as Exhibit A (the "**Voting Agreement**").

ARTICLE VI

REGISTRATION RIGHTS

Section 6.01. Shelf Registration on Form S-3

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(a) During the time period beginning upon the expiration of the transfer restrictions contained in Section 5.02 and ending on the date that all Registrable Securities have been sold or can be sold publicly under Rule 144, without volume or manner of sale limitations, in any three month period or Investor no longer owns at least [***] of the outstanding Common Stock, upon written request by Investor, the Company shall, as soon as reasonably practicable, prepare and file with the SEC a shelf Registration Statement covering the resale of Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415; provided, however, that, subject to Section 6.01(g), the Company shall not be obligated to effect, or to take any action to effect, such registration after the Company has effected two registrations pursuant to this Article VI. The Registration Statement shall be on Form S-3 or any successor form thereto (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3 or any successor form thereto, in which case such registration shall be on another appropriate form in accordance with the Securities Act and the Exchange Act). At least five Business Days prior to filing any such Registration Statement or Prospectus, the Company shall furnish to Investor and its counsel copies of all such documents proposed to be filed, and Investor shall have the opportunity to comment on any information pertaining solely to Investor and its plan of distribution contained therein and the Company shall make the corrections reasonably requested by Investor with respect to such information prior to filing thereof

(b) The Company shall use its commercially reasonable efforts to cause the Registration Statement to be declared effective by the SEC as promptly as practical after the filing thereof, and, subject to Section 6.01(e), shall use its commercially reasonable efforts to keep the Registration Statement continuously effective under the Securities Act for all Registrable Securities until the date that all Registrable Securities have been sold or can be sold publicly under Rule 144, without volume or manner of sale limitations, in any three month period or Investor no longer owns at least [***] of the outstanding Common Stock (the "**Effectiveness Period**").

(c) The Company shall notify Investor in writing promptly (and in any event within five Business Days) after receiving notification from the SEC that the Registration Statement has been declared effective.

(d) The Company may require Investor to provide such information regarding Investor as may be required under the Securities Act to effect the registration contemplated hereunder.

(e) If at any time after a Registration Statement has become effective the Company is engaged in any material plan, proposal or agreement with respect to any financing, acquisition, recapitalization, reorganization or other material transaction or development the public disclosure of which would be materially detrimental to the Company (as determined in the good faith judgement of the Board and certified to Investor in a certificate signed by the Chief Executive Officer of the Company), then the Company may direct that such request be delayed or that use of the Prospectus contained in such Registration Statement be suspended, as applicable, for a period of up to 45 days. The Company will immediately notify Investor upon the delay or suspension. In the case of notice suspending an effective Registration Statement, Investor will immediately discontinue any sales of Registrable Securities pursuant to such Registration Statement until Investor has

received copies of a supplemented or amended Prospectus, or until Investor is advised in writing by the Company that the then-current Prospectus may be used and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. The Company may exercise the rights provided by this Section 6.01(e) only twice in any 365-day period and for an aggregate of up to 60 days within any 365-day period.

(f) The Company will use its commercially reasonable efforts to cooperate with Investor in the disposition of the Registrable Securities covered by a Registration Statement.

(g) A registration will not be deemed to be effected for purposes of this Article VI if the Registration Statement for such registration has (i) not been declared effective by the SEC or (ii) become effective in accordance with the Securities Act and not been kept effective for the Effectiveness Period. In addition, if after such Registration Statement has been declared or becomes effective, (A) the offering of Registrable Securities pursuant to such Registration Statement is interfered with by any stop order, injunction, or other order or requirement of the SEC or other governmental agency or court such that the continued offer and sale of Registrable Securities being offered pursuant to such Registration Statement would violate applicable law and such stop order, injunction or other order or requirement of the SEC or other governmental agency or court does not result from any act or omission of Investor (an "**Interference**") and (B) any such Interference is not cured within 60 days thereof, such registration will be deemed not to have been effected and will not count as a registration for purposes of this Article VI. In the event such Interference occurs and is cured, the Effectiveness Period relating to such Registration Statement will be extended by the number of days of such Interference, including the date such Interference is cured.

(h) With respect to one request for registration pursuant to this Article VI only, Investor may, at any time prior to the effective date of such Registration Statement, revoke the request for such registration by providing a written notice to the Company, in which case such request for registration that has been revoked will be deemed not to have been effected and will not count as a request for registration for purposes of Section 6.01(a) if, and only if, Investor promptly reimburses the Company for all registration expenses of the type described in Section 6.03 incurred by the Company in connection with such requested registration. Notwithstanding the foregoing sentence, the Parties agree and acknowledge that Investor may revoke any request for registration (without any obligation to reimburse the Company for registration expenses incurred in connection therewith) if such revocation is based on (i) a material adverse change in circumstances with respect to the Company and its subsidiaries, taken as a whole, caused by an act or failure to act by the Company or any of its subsidiaries and not known to Investor at the time the request for registration was first made or (ii) the Company's failure to comply in any material respect with its obligations pursuant to this Article VI, and any such revocation based on an event described in clauses (i) or (ii) above shall be exercisable at any time and shall not be counted as the one revocation of a request for registration permitted by the first sentence of this Section 6.01(i).

Section 6.02. Registration Procedures

. In connection with the Company's registration obligations hereunder, the Company shall:

(a) (i) Prepare and file with the SEC such amendments, including post-effective amendments, to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep the Registration Statement continuously effective, as to the applicable Registrable Securities for the Effectiveness Period, and prepare and file with the SEC such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities during the Effectiveness Period; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424; (iii) respond as promptly as reasonably practical to any comments received from the SEC with respect to each Registration Statement or any amendment thereto (and provide Investor with copies of any such comments received from the SEC); and (iv) comply in all material

respects with the provisions of the Securities Act and the Exchange Act applicable to the Company with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period, in accordance with the intended methods of disposition by Investor thereof set forth in a Registration Statement as so amended or in such Prospectus as so supplemented; provided that, at least five Business Days prior to filing any such amendments or supplements to the Registration Statement or Supplement or any additional Registration Statement, the Company shall furnish to Investor and its counsel copies of all such documents proposed to be filed, and Investor shall have the opportunity to comment on any information pertaining solely to Investor and its plan of distribution contained therein and the Company shall make the corrections reasonably requested by Investor with respect to such information prior to filing thereof.

(b) Notify Investor as promptly as reasonably practical, and confirm such notice in writing no later than two Business Days thereafter, of any of the following events: (i) any Registration Statement or any post-effective amendment is declared effective; (ii) the Company becomes aware that the SEC has issued any stop order suspending the effectiveness of any Registration Statement or initiates any proceedings for that purpose; (iii) the Company receives notice of any suspension of the qualification or exemption from qualification of any Registrable Securities for sale in any jurisdiction, or the initiation or threat of any proceeding for such purpose; or (iv) the financial statements included in any Registration Statement become ineligible for inclusion therein or any Registration Statement or Prospectus or other document contains any untrue statement of a material fact, or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) Use its commercially reasonable efforts to avoid the issuance of or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of any Registration Statement or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction within the United States, as soon as possible.

(d) If requested by Investor, promptly provide Investor, without charge, at least one conformed copy of each Registration Statement and each amendment thereto, including financial statements and schedules, and all exhibits to the extent requested by Investor (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the SEC.

(e) Promptly deliver to Investor, without charge, as many copies of the Prospectus (including each form of prospectus) and each amendment or supplement thereto as Investor may reasonably request. The Company hereby consents to the use of such Prospectus, and each amendment or supplement thereto, by Investor in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, to the extent permitted by federal and state securities laws and regulations.

(f) Prior to any public offering of Registrable Securities, use its commercially reasonable efforts to register or qualify or cooperate with Investor in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as Investor requests in writing, to keep each such registration or qualification (or exemption therefrom) effective for so long as required, but not to exceed the duration of the Effectiveness Period, and to do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by a Registration Statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified, or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(g) Upon sale of such Registrable Securities pursuant to an effective Registration Statement, cooperate with Investor to facilitate the timely preparation and delivery of the shares representing Registrable Securities to be delivered to a transferee's book entry account, which shares shall be free, to the extent permitted by this Agreement and under applicable law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any Investor may reasonably request.

(h) Promptly upon the occurrence of any event described in Section 6.02(b)(iv), prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither such Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Comply in all material respects with all rules and regulations of the SEC applicable to the Company in connection with the registration of the Shares.

(j) Comply in all material respects with all applicable rules and regulations of the SEC under the Securities Act and the Exchange Act, including Rule 172 under the Securities Act, file any final Prospectus, including any supplement or amendment thereof, with the SEC pursuant to Rule 424 under the Securities Act, promptly inform the holders in writing if, at any time during the Effectiveness Period, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the holders are required to make available a Prospectus in connection with any disposition of Registrable Securities or take such other actions as may be reasonably necessary to facilitate the registration of the Registrable Securities hereunder.

Section 6.03. Registration Expenses

. The Company shall pay all fees and expenses incident to the performance of or compliance with Article VI of this Agreement (but excluding underwriting discounts and commissions, fees and expenses of Investor (including fees and expenses of Investor's counsel)), including (a) all registration and filing fees and expenses, including those related to filings with the SEC, the NASDAQ and in connection with applicable state securities or Blue Sky laws; (b) printing expenses (including expenses of printing certificates for Registrable Securities); (c) messenger, telephone and delivery expenses incurred by the Company; (d) fees and disbursements of counsel for the Company; (e) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement; and (f) all listing fees to be paid by the Company to the NASDAQ.

Section 6.04. Indemnification

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(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless Investor, the officers, directors, partners, members, agents and employees of Investor, each Person who controls Investor (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, partners, members, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against all Losses arising out of or relating to any untrue or alleged untrue statement of a material fact contained in, or incorporated by reference in, any Registration Statement, any Prospectus or any form of Company prospectus or in any amendment or supplement thereto, or in any Company preliminary prospectus or any other offering document relating to the offering and sale of such securities, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading; provided, however, that the Company shall not be liable in any such case to the extent that such Losses arise out of, or are based upon, an untrue statement or omission or alleged untrue statement or omission made in such Registration Statement in reliance upon and in conformity with information

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that is based solely upon information regarding Investor furnished to the Company by Investor in writing expressly for use therein or relates solely to Investor or Investor's proposed method of distribution of Registrable Securities, and was provided by Investor in writing for use in such Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto.

