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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2013

or

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

For the transition period from _____ to _____

Commission file number: 000-50633

CYTOKINETICS, INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	**94-3291317**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
280 East Grand Avenue South San Francisco, California	**94080**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (650) 624-3000

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

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

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

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

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

Number of shares of common stock, $0.001 par value, outstanding as of July 26, 2013: 29,352,458.

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FOR THE QUARTER ENDED JUNE 30, 2013

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CYTOKINETICS, INCORPORATED
(A Development Stage Enterprise)
CONDENSED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	June 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 17,057	$ 14,907
Short-term investments	58,596	59,093
License fee receivable	16,000	—
Related party accounts receivable	—	4
Prepaid and other current assets	1,967	2,423
Total current assets	93,620	76,427
Property and equipment, net	809	997
Other assets	126	127
Total assets	$ 94,555	$ 77,551
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,801	$ 2,002
Accrued liabilities	6,706	4,877
Deferred revenue, current	25,529	—
Related party payables and accrued liabilities	—	150
Short-term portion of deferred rent	10	76
Total current liabilities	34,046	7,105
Deferred revenue, non-current	8,000	—
Long-term portion of deferred rent	520	361
Total liabilities	42,566	7,466
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value:	—	—
Authorized: 10,000,000 shares;		
Issued and outstanding: Series B convertible preferred stock — 4,000 shares at June 30, 2013 and 23,026 shares at December 31, 2012		
Common stock, $0.001 par value:		
Authorized: 81,500,000 shares;		
Issued and outstanding: 28,685,215 shares at June 30, 2013 and 23,742,911 shares at December 31, 2012	29	24
Additional paid-in capital	528,501	518,923
Accumulated other comprehensive income	(1)	18
Deficit accumulated during the development stage	(476,540)	(448,880)
Total stockholders' equity	51,989	70,085
Total liabilities and stockholders' equity	$ 94,555	$ 77,551

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

CYTOKINETICS, INCORPORATED
(A Development Stage Enterprise)
CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended		Period from August 5, 1997 (Date of Inception) to June 30, 2013
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	
Revenues:					
Research and development revenues from related parties	$ 563	$ 1,095	$ 891	$ 2,271	$ 56,219
Research and development, grant and other revenues	446	746	939	1,390	10,311
License revenues from related parties	—	—	—	—	112,935
Total revenues	1,009	1,841	1,830	3,661	179,465
Operating expenses:					
Research and development	12,347	8,242	22,181	16,987	510,296
General and administrative	3,730	2,568	7,364	5,624	163,745
Restructuring charges (reversals)	—	(13)	—	(54)	3,586
Total operating expenses	16,077	10,797	29,545	22,557	677,627
Operating loss	(15,068)	(8,956)	(27,715)	(18,896)	(498,162)
Interest and other, net	27	13	55	26	21,596
Loss before income taxes	(15,041)	(8,943)	(27,660)	(18,870)	(476,566)
Income tax benefit	—	—	—	—	(26)
Net loss	(15,041)	(8,943)	(27,660)	(18,870)	(476,540)
Deemed dividend related to beneficial conversion feature of convertible preferred stock	—	(1,307)	—	(1,307)	(4,164)
Net loss allocable to common stockholders	$ (15,041)	$(10,250)	$(27,660)	$ (20,177)	$ (480,704)
Net loss per share allocable to common stockholders — basic and diluted	$ (0.58)	$ (0.76)	$ (1.11)	$ (1.54)	
Weighted-average number of shares used in computing net loss per share allocable to common stockholders — basic and diluted	25,773	13,538	24,896	13,109	
Comprehensive loss	$(15,051)	$ (8,942)	$(27,678)	$ (18,874)	$ (476,540)

