MATERIAL TRANSFER AND CONFIDENTIALITY AGREEMENT

This MATERIAL TRANSFER AND CONFIDENTIALITY AGREEMENT (the "Agreement") is made effective as of the 15th day of February, 2018 (the "Effective Date"), by and between ArQule, Inc, a Delaware corporation, with its principal place of business at One Wall Street, Burlington, MA 01803, Tax ID number: 04-3221586 (the "Company"), and St. Anne´s University Hospital in Brno, with its principal place of business at 53 Pekarska Street, 656 91 Brno, Czech Republic, Bank details: XXXXX, Bank name: XXXXX, Account name: XXXXX, IBAN: XXXXX, SWIFT: XXXXX ("Recipient"). The Company and Recipient (individually, as a "Party and collectively, as the "Parties") hereby agree to the following terms and conditions:

1. Material. The Company shall provide XXXXX.

2. Research Plan. In consideration of the Company's providing the Material, Recipient agrees to use and the Company grants Recipient nonexclusive rights to use the Material exclusively for the following research and experimental purposes set forth in the Research Plan attached hereto as Schedule 1 (the "Research Plan"):

3. Limited Rights; Remedies; Notification of Breach. No other rights to the Material or any associated patent or other intellectual property rights are granted, intended, or implied and Recipient shall not attempt to claim any such right in or to the Material, any progeny or unmodified derivative or to any Material to the extent it is incorporated in or part of a modification of or to the Material. Recipient agrees that the Material will not be used for testing in human subjects. Under no circumstances shall Recipient undertake any efforts to ascertain the structure of the Material.

If Recipient uses the Material for any purpose other than the Research Plan or releases, provides access to or use of the Material to any third party except as expressly permitted by this Agreement, Recipient hereby assigns, transfers, and conveys to the Company, or its designees, any and all of Recipient's worldwide rights, title, and interests in and to any and all developments, inventions, discoveries, concepts, improvements, trade secrets, techniques, methods, processes, know-how, ideas, technical data or specifications, information or research result and the composition, method of creation and use thereof, whether or not patentable, ("Intellectual Property") which Recipient may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice or may otherwise obtain in the course of such prohibited activity through use of or reference to the Material or the Company's Confidential Information (as hereinafter defined), shall be automatically and exclusively assigned to the Company for all purposes and uses notwithstanding any other provision of this Agreement.

Recipient shall promptly notify the Company of any release of, access to or use of the Material not expressly permitted by this Agreement or otherwise authorized by the Company. For clarity, such notice or assignment shall not cure any breach of this Agreement resulting from such unauthorized release, access or use. Recipient further agrees that the remedies provided above are in addition to any other legal or equitable remedies that may be available to the Company as a result of such breach.

4. Compliance. Recipient's Research Plan shall be in compliance with all foreign and domestic federal, state, and local laws and regulations applicable to Recipient, including, but not limited to, animal welfare laws and any other federal, state or local regulatory agency with authority over the Recipient's activities encompassed by the Research Project.

5. Ownership. The Material is the property of the Company. The Company retains all rights to the Material, all rights to any progeny, analogs or derivatives of the Material made by Recipient, and all rights to the results of any scientific studies conducted by recipient using the Material. Recipient shall not sell or otherwise distribute the Material to any third party for any purpose or otherwise grant any derivative rights under this Agreement.

6. Publications and Presentations. Recipient shall have no rights to publish the Results or any other data or information relating to the Material, the Research Plan and or any unauthorized use of the Material without the express prior written consent of the Company. Recipient shall, at the conclusion of the Research Plan, promptly provide reports of results of such research and experiments generated by Recipient in the performance of the Research Plan using the Materials during the term of this Agreement (the "Results") containing the information and in the format agreed in the Research Plan. The Company shall, except as provided below, hold Results in confidence and use Results only for its internal research and development purposes until Recipient publishes the same or until six (6) months has passed from the completion of the Research Plan without publication. Notwithstanding the foregoing restriction, the Company may, as it reasonably determines to be necessary or advisable, disclose the Results to federal and state regulatory agencies exercising jurisdiction over the research and development activities of the Company involving the Material, to the Company's actual and potential partners, collaborators, funding sources, contract research and development service providers, and/or as otherwise permitted under confidentiality terms equivalent to those contained in herein,