(b) Indemnification by Investor. Investor shall, notwithstanding any termination of this Agreement, indemnify and hold harmless the Company, its officers, directors, partners, members, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the officers, directors, partners, members, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against all Losses arising out of any untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of Company prospectus or in any amendment or supplement thereto, or in any Company preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, in each case, on the effective date thereof, but only to the extent that such untrue statement or omission is based solely upon information regarding Investor furnished to the Company by Investor in writing expressly for use therein, or to the extent that such information solely relates to Investor or Investor's proposed method of distribution of Registrable Securities and was provided by Investor for use in such Registration Statement, such Prospectus or such form of Prospectus, or in any amendment or supplement thereto. In no event shall the liability of Investor under this Article VI be greater in amount than the dollar amount of the net proceeds received by Investor upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "**Indemnifying Party**") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable fees and expenses incurred in connection with defense thereof; provided that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except to the extent that such failure shall have materially and adversely prejudiced the Indemnifying Party. An Indemnified Party shall have the right to employ separate counsel in any such proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless (i) the Indemnifying Party has agreed in writing to pay such fees and expenses; (ii) the Indemnifying Party shall have failed promptly to assume the defense of such proceeding; or (iii) the named parties to any such proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party, or that additional or different defenses may be available to the Indemnified Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of separate counsel shall be at the expense of the Indemnifying Party), it being understood, however, that the Indemnifying Party shall not, in connection with any one such proceeding (including separate proceedings that have been or will be consolidated before a single judge) be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such proceeding effected without its written consent, unless such consent is unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending proceeding in respect of which any Indemnified Party is a party, unless such settlement (i) includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding and (ii) is solely for monetary consideration. All reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent

incurred in connection with investigating or preparing to defend such proceeding in a manner not inconsistent with this Section 6.04(c)) shall be paid by the Indemnifying Party to the Indemnified Party, as incurred, within 20 Business Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; provided that the Indemnified Party shall reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If it is judicially determined (by entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that a claim for indemnification under Section 6.04(a) or Section 6.04(b) is unavailable to an Indemnified Party (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a Party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 6.04(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 6.04 was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6.04 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 6.04, Investor shall not be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by Investor from the sale of the Registrable Securities subject to the proceeding exceeds the amount of any damages that Investor has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

Section 6.05. Dispositions

. Investor agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement, and shall sell its Registrable Securities in accordance with the plan of distribution set forth in the Prospectus. Investor further agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 6.02(b)(ii), (iii) or (iv), Investor will use commercially reasonable efforts to discontinue disposition of Registrable Securities under a Registration Statement until Investor is advised in writing by the Company that the use of the Prospectus, or amended Prospectus, as applicable, may be used. The Company will use commercially reasonable efforts to cause any event of the kind described in Sections 6.02(b)(ii), (iii) or (iv) to be removed as promptly as practicable following occurrence thereof. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

Section 6.06. Assignment of Registration Rights

. The registration and other rights under Article VI of this Agreement shall be automatically assignable by Investor to any transferee of all or any portion of Investor's Registrable Securities who is an Affiliate of Investor if (a) Investor agrees in writing with the transferee or assignee to assign such rights and a copy of such agreement is furnished to the Company within a reasonable time after such assignment; (b) the Company is furnished with written notice of (i) the name and address of such transferee or assignee, and (ii) the securities with respect to which such registration rights are being transferred or assigned; (c) following such transfer or assignment, the further disposition of such securities

by the transferee or assignee is restricted under the Securities Act and applicable state securities laws; (d) at or before the time the Company receives the written notice contemplated by clause (b) of this sentence the transferee or assignee agrees in writing to be bound by all of the provisions contained herein; and (e) such transfer shall have been made in accordance with the applicable requirements of this Agreement.

Section 6.07. SEC Reports.

With a view to making available to Investor the benefits of Rule 144 under the Securities Act and any other rule or regulation of the SEC that may at any time permit Investor to sell Registrable Securities to the public without registration or pursuant to a registration on Form S-3, for so long as Investor owns any Shares, the Company agrees to (a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144; and (b) furnish to Investor, promptly upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144, (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 Investor of any rule or regulation of the SEC (exclusive of Rule 144A) which permits the selling of any Shares without registration or pursuant to Form S-3.

ARTICLE VII

SURVIVAL AND INDEMNIFICATION

Section 7.01. Survival

. The representations and warranties in this Agreement shall survive the Closing until the date that is [***] following the end of the Lock-Up Period. All covenants and other agreements made by a Party herein or pursuant hereto shall survive until all obligations set forth therein shall have been performed or satisfied or they shall have terminated in accordance with their terms.

Section 7.02. Indemnification

. Effective at and after the Closing, the Company hereby agrees to indemnify and hold harmless Investor, its Affiliates and their respective directors, officers, employees, agents, successors and assigns from and against any and all Losses incurred or sustained by, or imposed upon, such Persons arising out of any (a) inaccuracy or breach of a representation or warranty made by the Company in this Agreement or any other Transaction Document (with the amount of Losses being determined without regard to any qualification or exception contained therein relating to materiality or Material Adverse Effect or any similar qualification or standard) or (b) breach of this Agreement by the Company. Effective at and after the Closing, Investor hereby agrees to indemnify and hold harmless the Company, its Affiliates and their respective directors, officers, employees, agents, successors and assigns from and against any and all Losses incurred or sustained by, or imposed upon, such Persons arising out of any (i) inaccuracy or breach of a representation or warranty made by Investor in this Agreement or any other Transaction Document (with the amount of Losses being determined without regard to any qualification or exception contained therein relating to materiality or Material Adverse Effect or any similar qualification or standard) or (ii) breach of this Agreement by Investor. From and after the Closing, the remedies in this Article VII shall be the exclusive remedies of the parties hereto with respect to any and all matters arising under this Agreement and the transactions contemplated hereby, except (x) for the remedies of specific performance, injunction and other non-monetary equitable relief and (y) as contemplated in Section 6.04.

Section 7.03. Conduct of Indemnification Proceedings

. Any person seeking indemnification pursuant to Section 7.02 shall (a) inform the indemnifying party of any claim with respect to which it seeks indemnification as soon as reasonably practicable (provided, however, that the failure to inform the indemnifying party as soon as reasonably practicable shall not relieve the indemnifying party of its indemnification obligations, except and to the extent that the indemnifying party is actually prejudiced by reason of such failure) and (b) permit such indemnifying party to assume the direction and control of the defense of such claim; provided that the indemnifying party shall not be entitled to assume the defense of any claim if such

[***]Confidential Treatment Requested.

claim (i) seeks any relief other than monetary damages, (ii) has been brought by or on behalf of any Governmental Authority or in connection with taxes or any criminal or regulatory enforcement action, (iii) is reasonably likely to result in a regulatory enforcement action by a Governmental Authority against the indemnified party, (iv) relates to the intellectual property rights of the indemnified party or (v) in the reasonable judgment of such indemnified party, based upon written advice of its counsel, a conflict of interest exists between such indemnified party and the indemnifying party with respect to such claims. The indemnified party shall cooperate with the indemnifying party (at the expense of the indemnifying party) in the defense of such claim in all reasonable respects; provided further that any Person entitled to indemnification under Section 7.02 shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (1) the indemnifying party has agreed to pay such fees or expenses; or (2) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to the indemnified party No indemnifying party will, except with the consent of the indemnified party, consent to entry of any judgment or enter into any settlement unless such judgment or settlement is solely for monetary consideration and includes as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a full release from all liability in respect of such claim or litigation.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Governing Law

. Resolution of all disputes and claims arising out of or related to the Transaction Documents or the performance, enforcement, breach or termination of the Transaction Documents and any remedies relating thereto, shall be governed by and construed under the substantive laws of the State of Delaware, without regard to conflicts of law rules that would provide for application of the law of a jurisdiction outside Delaware.

Section 8.02. Dispute Resolution

. The Parties agree that all disputes shall be governed in accordance with Section 13.14 of the Option Agreement.

Section 8.03. Equitable Remedies; Specific Performance

. The rights and remedies of the Parties shall be cumulative and not alternative, except as expressly provided in any Transaction Document. Each of the Parties agrees that this Agreement and the other Transaction Documents are intended to be legally binding and specifically enforceable pursuant to their respective terms and that the Parties would be irreparably harmed if any of the provisions of the Transaction Documents are not performed in accordance with their specific terms and that monetary damages would not provide adequate remedy in such event. Accordingly, in addition to any other remedy to which a non-breaching Party may be entitled at law, a non-breaching Party shall be entitled to seek injunctive relief to prevent breaches of the Transaction Documents and to specifically enforce the terms and provisions hereof and thereof. Each Party hereby irrevocably waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining such relief and (b) any defenses based on adequacy of any other remedy, whether at law or in equity, that might be asserted as a bar to the remedy of specific performance of any of the terms or provisions hereof or thereof or injunctive relief in any action brought therefor by any other Party.

Section 8.04. Counterparts

1.1 . This Agreement and any other Transaction Document 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. A signed copy of this Agreement or any other Transaction Document delivered by facsimile or PDF file by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement or such other Transaction Document.

Section 8.05. Titles and Subtitles

. 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.

Section 8.06. Notices

. Any notice, claims and other communications required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement and shall be deemed to have been sufficiently given for all purposes (a) upon receipt, if mailed by first class certified or registered mail, postage prepaid, express delivery service or personally delivered or (b) on the date of transmission, if sent by facsimile or e-mail of an Adobe™ Portable Document Format ("PDF") document (with confirmation of transmission) if sent during the normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient. Unless otherwise specified in writing, the addresses, facsimile numbers and e-mail addresses of the Parties shall be as set forth below.

If to the Company:

KalVista Pharmaceuticals, Inc.
55 Cambridge Parkway, 9th Floor
Cambridge, MA 02142
Attention: Chief Financial Officer
Email: [***]

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

Fenwick & West LLP
555 California St., 12th Floor
San Francisco, CA 94104
Attention: [***]
Email: [***]

If to Investor:

Merck Sharp & Dohme Corp.
One Merck Drive
Whitehouse Station, NJ 08889-0100
Attention: Office of Secretary
Facsimile: [***]

With copies (which shall not constitute notice) to:

Merck Sharp & Dohme Corp.
2000 Galloping Hill Road
P.O. Box 539
Mailstop K-1-4161
Kenilworth, NJ 07033
Attention: Senior Vice President, Business Development

and

Covington & Burling LLP
One CityCenter
850 Tenth Street, NW
Washington, DC 20001

[***]Confidential Treatment Requested.

Attention: [***]
Facsimile: [***]
E-mail: [***]

Section 8.07. Expenses

. Except as otherwise specifically provided herein or in any other Transaction Document, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the other Transaction Documents shall be paid by the Party incurring such cost or expense.

Section 8.08. Amendments and Waivers

. 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 Investor. Any amendment or waiver effected in accordance with this paragraph shall be binding on the Company, Investor and their respective controlled Affiliates.

Section 8.09. Delays or Omissions

. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, nor any partial exercise thereof, shall impair any such right, power or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

Section 8.10. Severability.