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

CYTOKINETICS, INCORPORATED
(A Development Stage Enterprise)
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended		Period from August 5, 1997 (Date of Inception) to June 30, 2013
	June 30, 2013	June 30, 2012	
Cash flows from operating activities:			
Net loss	$(27,660)	$ (18,870)	$ (476,540)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization of property and equipment	244	322	29,498
Loss on disposal of equipment	(3)	(2)	296
Non-cash impairment charges	—	—	103
Non-cash restructuring expenses, net of reversals	—	(54)	636
Non-cash interest expense	—	—	504
Non-cash forgiveness of loans to officers	—	—	434
Stock-based compensation	2,096	1,812	38,224
Non-cash warrant expense	—	—	1,626
Other non-cash expenses	—	—	141
Changes in operating assets and liabilities:			
License fee receivable	(16,000)	—	(16,000)
Related party accounts receivable	4	11	(351)
Prepaid and other assets	456	(379)	(2,122)
Accounts payable	(72)	(137)	1,966
Accrued and other liabilities	1,958	(127)	6,962
Related party payables and accrued liabilities	(150)	(12)	—
Deferred revenue	33,529	—	33,529
Net cash used in operating activities	(5,598)	(17,436)	(381,094)
Cash flows from investing activities:			
Purchases of investments	(39,069)	(26,888)	(1,091,312)
Proceeds from sales and maturities of investments	39,547	30,253	1,012,774
Proceeds from sales of auction rate securities	—	—	20,025
Purchases of property and equipment	(221)	(20)	(31,382)
Proceeds from sales of property and equipment	3	2	146
Decrease in restricted cash	—	196	—
Issuance of related party notes receivable	—	—	(1,146)
Proceeds from repayments of notes receivable	—	—	859
Net cash provided by (used in) investing activities	260	3,543	(90,036)
Cash flows from financing activities:			
Proceeds from initial public offering, sale of common stock to related party, and public offerings, net of issuance costs	7,483	43,687	258,031
Proceeds from draw down of committed equity financing facilities and at-the-market facility, net of commission and issuance costs	—	2,819	58,095
Proceeds from other issuances of common stock and warrants, net	5	39	17,784
Proceeds from issuance of preferred stock, net of issuance costs	—	12,321	154,819
Repurchase of common stock	—	—	(68)
Proceeds from loan with UBS	—	—	12,441
Repayment of loan with UBS	—	—	(12,441)
Proceeds from equipment financing lines	—	—	23,696
Repayment of equipment financing lines	—	(152)	(24,170)
Net cash provided by financing activities	7,488	58,714	488,187
Net increase in cash and cash equivalents	2,150	44,821	17,057
Cash and cash equivalents, beginning of period	14,907	18,833	—
Cash and cash equivalents, end of period	$ 17,057	$ 63,654	$ 17,057

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

CYTOKINETICS, INCORPORATED
(A Development Stage Enterprise)
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies

Overview

Cytokinetics, Incorporated (the "Company", "we" or "our") was incorporated under the laws of the state of Delaware on August 5, 1997. The Company is a clinical-stage biopharmaceutical company focused on the discovery and development of novel small molecule therapeutics that modulate muscle function for the potential treatment of serious diseases and medical conditions. The Company is a development stage enterprise and has been primarily engaged in conducting research, developing drug candidates and technologies, and raising capital.

The Company's financial statements contemplate the conduct of the Company's operations in the normal course of business. The Company has incurred an accumulated deficit of $476.5 million since inception and there can be no assurance that the Company will attain profitability. The Company had a net loss of $27.7 million and net cash used in operations of $5.6 million for the six months ended June 30, 2013. Cash, cash equivalents and investments increased to $75.7 million at June 30, 2013 from $74.0 million at December 31, 2012 due principally to cash receipts from licensing transactions. The Company anticipates that it will continue to have operating losses and net cash outflows in future periods.

The Company is subject to risks common to development stage companies including, but not limited to, development of new drug candidates, dependence on key personnel, and the ability to obtain additional capital as needed to fund its future plans. The Company's liquidity will be impaired if sufficient additional capital is not available on terms acceptable to the Company. To date, the Company has funded its operations primarily through sales of its common stock and convertible preferred stock, contract payments under its collaboration agreements, debt financing arrangements, government grants and interest income. Until it achieves profitable operations, the Company intends to continue to fund operations through payments from strategic collaborations, additional sales of equity securities, government grants and debt financings. The Company has never generated revenues from commercial sales of its drugs and may not have drugs to market for at least several years, if ever. The Company's success is dependent on its ability to enter into new strategic collaborations and/or raise additional capital and to successfully develop and market one or more of its drug candidates. As a result, the Company may choose to raise additional capital through equity or debt financings to continue to fund its operations in the future. The Company cannot be certain that sufficient funds will be available from such a financing or through a collaborator when required or on satisfactory terms. Additionally, there can be no assurance that the Company's drug candidates will be accepted in the marketplace or that any future products can be developed or manufactured at an acceptable cost. These factors could have a material adverse effect on the Company's future financial results, financial position and cash flows.