7. Ownership of Intellectual Property. Recipient agrees that any Intellectual Property conceived, developed or reduced to practice by or on behalf of Recipient in the course of the research or within one (1) year following conclusion of the Research Plan shall be promptly and fully disclosed to the Company and shall be the sole property of the Company. Recipient disclaims any rights to such Intellectual Property and shall not assert any copyright, patent or other claim to its use, production or development in whole or in part. Recipient shall, upon the request of the Company and at the Company's cost and expense, submit to the Company any information and execute any and all documentation necessary for the Company to obtain copyrights or patents in the name of the Company or otherwise perfect its interests in such Intellectual Property.

8. NO WARRANTY. THE MATERIAL IS EXPERIMENTAL IN NATURE, AND IS PROVIDED WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE. THE COMPANY MAKES NO REPRESENTATION AND PROVIDES NO WARRANTY THAT THE USE OF THE MATERIAL WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT. RECIPIENT ACCEPTS THE MATERIAL "AS IS."

9. Indemnification. In no event shall the Company be liable for any use by Recipient of the Materials. Recipient shall indemnify, defend and hold harmless the Company and its

directors, officers, employees, representatives and agents against all damages, expenses (including without limitation legal expenses), claims, demands, suits or other actions arising from Recipient's and acceptance of the Material, performance of the Research Plan, and/or disposal of the Material or any progeny or derivative thereof created by Recipient in performance of the Research Plan hereunder. This indemnification shall indefinitely survive expiration or termination of this Agreement.

10. Confidentiality Obligation. Each of the Company and Recipient (the "Receiving Party") shall keep strictly confidential any information disclosed in writing, orally or in any other manner by the other Party (the "Disclosing Party") or otherwise made available to the Receiving Party, concerning the business, operations, trade secrets, know how, intellectual property, data, regulatory information or other proprietary information of the Disclosing Party ("Confidential Information"), using at least the same degree of care that it uses to protect its own confidential or proprietary information but at a minimum a commercially reasonable standard of care. "Confidential Information" shall not include information which the Receiving Party can demonstrate by clear and convincing evidence:

(i) is or becomes generally available to the public other than as a result of disclosure thereof by the Receiving Party;

(ii) is lawfully received by the Receiving Party on a nonconfidential basis from a third party that is not itself under any obligation of confidentiality or nondisclosure to the Disclosing Party or any other person or entity with respect to such information;

(iii) was independently developed by the Receiving Party without use of, or reference to, the Confidential Information of the Disclosing Party; or

(iv) was in the possession of the Receiving Party at the time of disclosure by the other Disclosing Party and was not acquired, directly or indirectly from the Disclosing Party.

10. Nondisclosure of Confidential Information. The Receiving Party shall use Confidential Information solely for the Research Plan and shall not disclose or disseminate any Confidential Information to any person or entity at any time, except for disclosure to those of its directors, officers, employees, accountants, attorneys, advisers and agents whose duties reasonably require them to have access to such Confidential Information, provided that such directors, officers, employees, accountants, attorneys, advisers and agents are required to maintain the confidentiality of such Confidential Information and comply with the restrictions on use to the same extent as if they were parties hereto. The Receiving Party agrees that it shall be liable for the breach of any of the terms of this Agreement by any of its directors, officers, employees, accountants, attorneys, advisers and agents as if they were a party hereto.

11. Exception. The foregoing confidentiality (Section 8) and nondisclosure (Section 9) obligations shall not apply to information which is required to be publicly disclosed by law or by regulation; provided, however, that, in such event, the Receiving Party provides the Disclosing Party with prompt advance notice of such disclosure so that the Disclosing Party has

the opportunity, if it so desires, to seek a protective order or other appropriate remedy.