If any one or more of the provisions of this Agreement or any other Transaction Document is held to be invalid or unenforceable by any court of competent jurisdiction from which no appeal can be or is taken, the provision shall be considered severed from this Agreement or such other Transaction Document, as applicable, and shall not serve to invalidate any remaining provisions hereof or therefor or invalidate or render unenforceable such term or provision in any other jurisdiction. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement and the other Transaction Documents may be realized.

Section 8.11. Entire Agreement

. This Agreement and the other Transaction Documents set forth the complete, final and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter hereof and of the other Transaction Documents and supersede and terminate all prior and contemporaneous agreements and understandings between the Parties with respect to such subject matter. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties with respect to the subject matter hereof or of the other Transaction Documents other than as are set forth therein.

Section 8.12. No Third Party Beneficiaries; Assignment.

Except as contemplated in Section 7.02, this Agreement and the other Transaction Documents is solely for the benefit of the Parties and their respective successors and assigns and no third party is intended or shall be deemed to be a beneficiary of any provision of this Agreement or any other Transaction Document (including, for the avoidance of doubt, any stockholder of the Company). Subject to Section 6.06, no Party may assign its rights or delegate its obligations under this Agreement, whether by operation of law or otherwise, and any assignment in contravention hereof shall be null and void.

Section 8.13. Interpretation and Construction

. In this Agreement and the other Transaction Documents, except where the context expressly requires otherwise, (a) the use of any gender herein will be

deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa); (b) the words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation"; (c) the word "will" will be construed to have the same meaning and effect as the word "shall"; (d) the word "any" shall mean "any and all" unless otherwise clearly indicated by context; (e) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (f) any reference herein to any Person will be construed to include the Person's successors and assigns; (g) the words "herein", "hereof" and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof; (h) where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning; (i) the word "notice" means notice in writing (whether or not specifically stated) and will include notices, consents, approvals and other written communications contemplated under this Agreement; (j) provisions that require that a Party or the Parties "agree," "consent" or "approve" or the like will require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail (except to the extent provided in Section 13.4) and instant messaging); (k) references to any specific law, rule or regulation, or article, section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof; (l) the term "or" will be interpreted in the inclusive sense commonly associated with the term "and/or"; and (m) the term "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if". Each of the Parties acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution of this Agreement, and that it has executed the same with the advice of said independent counsel. Each Party cooperated and participated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto exchanged between the Parties shall be deemed the work product of all of the Parties and may not be construed against any Party by reason of its drafting or preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any Party that drafted or prepared it is of no application and is hereby expressly waived by each of the Parties hereto, and any controversy over interpretations of this Agreement shall be decided without regards to events of drafting or preparation. Any reference herein of "except as disclosed in the SEC Filings," or similar reference, shall be deemed to exclude cautionary statements included in the "Risk Factors" or "Forward-Looking Statements" sections of the SEC Filings or other general cautionary or forward-looking statements in any other sections of such SEC Filings; provided that such exclusion shall not apply to any statements of historical fact. References in this Agreement to "dollars" or "$" shall mean the legal tender of the United States of America.

Section 8.14. Further Assurances

. The Parties shall execute and deliver all such further instruments and documents and take all such other actions as may reasonably be required to carry out the transactions contemplated by this Agreement or any other Transaction Document and to evidence the fulfillment of the agreements herein or therein contained.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement or caused their duly authorized officers to execute this Agreement as of the date first above written.

KALVISTA PHARMACEUTICALS, INC.

By: /s/ T. Andrew Crockett
Name: T. Andrew Crockett
Title: Chief Executive Officer

MERCK SHARP & DOHME CORP.

By: /s/ Benjamin Thorner
Name: Benjamin Thorner
Title: Senior Vice President and Global Head of Business Development & Licensing

[Signature Page to Stock Purchase Agreement]

[***] Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

VOTING AGREEMENT

This Voting Agreement (this "**Agreement**") is made and entered into as of October 6, 2017 by and among KalVista Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), Merck Sharp & Dohme Corp., a New Jersey Corporation (the "**Investor**" and, together with the Company, the "**Parties**"). Capitalized terms contained and not otherwise defined herein shall have the meaning ascribed to such terms in the Purchase Agreement (defined below).

RECITALS

A. The Investor is party to that certain Stock Purchase Agreement of even date herewith with the Company (the "**Purchase Agreement**"), and it is a condition to the closing of the Purchase Agreement and the sale pursuant thereto of the Company's common stock, par value $0.001 per share ("**Common Stock**"), to the Investor that the Investor and the Company shall have executed and delivered this Agreement;

B. As a condition to the closing of the Purchase Agreement by the Company, the Investor has agreed to enter into this Agreement providing for the Common Stock purchased pursuant to the Purchase Agreement and held of record or beneficially owned by the Investor or any Affiliate of the Investor or acquired after the date of the Purchase Agreement (the "**Shares**") to be voted in the manner set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and other consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. ***Proxy***. Subject to the terms and provisions of this Agreement, the Investor hereby irrevocably appoints, and shall cause its Affiliates who hold Shares to irrevocably appoint, the Chief Executive Officer and the Chief Financial Officer of the Company, or one of them, effective during the Term (as defined in Section 3 below), proxies and attorneys-in-fact, each with full power of substitution to vote all of the Shares in accordance with the provisions of Section 2 below. The Company shall cause the Chief Executive Officer and the Chief Financial Officer of the Company to not exercise the proxy granted herein for any purpose other than the purposes expressly described in this Agreement. The proxy granted hereby is coupled with an interest.

2. ***Voting***. During the Term, all of the Shares shall be voted as follows: at each meeting of the stockholders of the Company and at every postponement or adjournment thereof, the Investor shall take such action as may be required so that all of the Shares entitled to vote at such meeting of stockholders are voted (i) in favor of each director nominated and recommended by the Board for election at any such meeting, (ii) against any stockholder nominations for director which are not approved and recommended by the Board for election at any such meeting, (iii) in favor of the Company's "say-on-pay" proposal and any proposal by the Company relating to equity compensation that has been approved by the Compensation Committee of the Board, (iv) in favor of the Company's

proposal for ratification of the appointment of the Company's independent registered public accounting firm, and (v) as recommended by the Board for any other matter presented at the meeting that would not require a preliminary proxy to be filed pursuant to Rule 14(a)-6(a) of the Exchange Act; provided that the Investor shall not be under any obligation to vote in the same manner as recommended by the Board or in any other manner, other than in the Investor's sole discretion, with respect to any other matter, including the approval (or non-approval) or adoption (or non-adoption) of, or other proposal directly related to, any (a) transaction that would result in a Change of Control of the Company, (b) licensing, partnering, partnership, collaboration, joint venture, research and development or similar agreement, (c) any issuance of Common Stock and (d) any dividends or other distributions to any stockholders of the Company.

For the purposes of this Agreement, the term "**vote**" shall include any exercise of voting rights whether at an annual or special meeting of stockholders or by written consent or in any other manner permitted by applicable law and the Company's organizational documents.

3. ***Termination***. This Agreement shall be effective and the term hereof (the "**Term**") shall commence as of the date first set forth above and shall terminate until the earliest to occur of (a) the first anniversary of the Closing Date, (b) the first date on which the Investor does not beneficially own at least 5% of the then-outstanding shares of Common Stock, (c) the Common Stock ceasing to be registered pursuant to Section 12 of the Exchange Act, and (d) the consummation of a Change of Control of the Company.

4. ***Additional Shares***. In the event that subsequent to the date of this Agreement any shares or other securities are issued by the Company to the Investor or any of its Affiliates on, or in exchange for, any of the Shares issued pursuant to the Purchase Agreement by reason of any stock dividend, stock split, consolidation of shares, reclassification or consolidation involving the Company, such shares or securities shall be deemed to be Shares for purposes of this Agreement.

5. ***Legending of Shares***. The Investor hereby agrees that the Shares shall bear a legend, in customary form, stating that they are subject to this Agreement.

6. ***Miscellaneous.***

Governing Law

. Resolution of all disputes and claims arising out of or related to this Agreement or the performance, enforcement, breach or termination of this Agreement and any remedies relating thereto, shall be governed by and construed under the substantive laws of the State of Delaware, without regard to conflicts of law rules that would provide for application of the law of a jurisdiction outside Delaware.

Dispute Resolution

. The Parties agree that all disputes shall be governed in accordance with Section 13.14 of the Option Agreement.

Equitable Remedies; Specific Performance

. The rights and remedies of the Parties shall be cumulative and not alternative, except as expressly provided in any Transaction Document. Each of the Parties agrees that this Agreement and the other Transaction Documents are intended to be legally binding and specifically enforceable pursuant to their respective terms and that the Parties would be irreparably harmed if any of the provisions of the Transaction Documents are not performed in accordance with their specific terms and that monetary damages would not provide adequate remedy in such event. Accordingly, in addition to any other remedy to which a non-breaching Party may be entitled at law, a non-breaching Party shall be entitled to seek injunctive relief to prevent breaches of the Transaction Documents and to specifically enforce the terms and provisions hereof

and thereof. Each Party hereby irrevocably waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining such relief and (b) any defenses based on adequacy of any other remedy, whether at law or in equity, that might be asserted as a bar to the remedy of specific performance of any of the terms or provisions hereof or thereof or injunctive relief in any action brought therefor by any other Party.

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. A signed copy of this Agreement delivered by facsimile or PDF file by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Titles and Subtitles

. 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.

Notices

. Any notice, claims and other communications required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement and shall be deemed to have been sufficiently given for all purposes (a) upon receipt, if mailed by first class certified or registered mail, postage prepaid, express delivery service or personally delivered or (b) on the date of transmission, if sent by facsimile or e-mail of an Adobe™ Portable Document Format ("**PDF**") document (with confirmation of transmission) if sent during the normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient. Unless otherwise specified in writing, the addresses, facsimile numbers and e-mail addresses of the Parties shall be as set forth below.

If to the Company:

KalVista Pharmaceuticals, Inc.
55 Cambridge Parkway, 9th Floor
Cambridge, MA 02142
Attention: Chief Financial Officer
Email: [***]

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

Fenwick & West LLP
555 California St., 12th Floor
San Francisco, CA 94104
Attention: Robert Freedman
Email: [***]

If to the Investor:

Merck Sharp & Dohme Corp.
One Merck Drive
Whitehouse Station, NJ 08889-0100
Attention: Office of Secretary
Facsimile: (908) 735-1246

With copies (which shall not constitute notice) to:

Merck Sharp & Dohme Corp.
2000 Galloping Hill Road
P.O. Box 539
Mailstop K-1-4161

Kenilworth, NJ 07033
Attention: Senior Vice President, Business Development

and

Covington & Burling LLP
One CityCenter
850 Tenth Street, NW
Washington, DC 20001
Attention: [***]
Facsimile: (202) 662-6291
E-mail: [***]

Expenses

. Except as otherwise specifically provided herein or in any other Transaction Document, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the other Transaction Documents shall be paid by the Party incurring such cost or expense.