Based on the current status of its research and development plans, the Company believes that its existing cash, cash equivalents and investments at June 30, 2013 will be sufficient to fund its cash requirements for at least the next 12 months. If, at any time, the Company's prospects for financing its research and development programs decline, the Company may decide to reduce research and development expenses by delaying, discontinuing or reducing its funding of one or more of its research or development programs. Alternatively, the Company might raise funds through strategic collaborations, public or private financings or other arrangements. Such funding, if needed, may not be available on favorable terms, or at all.

The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and 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. The financial statements include all adjustments (consisting only of normal recurring adjustments) that management believes are necessary for the fair statement of the balances and results for the periods presented. These interim financial statement results are not necessarily indicative of results to be expected for the full fiscal year or any future interim period.

The balance sheet at December 31, 2012 has been derived from the audited financial statements at that date. The financial statements and related disclosures have been prepared with the presumption that users of the interim financial statements have read or have access to the audited financial statements for the preceding fiscal year. Accordingly, these financial statements should be read in conjunction with the audited financial statements and notes thereto contained in the Company's Form 10-K for the year ended December 31, 2012, as filed with the SEC on March 15, 2013.

Significant Accounting Policies

The Company's significant accounting policies are disclosed in its annual report on Form 10-K for the year ended December 31, 2012, as filed with the SEC on March 15, 2013, and have not changed as of June 30, 2013, except as noted below.

Reverse Stock Split

On June 24, 2013, the Company effected a one-for-six reverse stock split of its common stock through an amendment to its amended and restated certificate of incorporation (the "COI Amendment"). As of the effective time of the reverse stock split, every six shares of the Company's issued and outstanding common stock were converted into one issued and outstanding share of common stock, without any change in par value per share. The reverse stock split affected all shares of the Company's common stock outstanding immediately prior to the effective time of the reverse stock split, as well as the number of shares of common stock available for issuance under the Company's equity incentive plans. In addition, the reverse stock split effected a reduction in the number of shares of common stock issuable upon the conversion of shares of preferred stock or upon the exercise of stock options or warrants outstanding immediately prior to the effectiveness of the reverse stock split. No fractional shares were issued as a result of the reverse stock split. Stockholders who would otherwise have been entitled to receive a fractional share received cash payments in lieu thereof. In addition, the COI Amendment reduced the number of authorized shares of common stock to 81.5 million.

As the par value per share of the Company's common stock remained unchanged at $0.001 per share, a total of $139,000 was reclassified from common stock to additional paid-in capital. All references to shares of common stock and per share data for all periods presented in the accompanying condensed financial statements and notes thereto have been adjusted to reflect the reverse stock split on a retroactive basis.

Recently Adopted Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Statement Update ("ASU") 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* . This update requires entities to disclose items reclassified out of accumulated other comprehensive income and into net income in a single location within the financial statements. This new guidance is effective for the Company beginning January 1, 2013, with early adoption permitted. On January 1, 2013, the Company adopted this new accounting guidance and will disclose reclassifications out of accumulated other comprehensive income and into net income in the footnotes to the financial statements.

Accounting Pronouncements Not Yet Adopted

None.

Note 2. Net Loss Per Share

Basic net loss per share allocable to common stockholders is computed by dividing net loss allocable to common stockholders by the weighted average number of vested common shares outstanding during the period. Diluted net loss per share allocable to common stockholders is computed by giving effect to all potentially dilutive common shares, including outstanding stock options, unvested restricted stock units, warrants, convertible preferred stock and shares issuable under the Company's Employee Stock Purchase Plan ("ESPP"), by applying the treasury stock method. The following is the calculation of basic and diluted net loss per share allocable to common stockholders (in thousands, except per share data):

	Three Months Ended		Six Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Net loss	$(15,041)	$ (8,943)	$(27,660)	$(18,870)
Deemed dividend related to beneficial conversion feature of convertible preferred stock	—	(1,307)	—	(1,307)
Net loss allocable to common stockholders	$(15,041)	$(10,250)	$(27,660)	$(20,177)
Weighted-average common shares outstanding (weighted average number of shares used in computing net loss per share allocable to common stockholders) — basic and diluted	25,773	13,538	24,896	13,109
Net loss per share allocable to common stockholders — basic and diluted	$ (0.58)	$ (0.76)	$ (1.11)	$ (1.54)

The following instruments were excluded from the computation of diluted net loss per share for the periods presented because their effect would have been antidilutive (in thousands):