12. Term and Termination. This Agreement shall expire on the 3rd anniversary of the Effective Date, but may be terminated by either Party prior to such time, provided the terminating party has provided thirty (30) days prior written notice to the other Party. The confidentiality, nondisclosure and/or restrictions on use obligations contained this Agreement shall survive the expiration or termination of this Agreement and remain in effect for a period of five (5) years following the expiration or termination of this Agreement.

13. Return. Upon expiration or termination, Recipient shall promptly return to the Company all the Material in its possession or otherwise dispose of such Material, at the Company's written direction. Upon expiration or termination, the Receiving Party shall return to the Company, upon written request, any and all manifestations of Confidential Information of the Disclosing Party, except that the Receiving Party's legal counsel may retain one copy of such Confidential Information for archival purposes solely to determine its rights and obligations hereunder; provided, however, all such Confidential Information shall remain subject to the terms here so long as it remains in the possession or control of the Disclosing Party.

14. Miscellaneous.

(i) The person authorized by the Company to act and perform tasks under this Agreement are XXXXX

(ii) The person authorized by the Recipient to act and perform tasks under this Agreement is XXXXX

(iii) This Agreement shall be governed by and construed in accordance with the substantive laws of the Commonwealth of Massachusetts without giving any effect to any principles that may provide for application of the laws of another jurisdiction. Any claim or controversy arising out of or related to this Agreement or any breach hereof shall be submitted to a state or federal court of applicable jurisdiction in the Commonwealth of Massachusetts and each Party hereby consents to the jurisdiction and exclusive venue of such courts.

(iv) This Agreement constitutes the entire understanding between the Parties hereto as to the subject matter hereof;

(v) This Agreement may be manually executed in writing in any number of counterparts. All counterparts shall collectively constitute one and the same Agreement.

(vi) This Agreement shall not be assigned or delegated, in whole or in part, by the Recipient without the prior written consent of Company and any attempted assignment or delegation without such consent shall be null and void. Notwithstanding the above, either Party may assign its rights and delegate its obligations under this Agreement in their entirety to a purchaser, acquirer, or other successor in interest to all or substantially all of its business or assets. This Agreement shall inure to the benefit of and is binding upon each of the Parties hereto and their respective successors and permitted assigns.

(vii) The recitals set forth at the start of this Agreement along with the Exhibits

attached to this Agreement and the terms and conditions incorporated in such recitals and Exhibits shall be deemed integral parts of this Agreement and all references in this Agreement to "this Agreement" shall encompass such recitals and Exhibits and the terms and conditions thereof.

(viii) This Agreement may be varied, amended, or extended only by written agreement specifically referring to this Agreement and executed by the Parties' respective duly authorized officers or Representatives.

(ix) In the event the implementation of any of the provisions of this Agreement presents a material risk of imposition of legal sanctions, or if any provision of this Agreement is held invalid, illegal, or unenforceable in any jurisdiction, the Parties shall promptly negotiate in good faith a lawful, valid and enforceable provision that is as similar in terms to the invalid provision as may be possible while giving effect to the future benefits and burdens accruing to the Parties hereunder and which removes the risk, if any, of the imposition of legal sanctions. The remaining provisions of this Agreement shall remain binding on the Parties hereto. The descriptive headings of the several sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(x) No failure or delay on the part of either Party in the exercise of any power or right hereunder shall operate as a waiver thereof. No single or partial exercise of any right or power hereunder shall operate as a waiver of such right or of any other right or power. The waiver by either Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder.

(xi) The remedies provided in this Agreement are not exclusive and the Party suffering from a breach or default of this Agreement may pursue all other remedies, both legal and equitable, alternatively or cumulatively. No express or implied waiver by a Party of any breach or default will be construed as a waiver of a future or subsequent breach or default. The failure or delay of either Party in exercising any of its rights under this Agreement will not constitute a waiver of any such right, and any single or partial exercise of any particular right by either Party will not exhaust the same or constitute a waiver of any other right provided in this Agreement.