Amendments and Waivers

. 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 the Investor. Any amendment or waiver effected in accordance with this paragraph shall be binding on the Company, the Investor and their respective controlled Affiliates.

Delays or Omissions

. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, nor any partial exercise thereof, shall impair any such right, power or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

Severability

. If any one or more of the provisions of this Agreement or any other Transaction Document is held to be invalid or unenforceable by any court of competent jurisdiction from which no appeal can be or is taken, the provision shall be considered severed from this Agreement or such other Transaction Document, as applicable, and shall not serve to invalidate any remaining provisions hereof or therefor or invalidate or render unenforceable such term or provision in any other jurisdiction. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement and the other Transaction Documents may be realized.

Entire Agreement

. This Agreement and the other Transaction Documents set forth the complete, final and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter hereof and of the other Transaction Documents and supersede and terminate all prior and contemporaneous agreements and understandings between the Parties with respect to such subject matter. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties with respect to the subject matter hereof or of the other Transaction Documents other than as are set forth therein.

No Third Party Beneficiaries; Assignment

. Except as contemplated in Section 7.02 of the Purchase Agreement, this Agreement and the other Transaction Documents are solely for the benefit of the Parties and their respective successors and assigns and no third party is intended or shall be deemed to be a beneficiary of any provision of this Agreement or any other Transaction Document

(including, for the avoidance of doubt, any stockholder of the Company). Subject to Section 6.06 of the Purchase Agreement, no Party may assign its rights or delegate its obligations under this Agreement, whether by operation of law or otherwise, and any assignment in contravention hereof shall be null and void.

Interpretation and Construction

. In this Agreement and the other Transaction Documents, except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa); (b) the words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation"; (c) the word "will" will be construed to have the same meaning and effect as the word "shall"; (d) the word "any" shall mean "any and all" unless otherwise clearly indicated by context; (e) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (f) any reference herein to any Person will be construed to include the Person's successors and assigns; (g) the words "herein", "hereof" and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof; (h) where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning; (i) the word "notice" means notice in writing (whether or not specifically stated) and will include notices, consents, approvals and other written communications contemplated under this Agreement; (j) provisions that require that a Party or the Parties "agree," "consent" or "approve" or the like will require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail (except to the extent provided in Section 6(f)) and instant messaging); (k) references to any specific law, rule or regulation, or article, section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof; (l) the term "or" will be interpreted in the inclusive sense commonly associated with the term "and/or"; and (m) the term "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if". Each of the Parties acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution of this Agreement, and that it has executed the same with the advice of said independent counsel. Each Party cooperated and participated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto exchanged between the Parties shall be deemed the work product of all of the Parties and may not be construed against any Party by reason of its drafting or preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any Party that drafted or prepared it is of no application and is hereby expressly waived by each of the Parties hereto, and any controversy over interpretations of this Agreement shall be decided without regards to events of drafting or preparation. Any reference herein of "except as disclosed in the SEC Filings," or similar reference, shall be deemed to exclude cautionary statements included in the "Risk Factors" or "Forward-Looking Statements" sections of the SEC Filings or other general cautionary or forward-looking statements in any other sections of such SEC Filings; provided that such exclusion shall not apply to any statements of historical fact. References in this Agreement to "dollars" or "$" shall mean the legal tender of the United States of America.

Further Assurances

. The Parties shall execute and deliver all such further instruments and documents and take all such other actions as may reasonably be required to carry out the transactions contemplated by this Agreement or any other Transaction Document and to evidence the fulfillment of the agreements herein or therein contained.

(*signature page follows*)

IN WITNESS WHEREOF, the Parties have executed this Agreement or caused their duly authorized officers to execute this Agreement as of the date first above written.

KALVISTA PHARMACEUTICALS, INC.

By: /s/ T. Andrew Crockett
Name: T. Andrew Crockett
Title: Chief Executive Officer

MERCK SHARP & DOHME CORP.

By: /s/ Benjamin Thorner
Name: Benjamin Thorner
Title: Senior Vice President and Global Head of Business Development & Licensing

[Signature Page to Voting Agreement]

Exhibit 10.4

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("**Agreement**") is made and entered into on this 21st day of August, 2017 by and between KalVista Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), and Andreas Maetzel (hereinafter, the "**Executive**").

RECITALS

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company on the terms herein described.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Company and the Executive hereby agree as follows:

1. Employment. The Company hereby agrees to employ the Executive and the Executive hereby agrees to serve the Company during the Term of Employment on the terms and conditions set forth herein. It is anticipated that Executive will relocate to the Boston metropolitan area at a time to be mutually agreed upon by the Company and Executive.

2. Position and Duties of Executive. During the Term of Employment, the Executive shall be employed and serve as the Senior Vice President of Medical for the Company, and shall have such duties typically associated with such titles, including, without limitation supervising operations and management of the Company and its subsidiaries. The Executive shall faithfully and diligently perform all services as may be assigned to him by the Company's Chief Executive Officer, and shall exercise such power and authority as may from time to time be delegated to him by the Company's Chief Executive Officer. The Executive shall devote his full business time, attention and efforts to the performance of his duties under this Agreement, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of the Company. The Executive shall not engage in any other business or occupation during the Term of Employment, including, without limitation, any activity that (i) conflicts with the interests of the Company or its subsidiaries, (ii) interferes with the proper and efficient performance of his duties for the Company, or (iii) interferes with the exercise of his judgment in the Company's best interests. Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for the Executive to (x) serve on civic or charitable boards or committees, (y) deliver lectures or fulfill speaking engagements, or (z) manage personal investments, so long as any such activities do not interfere with or detract from the performance of the Executive's responsibilities to the Company in accordance with this Agreement.

3. Compensation and Benefits.

(a) ***Base Salary***. The Executive shall receive a Base Salary at the annual rate of $320,000 during the Term of Employment, with such Base Salary payable in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes. The Base Salary shall be reviewed, at least annually.

(b) ***Sign-on Bonus***. You will be paid a one-time bonus of $15,000 within thirty days of commencing employment with the Company.

(c) ***Bonuses***. During the Term of Employment, the Executive shall participate in the Company's annual incentive compensation plan, program and/or arrangements applicable to senior-level executives, as established and modified from time to time by the Compensation Committee of the Board in its sole discretion. During the Term of Employment, the Executive shall have a target bonus opportunity

under such plan or program equal to 35% of his current Base Salary (the "**Target Bonus**"), based on satisfaction of performance criteria to be established by the Compensation Committee of the Board within the first three months of each fiscal year that begins during the Term of Employment. Payment of annual incentive compensation awards shall be made in the same manner and at the same time that other senior-level executives receive their annual incentive compensation awards and, except as otherwise provided herein, will be subject to the Executive's continued employment through the applicable payment date.

(d) ***Compensation/Benefit Programs***. During the Term of Employment, the Executive shall be entitled to participate in all medical, dental, hospitalization, accidental death and dismemberment, disability, travel and life insurance plans, and any and all other plans as are presently and hereinafter offered by the Company to its executive personnel, including savings, pension, profit-sharing and deferred compensation plans, subject to the general eligibility and participation provisions set forth in such plans.

(e) ***Equity Awards***. In connection with your becoming the Company's Senior Vice President, Medical, the Company will recommend to the Board, the Compensation Committee of the Board or its delegee that you be granted an option to purchase 65,000 shares of the Company's common stock (the "**Initial Option**"). The Initial Option will have an exercise price of not less than 100% of the fair market value per share of Company common stock on the date of its grant and will vest over a four year period, with 25% of the shares subject to the Initial Option vesting on the one year anniversary of the vesting commencement date and monthly thereafter such that the Initial Option is fully vested four years from the vesting commencement date. The Initial Option shall be subject to the terms and conditions of the form of stock option agreement evidencing such grant. In addition, during the Term of Employment, the Executive will be eligible to be granted additional Equity Awards. The number and type of such Equity Awards, and the terms and conditions thereof, shall be determined by the Board, the Compensation Committee of the Board or its delegee, in its discretion.

(f) ***Vacation***. The Executive shall be entitled to paid vacation each calendar year during the Term of Employment in accordance with and subject to the terms of the Company's then effective vacation or paid time off policy.

(g) ***Relocation Expenses***. Subject to submission of proper substantiation by the Executive, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of reasonable business expenses of executive personnel, the Company shall reimburse you for your relocation expenses up to a maximum of $25,000.

(h) ***Reimbursement of Reasonable Business Expenses***. Subject to submission of proper substantiation by the Executive, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of reasonable business expenses of executive personnel, the Company shall reimburse the Executive for all reasonable expenses actually paid or incurred by the Executive during the Term of Employment in the course of and pursuant to the business of the Company. In accordance with and subject to the Company's standard travel and business expense reimbursement policy, the Company will reimburse the Executive for reasonable travel expenses incurred traveling to the Company's offices in Boston, Massachusetts (if the Executive remains located in North Carolina) and the United Kingdom. The Executive shall account to the Company in writing for all expenses for which reimbursement is sought and shall supply to the Company copies of all relevant invoices, receipts or other evidence reasonably requested by the Company.

4. Termination.

(a) ***General***. The Term of Employment shall terminate upon the earliest to occur of (i) the Executive's death, (ii) a termination by the Company by reason of the Executive's Disability, (iii) a termination by the Company with or without Cause, or (iv) a termination by Executive with or without Good Reason. Upon any termination of Executive's employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Executive, the Executive shall resign from any and all directorships, committee memberships or any other positions Executive holds with the Company or any of its Related Entities.

(b) ***Termination by the Company for Cause***. The Company shall at all times have the right, upon written notice to the Executive, to terminate the Term of Employment for Cause. In no event shall a termination of the Executive's employment for Cause occur unless the Company gives written notice to the Executive in accordance with this Agreement stating with reasonable specificity the events or actions that constitute Cause. In the event that the Term of Employment is terminated by the Company for Cause, Executive shall be entitled only to the Accrued Obligations.

(c) ***Disability***. The Company shall have the option, in accordance with applicable law, to terminate the Term of Employment upon written notice to the Executive at any time during which the Executive is suffering from a Disability. In the event that the Term of Employment is terminated due to the Executive's Disability, the Executive shall be entitled to (i) the Accrued Obligations and (ii) any insurance benefits to which he and his beneficiaries are entitled as a result of his Disability.

(d) ***Death***. In the event that the Term of Employment is terminated due to the Executive's death, the Executive's estate shall be entitled to (i) the Accrued Obligations and (ii) any insurance benefits to which he and his beneficiaries are entitled as a result of his death.