	Three and Six Months Ended	
	June 30, 2013	June 30, 2012
Options to purchase common stock	2,495	1,881
Warrants to purchase common stock	7,692	9,009
Series A convertible preferred stock (as converted to common stock)	—	1,345
Series B convertible preferred stock (as converted to common stock)	667	3,838
Restricted stock units	254	474
Shares issuable related to the ESPP	12	8
Total shares	11,120	16,555

Note 3. Supplemental Cash Flow Data

Supplemental cash flow data was as follows (in thousands):

	Six Months Ended		Period from August 5, 1997 (date of inception) to June 30, 2013
	June 30, 2013	June 30, 2012	
Significant non-cash investing and financing activities:			
Deferred stock-based compensation	$ —	$ —	$ 6,940
Purchases of property and equipment through accounts payable	129	—	129
Purchases of property and equipment through accrued liabilities	37	—	37
Purchases of property and equipment through trade in value of disposed property and equipment	—	—	258
Penalty on restructuring of equipment financing lines	—	—	475
Conversion of convertible preferred stock to common stock	—	—	133,172
Warrants issued in equity financing	—	—	1,585

Note 4. Related Party Research and Development Arrangements

Amgen Inc. ("Amgen")

In 2006, the Company entered into a collaboration and option agreement with Amgen to discover, develop and commercialize novel small molecule therapeutics, including omecamtiv mecarbil, that activate cardiac muscle contractility for potential applications in the treatment of heart failure (the "Amgen Agreement"). The agreement granted Amgen an option to obtain an exclusive license worldwide, except Japan, to develop and commercialize omecamtiv mecarbil and other drug candidates arising from the collaboration. In 2009, Amgen exercised its option.

In June 2013, the Company and Amgen amended the Amgen Agreement to expand Amgen's exclusive license to include Japan, resulting in a worldwide collaboration (the "Amgen Agreement Amendment"). Under the Amgen Agreement Amendment, the Company received a non-refundable upfront license fee of $15 million. As of June 30, 2013, the Company determined that all conditions necessary for revenue recognition under Accounting Standards Codification ("ASC") 605-10 had not been met and accordingly, will defer the revenue attributable to the Amgen Agreement Amendment until the criteria of ASC 605-10 have been satisfied.

In conjunction with the Amgen Agreement Amendment, the Company also entered into a common stock purchase agreement with Amgen, which provided for the sale of 1,404,100 shares of the Company's common stock at a price per share of $7.12 and an aggregate purchase price of $10.0 million which was received in June 2013. Under the terms of this agreement, Amgen has agreed to certain trading and other restrictions with respect to the Company's common stock. The Company determined the fair value of the stock issued to Amgen to be $7.5 million. The excess of cash received over fair value of $2.5 million was deferred and will be allocated between the license and services based on their relative selling prices using best estimate of selling price. Allocated consideration will be recognized as revenue as revenue criteria is satisfied, or as services are performed over approximately 12 months.

At June 30, 2013, the Company had $17.5 million of deferred revenue under the Amgen Amendment Agreement.

Under the Amgen Agreement Amendment, the Company plans to conduct a Phase I pharmacokinetic study intended to support inclusion of Japan in a potential Phase III clinical development program and potential global registration dossier for omecamtiv mecarbil. Amgen will reimburse the Company for the costs of this study. In addition, the Company is eligible to receive additional pre-commercialization milestone payments relating to the development of omecamtiv mecarbil in Japan of up to $50 million, and royalties on net sales of omecamtiv mecarbil in Japan. Such royalty rates will range from the high single digits to the low teens. The Company has determined that the additional milestones are not substantive, as they are primarily the result of Amgen's performance and therefore revenue will be recognized as the Company completes any performance obligations, or if all performance obligations have been delivered at the point the milestone is reached, the revenue from the milestone would be recognized at that time.

Pursuant to the Amgen Agreement, the Company has recognized research and development revenue from Amgen for reimbursements of its costs of certain full-time employee equivalents ("FTEs") supporting a collaborative research program directed to the discovery of next-generation cardiac sarcomere activator compounds and of other costs related to that research program. These reimbursements were recorded as research and development revenues from related parties. Revenue from Amgen was as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
FTE reimbursements	$ 563	$1,095	$ 891	$2,268
Reimbursements of other costs	—	—	—	3
Total research and development revenues from Amgen	563	1,095	891	2,271
Total revenue from Amgen	$ 563	$1,095	$ 891	$2,271

At December 31, 2012 and June 30, 2013, there were no related party receivables under the Amgen Agreement.