(xii) Either Party shall execute such other instruments, give such further assurances, and perform acts reasonably necessary or appropriate to effectuate the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto, acting through their duly authorized officers, have executed this Agreement as of the Effective Date.

ARQULE, INC.

By: _____

Name: _____
Date: _____

ST. ANNE´S UNIVERSITY HOSPITAL IN BRNO

By:
Name: _____
Date: 15.2.2018

SCHEDULE 1 TO
MATERIAL TRANSFER AND CONFIDENTIALITY AGREEMENT

This Research Plan (this "RP") is made and entered into as of February 15, 2018 (the "Effective Date"), by and between ArQule, Inc. ("ArQule" or "Company"), and St. Anne´s University Hospital in Brno ("FNUSA" or "Recipient") pursuant to the Material Transfer Agreement between them dated as of February 15, 2018, as the same may be amended from time to time by the parties (the "Agreement"). This RP and any attached exhibit(s) or schedule(s), shall be governed by the terms and conditions of the Agreement. All other terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms used herein without definition shall have the same respective meanings as those ascribed to them in the Agreement.

1. Summary Description of Project: XXXXX

2. Proprietary Materials: XXXXX

3. Services: The Recipient undertakes to provide to the Company services consisting of: Conduct in life studies and post mortem analysis of the effects of dosing XXXXX.

4. Reports and Deliverables: Within 12 months from the Effective Date: collect preliminary data; Within 24 months from the Effective Date: submit final report to ArQule. The report must contain at least the following essential elements: the analysis methodology, the input materials, the results of the analysis and the discussion.

5. Methods and Specifications: Experiments will be conducted in wildtype mice strain and a strain carrying the above specified FGFR3 mutation. Different concentrations of ARQ 087 (0.5, 1, 5, 10, 50, 250, 1000 and 2000 μM) will be intraperitoneally or subcutaneously injected into newborn mice, and their rate of postnatal growth will be compared with control animals from the same litter injected with the ARQ 087's vehicle dimethyl sulfoxide (DMSO). Animals will be injected every week for 28 days, and their weight, body and tail lengths will be recorded. ~20 animals will be analyzed in every experimental group, which is some 160 animals in ARQ 087 and the same amounts in DMSO group. A detailed histology of the femoral growth plate cartilages will be obtained. During the skeletal evaluations, we will also focus on several distinct phenotypes of pathological FGFR3 signaling in skeleton, to see if these abnormalities can also be corrected by ARQ 087. If this is technically challenging, *ex vivo* explant cultures of isolated calvaria, skull base or vertebral column (up to 8 days in the presence of ARQ 087 or vehicle) will be used instead. The bone structure and mineral density will be also determined, by μCT, to see if ARQ 087 restores the lower bone mass caused by activating FGFR3 mutations. Skeletal preparations will be made and the length of skull, scapula, femur, radius and ulna will be measured and compared in animals treated with ARQ 087 and those injected with

DMSO. The general shape of the bones and the morphologies of individual processes and prominences will be also determined.

6. Performance Schedule: Length of the study (from the Effective Date): one year to collect preliminary data in all proposed experiments; two years to delivery to ArQule of the final report and a manuscript for review prior to its submission for publication

7. Payment:

   (i) The Parties agreed, that the price for the services according the paragraph 3 is 20,000 USD without VAT.
   (ii) The price for services shall be paid by the Company via wire transfer to the Recipient´s bank account stated in the header of the Agreement based on invoices issued by the Recipient. The invoice due date is 30 days from the date of its delivery to the Company.
   (iii) The price for services shall be paid in two equal installments, the first one based on invoice issued after the contract signature and the second one based on invoice issued after the submission of final report but no later than December 31, 2019.
   (iv) All sums payable under this RP shall be paid in The United States Dollars (USD).

ARQULE, INC.	ST ANNE´S UNIVERSITY HOSPITAL IN BRNO
_____	_____
Name: Brian Schwartz	Name: Martin Pavlik
Title: Chief Medical Officer	Title: Director