(e) ***Termination Without Cause outside of a Change in Control of the Company or Resignation With Good Reason outside of a Change in Control of the Company***. The Company may terminate the Term of Employment without Cause, and the Executive may terminate the Term of Employment for Good Reason, at any time upon written notice. If the Term of Employment is terminated by the Company without Cause (other than due to the Executive's death or Disability) or by the Executive for Good Reason, in either case prior to the date of a Change in Control or more than two years after a Change in Control, the Executive shall be entitled to the following:

(i) The Accrued Obligations;

(ii) A lump sum payment equal to **six (6)** months of Executive's then-current Base Salary;

(iii) Provided that the Executive timely elects continued coverage under COBRA, the Company will reimburse the Executive for the monthly COBRA cost of continued health and dental coverage of the Executive and his qualified beneficiaries paid by the Executive under the health and dental plans of the Company, less the amount that the Executive would be required to contribute for health and dental coverage if the Executive were an active employee of the Company, for **six (6)** months (or, if less, for the duration that such COBRA coverage is available to Executive). Notwithstanding the above, if the Company determines in its sole discretion that it cannot provide the COBRA benefits described herein without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide Executive with a taxable lump sum payment in an amount equal to the then-unreimbursed monthly COBRA premiums.

(f) ***Termination by Executive Without Good Reason***. The Executive may terminate his employment without Good Reason by providing the Company 30 days' written notice of such termination. In the event of a termination of employment by the Executive under this Section 4(f), the Executive shall be entitled only to the Accrued Obligations. In the event of termination of the Executive's employment under this Section 4(f), the Company may, in its sole and absolute discretion, by written notice, accelerate such date of termination and still have it treated as a termination without Good Reason.

(g) ***Termination Without Cause in connection with a Change in Control of the Company or Resignation With Good Reason in connection with a Change in Control of the Company***. If the Executive's employment is terminated by the Company (or any entity to which the obligations and benefits under this Agreement have been assigned pursuant to Section 9(b)) without Cause, or by the Executive for Good Reason, in either case during the two-year period immediately following a Change in Control, then the Executive shall be entitled to the following:

(i) The Accrued Obligations;

(ii) A lump sum payment equal to **twelve (12)** months of Executive's then-current Base Salary;

(iii) Provided that the Executive timely elects continued coverage under COBRA, the Company will reimburse the Executive for the monthly COBRA cost of continued health and dental coverage of the Executive and his qualified beneficiaries paid by the Executive under the health and dental plans of the Company, less the amount that the Executive would be required to contribute for health and dental coverage if the Executive were an active employee of the Company, for **twelve (12)** months (or, if less, for the duration that such COBRA coverage is available to Executive). Notwithstanding the above, if the Company determines in its sole discretion that it cannot provide the COBRA benefits described herein without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide Executive with a taxable lump sum payment in an amount equal to the then-unreimbursed monthly COBRA premiums.

(iv) All Equity Awards will vest as to **100%** of the then-unvested.

(h) ***Release***. All rights, payments and benefits due to the Executive under this Section 4 (other than the Accrued Obligations) shall be conditioned on the Executive's execution of a general release of claims against the Company and its affiliates substantially in the form attached hereto as **Exhibit A** (the "**Release**") and on that Release becoming irrevocable within 60 days following the Termination Date. The severance described in this Section 4 (other than Accrued Obligations) shall be paid no later than the first business day following the sixtieth (60^{th}) day following the termination of employment of Executive and in compliance with the timeframe required under Section 409A as set forth herein, and the first payment will include the payments due and owing prior to that payment date but for the application of this sentence. If the Straddle Period (as defined below) spans two (2) calendar years, then the cash payments under this Section 4 (other than Accrued Obligations) shall first be made on the first business day in the second calendar year that occurs after the expiration of the sixty (60)-day period in which the Release must be delivered and effective, as described in this Section 4. The "**Straddle Period**" shall mean the sixty (60)-day period following a termination of employment in which the Release is to be executed and become irrevocable pursuant to this Section 4.

(i) ***Section 280G Certain Reductions of Payments by the Company***.

(1) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "**Payment**"), would be nondeductible by the Company for Federal income tax purposes because of Section 280G of the Code, then the aggregate present value of amounts payable or distributable to or for the benefit of the Executive pursuant to this Agreement (such payments or distributions pursuant to this Agreement are hereinafter referred to as "**Agreement Payments**") shall be reduced to the Reduced Amount. The "**Reduced Amount**" shall be an amount expressed in present value that avoids any Payment being nondeductible by the Company because of Section 280G of the Code. To the extent necessary to avoid imposition of the Excise Tax, the amounts payable or benefits to be provided to the Executive shall be reduced such that the reduction of compensation to be provided to the Executive is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis (but not below zero). Anything to the contrary notwithstanding, if the Reduced Amount is zero and it is determined further that any Payment which is not an Agreement Payment would nevertheless be nondeductible by the Company for Federal income tax purposes because of Section 280G of the Code, then the aggregate present value of Payments which are not Agreement Payments shall also be reduced (but not below zero) to an amount expressed in present value which maximizes the aggregate present value of Payments without causing any Payment to be nondeductible by the Company because of Section 280G of the Code. If a reduction of any Payment is required pursuant to this Section 4(i), such reduction shall occur to the amounts in the order that results in the greatest economic present value of all payments and benefits actually made or provided to the Executive. For purposes of this Section 4(i), present value shall be determined in accordance with Section 280G(d)(4) of the Code.

(2) All determinations required to be made under this Section 4(i) shall be made by a tax or compensation consulting firm of national reputation selected by the Company (the "**Consulting Firm**"), which shall provide detailed supporting calculations both to the Company and the Executive within 20 business days of the date of termination or such earlier time as is requested by the Company and an opinion to the Executive that he has substantial authority not to report any excise tax on his Federal income tax return with respect to any Payments. Any such determination by the Consulting Firm shall be binding upon the Company and the Executive. Within five business days thereafter, the Company shall pay to or distribute to or for the benefit of the Executive such amounts as are then due to the Executive under this Agreement. All fees and expenses of the Consulting Firm incurred in connection with the determinations contemplated by this Section 4(i) shall be borne by the Company.

(3) As a result of the uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Consulting Firm hereunder, it is possible that Payments will have been made by the Company which should not have been made ("**Overpayment**") or that additional Payments which will not have been made by the Company could have been made ("**Underpayment**"), in each case, consistent with the calculations required to be made hereunder. In the event that the Consulting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against the Executive which the Consulting Firm believes has a high probability of success, determines that an Overpayment has been made, any such Overpayment paid or distributed by the Company to or for the benefit of the Executive shall be promptly repaid to the Company by the Executive. In the event that the Consulting Firm, based upon controlling precedent or other substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(j) ***Cooperation***. Following the Term of Employment, the Executive shall give his assistance and cooperation willingly, upon reasonable advance notice with due consideration for his other business or personal commitments, in any matter relating to his position with the Company, or his expertise or experience as the Company may reasonably request, including his attendance and truthful testimony where deemed appropriate by the Company, with respect to any investigation or the Company's defense or prosecution of any existing or future claims or litigations or other proceedings relating to matters in which he was involved or potentially had knowledge by virtue of his employment with the Company. In no event shall his cooperation materially interfere with his services for a subsequent employer or other similar service recipient. To the extent permitted by law, the Company agrees that (i) it shall promptly reimburse the Executive for his reasonable and documented expenses in connection with his rendering assistance and/or cooperation under this Section 4(j) upon his presentation of documentation for such expenses and (ii) the Executive shall be reasonably compensated for any continued material services as required under this Section 4(j).

(k) ***Return of Company Property***. Following the Termination Date, the Executive or his personal representative shall return all Company property in his possession, including but not limited to all computer equipment (hardware and software), telephones, facsimile machines, cell phones and other communication devices, credit cards, office keys, security access cards, badges, identification cards and all copies (including drafts) of any documentation or information (however stored) relating to the business of the Company, its customers and clients or its prospective customers and clients.

(l) ***Compliance with Section 409A***.

(i) ***General***. It is the intention of both the Company and the Executive that the benefits and rights to which the Executive could be entitled pursuant to this Agreement comply with Section 409A of the Code and the Treasury Regulations and other guidance promulgated or issued thereunder ("**Section 409A**"), to the extent that the requirements of Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention.

(ii) ***Distributions on Account of Separation from Service***. If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Agreement on account of termination of the Executive's employment shall be made unless and until the Executive incurs a "separation from service" within the meaning of Section 409A.

(iii) ***Six Month Delay for Specified Employees***. If the Executive is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code), then no payment or benefit that is payable on account of the Executive's "separation from service", as that term is defined for purposes of Section 409A, shall be made before the date that is six months after the Executive's "separation from service" (or, if earlier, the date of the Executive's death) if and to the extent that such payment or benefit constitutes deferred compensation (or may be nonqualified deferred compensation) under Section 409A and such deferral is required to comply with the requirements of Section 409A. Any payment or benefit delayed by reason of the prior sentence shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule.

(iv) ***Treatment of Each Installment as a Separate Payment***. For purposes of applying the provisions of Section 409A to this Agreement, each separately identified amount to which the Executive is entitled under this Agreement shall be treated as a separate payment. In addition, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(v) ***Taxable Reimbursements and In-Kind Benefits***.

(A) Any reimbursements by the Company to the Executive of any eligible expenses under this Agreement that are not excludable from the Executive's income for Federal income tax purposes (the "**Taxable Reimbursements**") shall be made by no later than the last day of the taxable year of the Executive following the year in which the expense was incurred.

(B) The amount of any Taxable Reimbursements, and the value of any in-kind benefits to be provided to the Executive, during any taxable year of the Executive shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year of the Executive.

(C) The right to Taxable Reimbursement, or in-kind benefits, shall not be subject to liquidation or exchange for another benefit.

(vi) ***Section 409A Compliance***. Notwithstanding the foregoing, the Company does not make any representation to the Executive that the payments or benefits provided under this Agreement are exempt from, or satisfy, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless the Executive or any beneficiary of the Executive for any tax, additional tax, interest or penalties that the Executive or any beneficiary of the Executive may incur in the event that any provision of this Agreement, or any amendment or modification thereof, or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A.

5. Restrictive Covenants.

(a) ***Confidential Information***. The Executive shall execute and agree to be bound by the terms of the Company's Employee Invention Assignment, Confidentiality and Non-Solicitation Agreement (the "***EIIA***") attached to this Agreement as **Exhibit B** as provided therein.

(b) ***Insider Trading Policies***. Executive agrees that he shall comply with and be bound by the Company's insider trading policies with respect to the securities of the Company as now in effect or hereafter adopted or amended.

(c) ***Clawback Provisions***. All incentive and equity awards and payments shall be subject to the clawback policy of the Company, as now in effect or hereafter adopted or amended, and all applicable laws and rules and regulations of the stock exchanges and public market on which the securities of the Company are traded.

(d) ***Injunction***. It is recognized and hereby acknowledged by the parties hereto that a breach by the Executive of any of the covenants contained in this Section 5 or the EIIA may cause irreparable harm and damage to the Company, and its Related Entities, the monetary amount of which may be virtually impossible to ascertain. As a result, the Executive recognizes and hereby acknowledges that the Company and its Related Entities shall be entitled to seek an injunction from any court of competent jurisdiction enjoining and restraining any violation of any or all of the covenants contained in this Section 5 or the EIIA by the Executive or any of his affiliates, associates, partners or agents, either directly or indirectly, and that such right to injunction shall be cumulative and in addition to whatever other remedies the Company may possess.

6. Representations and Warranties of Executive. The Executive represents and warrants to the Company that:

(a) The Executive's employment will not conflict with or result in his breach of any agreement to which he is a party or otherwise may be bound;

(b) The Executive has not violated, and in connection with his employment with the Company will not violate, any non-solicitation, non-competition or other similar covenant or agreement of a prior employer by which he is or may be bound; and

(c) In connection with Executive's employment with the Company, he will not use any confidential or proprietary information that he may have obtained in connection with employment with any prior employer.

7. Indemnification. Subject to limitations imposed by law, the Company shall indemnify and hold harmless the Executive to the fullest extent permitted by law from and against any and all claims, damages, expenses (including attorneys' fees), judgments, penalties, fines, settlements, and all other liabilities incurred or paid by him in connection with the investigation, defense, prosecution, settlement or appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and to which the Executive was or is a party or is threatened to be made a party by reason of the fact that the Executive is or was an officer, employee or agent of the Company, or by reason of anything done or not done by the Executive in any such capacity or capacities, provided that the Executive acted in good faith, in a manner that was not grossly negligent or constituted willful misconduct and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

8. Definitions. When used in this Agreement, the following terms shall have the following meanings:

(a) "***Accrued Obligations***" means:

(i) all accrued but unpaid Base Salary through the end of the Term of Employment;

(ii) any unpaid or unreimbursed expenses incurred in accordance with Company policy to the extent incurred during the Term of Employment;

(iii) any accrued but unpaid benefits provided under the Company's employee benefit plans, subject to and in accordance with the terms of those plans;

(iv) any unpaid Bonus in respect to any completed fiscal year that has ended on or prior to the end of the Term of Employment; and

(v) any accrued but unused vacation pay.

(b) "***Base Salary***" means the salary provided for in Section 3(a) hereof or any increased salary granted to Executive pursuant to Section 3(a) hereof.

(c) "***Beneficial Owner***" and "***Beneficial Ownership***" shall have the meaning ascribed to such terms in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended.

(d) "***Board***" means the Board of Directors of the Company.

(e) "***Bonus***" means any bonus payable to the Executive pursuant to Section 3(b) hereof.

(f) "***Cause***" means any of the following:

(i) Executive's conviction of or plea of nolo contendere to a felony or to any crime involving moral turpitude;

(ii) willful misconduct or gross negligence by the Executive resulting, in either case, in material economic or reputational harm to the Company or any of Related Entities;

(iii) a willful failure by the Executive to carry out the reasonable and lawful directions given to him with respect to his employment as the Company's Senior Vice President Medical and failure by the Executive to remedy the failure within thirty (30) days after receipt of written notice of same from the Company; or

(iv) fraud, embezzlement, theft or dishonesty of a material nature by the Executive against the Company or any Related Entity, or a willful material violation by the Executive of a policy or procedure of the Company or any Related Entity, resulting, in any case, in material, reputational or economic harm to the Company or any Related Entity; or

(v) a willful material breach by the Executive of this Agreement and failure by the Executive to remedy the material breach within 30 days after receipt of written notice of same by the Company.

(g) "***Change in Control***" means the occurrence of any of the following events: (i) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company's then-outstanding voting securities; provided, however, that for purposes of this subclause (i) the acquisition of additional securities by any one Person who is considered to own more than fifty percent (50%) of the total voting power of the securities of the Company will not be considered a Change in Control; (ii) the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets; (iii) the consummation of a merger or consolidation of the Company with any other corporation, 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 its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or (iv) a change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by members of the Board whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purpose of this subclause (iv), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control. For purposes of this definition, Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

(h) "***COBRA***" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.

(i) "***Code***" means the Internal Revenue Code of 1986, as amended.

(j) "***Disability***" means the Executive's inability, or failure, to perform the essential functions of his position, with or without reasonable accommodation, for any period of six months or more in any 12 month period, by reason of any medically determinable physical or mental impairment.

(k) "***Equity Awards***" means any stock options, restricted stock, restricted stock units, stock appreciation rights, phantom stock or other equity based awards granted by the Company to the Executive.

(l) "***Excise Tax***" means any excise tax imposed by Section 4999 of the Code, together with any interest and penalties imposed with respect thereto, or any interest or penalties are incurred by the Executive with respect to any such excise tax.

(m) "***Good Reason***" means the occurrence of any of the following events or conditions, without the Executive's express written consent:

(i) a material reduction by the Company in the Executive's annual Base Salary (which for purposes hereof is deemed to constitute a reduction of greater than 10%, unless such reduction applies as part of a salary reduction program and such program includes similar reductions to all of the Executive's direct reports); or

(ii) the relocation of the Executive's principal place of employment to a location more than 50 miles from the Executive's principal place of employment immediately prior to the Executive's termination (excluding the Executive's contemplated relocation to the Boston metropolitan area).

With respect to each of subsection (i) and (ii) above, the Executive must provide notice to the Company of the condition giving rise to "Good Reason" within 30 days of the initial existence of such condition, and the Company will have 30 days following such notice to remedy such condition. The Executive must resign the Executive's employment no later than 10 days following the Company's failure to cure the Good Reason or written notice to the Executive that it will decline to do so.

(n) "***Group***" shall have the meaning ascribed to such term in Section 13(d) of the Securities Exchange Act of 1934.

(o) "***Person***" shall have the meaning ascribed to such term in Section 3(a)(9) of the Securities Exchange Act of 1934 and used in Sections 13(d) and 14(d) thereof.

(p) "***Related Entity***" means any Person controlling, controlled by or under common control with the Company or any of its subsidiaries. For this purpose, the terms "controlling," "controlled by" and "under common control with" mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including (without limitation) the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

(q) "***Target Bonus***" has the meaning described in Section 3(b).

(r) "***Term of Employment***" means the period during which the Executive shall be employed by the Company pursuant to the terms of this Agreement.

(s) "***Termination Date***" means the date on which the Term of Employment ends.

9. Miscellaneous Provisions.

(a) ***Taxes***. All payments or transfers of property made by the Company to the Executive or his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation.

(b) ***Assignment***. The Company shall have the right to assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any corporation or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, if in any such case said corporation or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto, but may not otherwise assign this Agreement or its rights and obligations hereunder. The Executive may not assign or transfer this Agreement or any rights or obligations hereunder.

(c) ***Governing Law and At-will nature of Employment***. Except as expressly set forth herein, this letter agreement and the rights and obligations of the parties hereto shall be construed in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to the principles of conflict of laws. Executive's employment with the Company is employment at-will, which means either Executive or the Company may terminate Executive's employment at any time and for any reason subject to the provisions of Section 4 of this Agreement.

(d) ***Arbitration and Class Action Waiver***. Executive and the Company agree to submit to mandatory binding arbitration any and all claims arising out of or related to Executive's employment with the Company and the termination thereof, including, but not limited to, claims for unpaid wages, wrongful termination, torts, stock or stock options or other ownership interest in the Company, and/or discrimination (including harassment) based upon any federal, state or local ordinance, statute, regulation or constitutional provision except that each party may, at its, his or her option, seek injunctive relief in court related to the improper use, disclosure or misappropriation of a party's private, proprietary, confidential or trade secret information (collectively, "Arbitrable Claims"). Further, to the fullest extent permitted by law, Executive and the Company agree that no class or collective actions can be asserted in arbitration or otherwise. All claims, whether in arbitration or otherwise, must be brought solely in Executive's or the Company's individual capacity, and not as a plaintiff or class member in any purported class or collective proceeding.

THE PARTIES HEREBY WAIVE ANY RIGHTS THEY MAY HAVE TO TRIAL BY JURY IN REGARD TO ARBITRABLE CLAIMS. THE PARTIES FURTHER WAIVE ANY RIGHTS THEY MAY HAVE TO PURSUE OR PARTICIPATE IN A CLASS OR COLLECTIVE ACTION PERTAINING TO ANY ARBITRABLE CLAIMS BETWEEN YOU AND THE COMPANY.

This Agreement does not restrict Executive's right to file administrative claims Executive may bring before any government agency where, as a matter of law, the parties may not restrict the employee's ability to file such claims (including, but not limited to, the National Labor Relations Board, the Equal Employment Opportunity Commission and the Department of Labor). However, the parties agree that, to the fullest extent permitted by law, arbitration shall be the exclusive remedy for the subject matter of such administrative claims. The arbitration shall be conducted in Boston, Massachusetts through JAMS before a single neutral arbitrator, in accordance with the JAMS employment arbitration rules then in effect. The JAMS rules may be found and reviewed at http://www.jamsadr.com/rules-employment-arbitration. If Executive is unable to access these rules, please let me know and I will provide Executive with a hardcopy. The arbitrator shall issue a written decision that contains the essential findings and conclusions on which the decision is based. Executive and the Company agree that this Arbitration and Class Action Waiver

Provision shall be governed by the Federal Arbitration Act. Should any portion of this provision be found unenforceable, it shall be severed and the remaining provisions shall remain in full force and effect.

(e) ***Entire Agreement***. This Agreement, together with the exhibit attached hereto, constitutes the entire agreement between the patties hereto with respect to the subject matter hereof and, upon its effectiveness, shall supersede all prior agreements, understandings and arrangements, both oral and written, between the Executive and the Company (or any of its Related Entities) with respect to such subject matter. This Agreement may not be modified in any way unless by a written instrument signed by both the Company and the Executive.

(f) ***Notices***. All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered by courier, sent by registered or certified mail, return receipt requested or sent by confirmed facsimile transmission addressed as set forth herein. Notices personally delivered, sent by facsimile or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given upon receipt by the addressee, as evidenced by the return receipt thereof. Notice shall be sent (i) if to the Company, addressed to the Company's headquarters, Attention: Chief Executive Officer, and (ii) if to the Executive, to his address as reflected on the payroll records of the Company, or to such other address as either party shall request by notice to the other in accordance with this provision.

(g) ***Benefits; Binding Effect***. This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs, personal representatives, legal representatives, successors and, where permitted and applicable, assigns, including, without limitation, any successor to the Company, whether by merger, consolidation, sale of stock, sale of assets or otherwise.

(h) ***Right to Consult with Counsel***. The Executive acknowledges having read and considered all of the provisions of this Agreement carefully, and having had the opportunity to consult with counsel of his own choosing, and, given this, the Executive agrees that the obligations created hereby are not unreasonable.

(i) ***Severability***. The invalidity of any one or more of the words, phrases, sentences, clauses, provisions, sections or articles contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses, provisions, sections or articles contained in this Agreement shall be declared invalid, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, provisions or provisions, section or sections or article or articles had not been inserted. If such invalidity is caused by length of time or size of area, or both, the otherwise invalid provision will be considered to be reduced to a period or area which would cure such invalidity.

(j) ***Waivers***. The waiver by either party hereto of a breach or violation of any term or provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation.

(k) ***Damages; Attorneys' Fees***. Nothing contained herein shall be construed to prevent the Company or the Executive from seeking and recovering from the other damages sustained by either or both of them as a result of its or his breach of any term or provision of this Agreement. Each party shall bear its own costs and attorneys' fees.

(l) ***No Set-off or Mitigation***. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In the event of any termination of the Executive's employment under this Agreement, he shall be under no obligation to seek other employment or otherwise in any way to mitigate the amount of any payment provided for hereunder.

(m) ***Section Headings***. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(n) ***No Third Party Beneficiary***. The Related Entities are intended third party beneficiaries of this Agreement. Otherwise, nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person other than the Company, the parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

(o) ***Counterparts***. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument and agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date set forth below.

Executive:/s/ Andreas Maetzel Company:/s/ Andrew Crockett
Andreas Maetzel Andrew Crockett
Chief Executive Officer

Date: August 21, 2017 Date: August 21, 2017

Exhibit A

General Release of Claims

1. Andreas Maetzel ("**Executive**"), for himself and his family, heirs, executors, administrators, legal representatives and their respective successors and assigns, in exchange for the consideration received pursuant to Section [4(e)] [4(g)] of the Employment Agreement (the "**Severance Benefits**") to which this release is attached as Exhibit B (the "**Employment Agreement**"), does hereby release and forever discharge KalVista Pharmaceuticals, Inc. (the "**Company**"), its subsidiaries, affiliated companies, successors and assigns, and its current or former directors, officers, employees, shareholders or agents in such capacities (collectively with the Company, the "**Released Partie**s") from any and all actions, causes of action, suits, controversies, claims and demands whatsoever, for or by reason of any matter, cause or thing whatsoever, whether known or unknown including, but not limited to, all claims under any applicable laws arising under or in connection with Executive's employment or termination thereof, whether for tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job or incurred as a result of loss of employment. Without limiting the generality of the release provided above, Executive expressly waives any and all claims under Age Discrimination in Employment Act ("**ADEA**") that he may have as of the date hereof. Executive further understands that, by signing this General Release of Claims, he is in fact waiving, releasing and forever giving up any claim under the ADEA as well as all other laws within the scope of this paragraph 1 that may have existed on or prior to the date hereof. Notwithstanding anything in this paragraph 1 to the contrary, this General Release of Claims shall not apply to (i) any rights to receive any payments or benefits to which the Executive is entitled under COBRA, (ii) any rights or claims that may arise as a result of events occurring after the date this General Release of Claims is executed, (iii) any indemnification and advancement rights Executive may have as a former employee, officer or director of the Company or its subsidiaries or affiliated companies (including any rights under Section 7 of the Employment Agreement), (iv) any claims for benefits under any directors' and officers' liability policy maintained by the Company or its subsidiaries or affiliated companies in accordance with the terms of such policy, (v) rights to vested benefits under the Company's 401(k) plan, and (vi) any rights as a holder of equity securities of the Company.

2. Executive represents that he has not filed against the Released Parties any complaints, charges, or lawsuits arising out of his employment, or any other matter arising on or prior to the date of this General Release of Claims, and covenants and agrees that he will never individually or with any person file, or commence the filing of any lawsuits, complaints or proceedings with any governmental agency, or against the Released Parties with respect to any of the matters released by Executive pursuant to paragraph 1 hereof; provided, that nothing herein shall prevent Executive from filing a charge or complaint with the Equal Employment Opportunity Commission ("**EEOC**") or similar federal or state agency or the Executive's ability to participate in any investigation or proceeding conducted by such agency. Notwithstanding anything to the contrary herein, nothing in this General Release of Claims prevents Executive from reporting any violations to the Securities and Exchange Commission or any other federal or state agency. Executive is waiving his right to any monetary recovery from the Company if any governmental agency or entity pursues any claims on Executive's behalf; however, this Release Agreement does not preclude Executive from entitlement to any monetary recovery awarded by the Securities and Exchange Commission in connection with any action asserted by the Securities and Exchange Commission.

3. Executive acknowledges that, in the absence of his execution of this General Release of Claims, the Severance Benefits would not otherwise be due to him.

4. Executive acknowledges and agrees that he received adequate consideration in exchange for agreeing to the covenants contained in Section 5 of the Employment Agreement and the EIAA (as defined therein), that such covenants remain reasonable and necessary to protect the legitimate business interests of the Company and its affiliates and that he will continue to comply with those covenants.

5. Executive hereby acknowledges that the Company has informed him that he has up to 21 days to sign this General Release of Claims and he may knowingly and voluntarily waive that 21 day period by signing this General Release of Claims earlier. Executive also understands that he shall have seven days following the date on which he signs this General Release of Claims within which to revoke it by providing a written notice of his revocation to the Company.

6. Executive acknowledges and agrees that this General Release of Claims will be governed by and construed and enforced in accordance with the internal laws of the State of Massachusetts applicable to contracts made and to be performed entirely within such State.

7. Executive acknowledges that he has read this General Release of Claims, that he has been advised that he should consult with an attorney before he executes this general release of claims, and that he understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

8. This General Release of Claims shall become irrevocable on the eighth day following Executive's execution of this General Release of Claims, unless previously revoked in accordance with paragraph 5, above.

Intending to be legally bound hereby, Executive has executed this General Release of Claims on _____, 20__.

_____

Andreas Maetzel

Exhibit B

Employee Invention Assignment, Confidentiality and Non-Competition Agreement

EMPLOYEE INVENTION ASSIGNMENT, CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In consideration of, and as a condition of my employment with KalVista Pharmaceuticals, Inc., a Delaware corporation with its principal offices in the State of Massachusetts (the "***Company***"), I, as the "***Employee***" signing this Employee Invention Assignment, Confidentiality and Non-Competition Agreement (this "***Agreement***"), hereby represent to the Company, and the Company and I hereby agree as follows:

1. **Purpose of Agreement.** I understand that the Company is engaged in a continuous program of research, development, production and/or marketing in connection with its current and projected business and that it is critical for the Company to preserve and protect its proprietary information, its rights in certain inventions and works and in related intellectual property rights. Accordingly, I am entering into this Agreement, whether or not I am expected to create inventions or other works of value for the Company. As used in this Agreement, "***Inventions***" means inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works, confidential information and trade secrets.

2. **Disclosure of Inventions.** I will promptly disclose in confidence to the Company, or to any person designated by it, all Inventions that I make, create, conceive or first reduce to practice, either alone or jointly with others, during the period of my employment, whether or not in the course of my employment, and whether or not patentable, copyrightable or protectable as trade secrets.

3. **Work for Hire; Assigned Inventions.** I acknowledge and agree that any copyrightable works prepared by me within the scope of my employment will be "works made for hire" under the Copyright Act and that the Company will be considered the author and owner of such copyrightable works. I agree that all Inventions that I make, create, conceive or first reduce to practice during the period of my employment, whether or not in the course of my employment, and whether or not patentable, copyrightable or protectable as trade secrets, and that (i) are developed using equipment, supplies, facilities or trade secrets of the Company; (ii) result from work performed by me for the Company; or (iii) relate to the Company's business or actual or demonstrably anticipated research or development (the "***Assigned Inventions***"), will be the sole and exclusive property of the Company.

4. **Excluded Inventions and Other Inventions**. Attached hereto as Exhibit A is a list describing all existing Inventions, if any, that may relate to the Company's business or actual or demonstrably anticipated research or development and that were made by me or acquired by me prior to the Effective Date (as defined below), and which are not to be assigned to the Company ("***Excluded Inventions***"). If no such list is attached, I represent and agree that it is because I have no rights in any existing Inventions that may relate to the Company's business or actual or demonstrably anticipated research or development. For purposes of this Agreement, "***Other Inventions***" means Inventions in which I have or may have an interest, as of the Effective Date or thereafter, other than Assigned Inventions and Excluded Inventions. I acknowledge and agree that if, in the scope of my employment, I use any Excluded Inventions or any Other Inventions, or if I include any Excluded Inventions or Other Inventions in any product or service of the Company or

if my rights in any Excluded Inventions or Other Inventions may block or interfere with, or may otherwise be required for, the exercise by the Company of any rights assigned to the Company under this Agreement, I will immediately so notify the Company in writing. Unless the Company and I agree otherwise in writing as to particular Excluded Inventions or Other Inventions, I hereby grant to the Company, in such circumstances (whether or not I give the Company notice as required above), a perpetual, irrevocable, nonexclusive, transferable, world-wide, royalty-free license to use, disclose, make, sell, offer for sale, import, copy, distribute, modify and create works based on, perform, and display such Excluded Inventions and Other Inventions, and to sublicense third parties in one or more tiers of sublicensees with the same rights.

5. **Exception to Assignment.** I understand that the Assigned Inventions will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, (1) any invention I made or participated in while employed at BioCryst Pharmaceuticals, Inc. prior to my employment with Company, and (2) any invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on my own time, and (i) which does not relate (A) directly to the business of the Company or (B) to the Company's actual or demonstrably anticipated research or development, and (ii) which does not result from any work performed by me for the Company.

6. **Assignment of Rights.** I agree to assign, and do hereby irrevocably transfer and assign, to the Company: (i) all of my rights, title and interests in and with respect to any Assigned Inventions; (ii) all patents, patent applications, copyrights, mask works, rights in databases, trade secrets, and other intellectual property rights, worldwide, in any Assigned Inventions, along with any registrations of or applications to register such rights; and (iii) to the extent assignable, any and all Moral Rights (as defined below) that I may have in or with respect to any Assigned Inventions. I also hereby forever waive and agree never to assert any Moral Rights I may have in or with respect to any Assigned Inventions and any Excluded Inventions or Other Inventions licensed to the Company under Section 4, even after termination of my employment with the Company. "***Moral Rights***" means any rights to claim authorship of a work, to object to or prevent the modification or destruction of a work, to withdraw from circulation or control the publication or distribution of a work, and any similar right, regardless of whether or not such right is denominated or generally referred to as a "moral right."

7. **Assistance.** I will assist the Company in every proper way to obtain and enforce for the Company all patents, copyrights, mask work rights, trade secret rights and other legal protections for the Assigned Inventions, worldwide. I will execute and deliver any documents that the Company may reasonably request from me in connection with providing such assistance. My obligations under this section will continue beyond the termination of my employment with the Company; provided that the Company agrees to compensate me at a reasonable rate after such termination for time and expenses actually spent by me at the Company's request in providing such assistance. I hereby appoint the Secretary of the Company as my attorney-in-fact to execute documents on my behalf for this purpose. I agree that this appointment is coupled with an interest and will not be revocable.

8. **Proprietary Information.** I understand that my employment by the Company creates a relationship of confidence and trust with respect to any information or materials of a

confidential or secret nature that may be made, created or discovered by me or that may be disclosed to me by the Company or a third party in relation to the business of the Company or to the business of any parent, subsidiary, affiliate, customer or supplier of the Company, or any other party with whom the Company agrees to hold such information or materials in confidence (the "***Proprietary Information***"). Without limitation as to the forms that Proprietary Information may take, I acknowledge that Proprietary Information may be contained in tangible material such as writings, drawings, samples, electronic media, or computer programs, or may be in the nature of unwritten knowledge or know-how. Proprietary Information includes, but is not limited to, Assigned Inventions, marketing plans, product plans, designs, data, prototypes, specimens, test protocols, laboratory notebooks, business strategies, financial information, forecasts, personnel information, contract information, customer and supplier lists, and the non-public names and addresses of the Company's customers and suppliers, their buying and selling habits and special needs.

9. **Confidentiality.** At all times, both during my employment and after its termination, and to the fullest extent permitted by law, I will keep and hold all Proprietary Information in strict confidence and trust. I will not use or disclose any Proprietary Information without the prior written consent of the Company in each instance, except as may be necessary to perform my duties as an employee of the Company for the benefit of the Company. Upon termination of my employment with the Company, I will promptly deliver to the Company all documents and materials of any nature pertaining to my work with the Company, and I will not take with me or retain in any form any documents or materials or copies containing any Proprietary Information. Nothing in this Section 9 or otherwise in this Agreement shall limit or restrict in any way my immunity from liability for disclosing the Company's trade secrets as specifically permitted by 18 U.S. Code Section 1833, the pertinent provisions of which are attached hereto as Exhibit B.

10. **Physical Property.** All documents, supplies, equipment and other physical property furnished to me by the Company or produced by me or others in connection with my employment will be and remain the sole property of the Company. I will return to the Company all such items when requested by the Company, excepting only my personal copies of records relating to my employment or compensation and any personal property I bring with me to the Company and designate as such. Even if the Company does not so request, I will upon termination of my employment return to the Company all Company property, and I will not take with me or retain any such items.

11. **No Breach of Prior Agreements.** I represent that my performance of all the terms of this Agreement and my duties as an employee of the Company will not breach any invention assignment, proprietary information, confidentiality, non-competition, or other agreement with any former employer or other party. I represent that I will not bring with me to the Company or use in the performance of my duties for the Company any documents or materials or intangibles of my own or of a former employer or third party that are not generally available for use by the public or have not been legally transferred to the Company.

12. **"At Will" Employment.** I understand that this Agreement does not constitute a contract of employment or obligate the Company to employ me for any stated period of time. I

understand that I am an "at will" employee of the Company and that my employment can be terminated at any time, with or without notice and with or without cause, for any reason or for no reason, by either the Company or by me. I acknowledge that any statements or representations to the contrary are ineffective, unless put into a writing signed by the Company. I further acknowledge that my participation in any stock option or benefit program is not to be construed as any assurance of continuing employment for any particular period of time.

13. **Company Opportunities; No Conflicting Activities.** During the period of my employment, I will at all times devote my best efforts to the interests of the Company, and I will not, without the prior written consent of the Company, engage in, or encourage or assist others to engage in, any other employment or activity that: (i) would divert from the Company any business opportunity in which the Company can reasonably be expected to have an interest; (ii) would directly compete with, or involve preparation to compete with, the current or future business of the Company; or (iii) would otherwise conflict with the Company's interests or could cause a disruption of its operations or prospects.

14. **Non-Competition; Non-Solicitation.**

(a) Non-Competition. I understand that the Company's interests in protecting its investments, goodwill, Proprietary Information, trade secrets, and/or technologies make it reasonable for the Company to ask me to agree that I will not compete with the Company for a reasonable period after the termination of my employment for any reason, whether voluntary or involuntary. Accordingly, and understanding that the Company's business is potentially global in scope, I further agree that I will not, during the one (1) year period following the termination of my employment (the "***Post-Employment Period***"), directly or indirectly, work for or provide service of any kind, as an employee, consultant, director, owner or in any other capacity, to any person or entity (including any business in planning or formation) that is or intends to be competitive with, or is engaged in the design, development, manufacture, production, marketing, sale or servicing of any product or the provision of any service that are then under development or offered by the Company or any of its subsidiary or affiliated entities. It will not be deemed to be a violation of this section for me to make or hold either of the following investments: (a) ownership, as a passive investor, of up to two percent (2%) of any publicly traded company; or (b) an equity interest of up to two percent (2%) in any venture capital fund or other investment vehicle that makes investments in early stage companies so long as I do not participate in or influence the investment decision process of such fund or vehicle.

(b) Non-Solicitation of Employees/Consultants. During my employment with the Company and the Post-Employment Period, I will not directly or indirectly solicit away employees or consultants of the Company for my own benefit or for the benefit of any other person or entity, nor will I encourage or assist others to do so. I acknowledge and agree that even after the expiration of the Post-Employment Period, I will not solicit (or encourage or assist others to solicit) away any employees or consultants of the Company if, in so doing, I use or disclose any trade secrets or other Proprietary Information of the Company.

(c) Non-Solicitation of Suppliers/Customers. During my employment with the Company and the Post-Employment Period, I will not directly or indirectly solicit or otherwise

take away customers or suppliers of the Company or otherwise divert or attempt to divert business away from the Company, nor will I encourage or assist others to do so. I acknowledge and agree that even after the expiration of the Post-Employment Period, I will not solicit (or encourage or assist others to solicit) any customers or suppliers of the Company if, in so doing, I use or disclose any trade secrets or other Proprietary Information of the Company.

(d) Reasonableness. I acknowledge that the post-employment restrictions on competition and solicitation in this Section 14 are reasonable and necessary in light of the Company's need to protect its trade secrets and other Proprietary Information and the goodwill of the Company's business.

15. **Use of Name & Likeness.** I hereby authorize the Company to use, reuse, and to grant others the right to use and reuse, my name, photograph, likeness (including caricature), voice, and biographical information, and any reproduction or simulation thereof, in any form of media or technology now known or hereafter developed, both during and after my employment, for any purposes related to the Company's business, such as marketing, advertising, credits, and presentations.

16. **Notification.** I hereby authorize the Company, during and after the termination of my employment with the Company, to notify third parties, including, but not limited to, actual or potential customers or employers, of the terms of this Agreement and my responsibilities hereunder.

17. **Injunctive Relief.** I understand that a breach or threatened breach of this Agreement by me may cause the Company to suffer irreparable harm and that the Company will therefore be entitled to injunctive relief to enforce this Agreement.

18. **Governing Law; Severability.** This Agreement is intended to supplement, and not to supersede, any rights the Company may have in law or equity with respect to the duties of its employees and the protection of its trade secrets. This Agreement shall be construed in accordance with and governed by the law of the State of Massachusetts without giving effect to any principles of conflict of laws that would lead to the application of the laws of another jurisdiction. If any provision of this Agreement is invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible, given the fundamental intentions of the parties when entering into this Agreement. To the extent such provision cannot be so enforced, it will be stricken from this Agreement and the remainder of this Agreement will be enforced as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

19. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together will constitute one and the same agreement.

20. **Entire Agreement.** This Agreement and the documents referred to herein constitute the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between the parties hereto with respect to such subject matter.

21. **Amendment and Waiver.** This Agreement may be amended only by a written agreement executed by each of the parties to this Agreement. No amendment or waiver of, or modification of any obligation under, this Agreement will be enforceable unless specifically set forth in a writing signed by the party against which enforcement is sought. A waiver by either party of any of the terms and conditions of this Agreement in any instance will not be deemed or construed to be a waiver of such term or condition with respect to any other instance, whether prior, concurrent or subsequent.

22. **Successors and Assigns; Assignment.** Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will bind and benefit the parties and their respective successors, assigns, heirs, executors, administrators, and legal representatives. The Company may assign any of its rights and obligations under this Agreement. I understand that I will not be entitled to assign or delegate this Agreement or any of my rights or obligations hereunder, whether voluntarily or by operation of law, except with the prior written consent of the Company.

23. **Further Assurances.** The parties will execute such further documents and instruments and take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement. Upon termination of my employment with the Company, I will execute and deliver a document or documents in a form reasonably requested by the Company confirming my agreement to comply with the post-employment obligations contained in this Agreement.

24. **Acknowledgement.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with this Agreement.

25.

Effective Date of Agreement. This Agreement is and will be effective on and after the first day of my employment by the Company, which is _____, _____ (the "***Effective Date***").

Company:	**Employee:**
By: _____	_____
	Signature
Name: _____	_____
	Name (Please Print)
Title: _____	

Exhibit A

LIST OF EXCLUDED INVENTIONS UNDER SECTION 4

Title	Date	Identifying Number or Brief Description

No inventions, improvements, or original works of authorship

Additional sheets attached

Signature of Employee:

Print Name of Employee:

Date:

Exhibit B

DEFEND TRADE SECRETS ACT, 18 U.S. CODE § 1833 NOTICE:

18 U.S. Code Section 1833 provides as follows:

> **Immunity From Liability For Confidential Disclosure Of A Trade Secret To The Government Or In A Court Filing.** An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made, (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
>
> **Use of Trade Secret Information in Anti-Retaliation Lawsuit.** An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, T. Andrew Crockett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of KalVista Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 14, 2017 /s/ T. Andrew Crockett

T. Andrew Crockett
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin L. Palleiko, certify that:

1. I have reviewed this quarterly report on Form 10-Q of KalVista Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: December 14, 2017

/s/ Benjamin L. Palleiko
Benjamin L Palleiko
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the accompanying Quarterly Report of KalVista Pharmaceuticals Inc. (the "Company") on Form 10-Q for the fiscal quarter ended October 31, 2017 (the "Report"), I, T. Andrew Crockett, as Chief Executive Officer of the Company, and Benjamin L. Palleiko, as Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 14, 2017

/s/ T. Andrew Crockett
T. Andrew Crockett
Chief Executive Officer
(Principal Executive Officer)

Dated: December 14, 2017

/s/ Benjamin L. Palleiko
Benjamin L. Palleiko
Chief Financial Officer
(Principal Financial and Accounting Officer)