Note 5. Other Research and Development Revenue Arrangements

Grants

In 2010, the National Institute of Neurological Disorders and Stroke ("NINDS") awarded the Company a $2.8 million grant to support research and development of tirasemtiv, a fast skeletal troponin activator currently in Phase II clinical trials, directed to the potential treatment of myasthenia gravis for a period of up to three years. In September 2012, the NINDS awarded the Company an additional $0.5 million for this program under a separate grant. Management determined that the Company was the principal participant in the grant arrangement, and, accordingly, the Company recorded amounts earned under the arrangement as revenue. The project period for both of these grants ended June 30, 2013.

The Company recognized grant revenue under this grant arrangement as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
NINDS myasthenia gravis	$ 11	$ 334	$ 69	$ 632

Other Research and Development Arrangements

As part of an initiative to seek certain more focused collaborations intended to offset certain research costs, the Company entered into agreements with two early-stage biopharmaceutical companies during 2011 and 2012.

In October 2011, the Company entered into a collaboration agreement with Global Blood Therapeutics, Inc. (formerly called Global Blood Targeting, Inc.) ("Global Blood"). Under an agreed research plan, scientists from Global Blood and our FTEs conducted research focused on small molecule therapeutics that target the blood. The Company provided Global Blood access to certain research facilities, FTEs and other resources at agreed reimbursement rates that approximated our costs. In April 2012, the Company extended this agreement through December 2012. The Company was the primary obligor in the collaboration arrangement, and accordingly, the Company recorded expense reimbursements from Global Blood as research and development revenue.

Research and development revenue from Global Blood was as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Expense reimbursements from Global Blood Therapeutics	$ —	$ 412	$ —	$ 758

In August 2012, the Company entered into a collaboration agreement with MyoKardia, Inc. Under an agreed research plan, scientists from MyoKardia and our FTEs conduct research focused on small molecule therapeutics that inhibit cardiac sarcomere proteins. The Company provided to MyoKardia access to certain research facilities, and continues to provide FTEs and other resources at agreed reimbursement rates that approximate our costs. The Company is the primary obligor in the collaboration arrangement, and accordingly, the Company records expense reimbursements from MyoKardia as research and development revenue.

Research and development revenue from MyoKardia was as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Expense reimbursements from MyoKardia	$ 410	$ —	$ 845	$ —

In June 2013, the Company entered into a collaboration and license agreement (the "Astellas Agreement") with Astellas Pharma Inc. ("Astellas"). The primary objective of the collaboration to be conducted under the Astellas Agreement is to advance novel therapies for diseases and medical conditions associated with muscle weakness.

Under the Astellas Agreement, the Company granted Astellas an exclusive license to co-develop and jointly commercialize CK-2127107, a fast skeletal troponin activator, for potential application in non-neuromuscular indications worldwide. CK-2127107, which is currently in Phase I clinical development, will be developed jointly by the Company and Astellas. The Company will be primarily responsible for the conduct of Phase I clinical trials and certain Phase II readiness activities for CK-2127107 and Astellas will be primarily responsible for the conduct of subsequent development and commercialization activities for CK-2127107.

The parties will jointly conduct research to identify next-generation skeletal muscle activators to be nominated as potential drug candidates, at Astellas' expense. Astellas has the exclusive rights to develop and commercialize fast skeletal troponin activators from this research program in non-neuromuscular indications and to develop and commercialize other novel mechanism skeletal muscle activators from this research program in all indications, subject to certain co-development and co-promotion rights of the Company under the Astellas Agreement. Astellas will be responsible for the costs associated with the development of all collaboration products, including CK-2127107.

The Company retains an option to conduct early-stage development for certain agreed upon indications at its initial expense, subject to reimbursement if development continues under the collaboration. The Company also retains an option to co-promote collaboration products in the United States and Canada. Astellas will reimburse the Company for certain expenses associated with its co-promotion activities.

In July 2013, the Company received an upfront payment of $16 million in connection with the execution of the Astellas Agreement, and is eligible to potentially receive over $24 million in reimbursement of sponsored research and development activities during the initial two years of the collaboration. Based on the achievement of pre-specified criteria, the Company may receive over $250 million in milestone payments relating to the development and commercial launch of collaboration products, including up to $112 million in development and commercial launch milestones for CK-2127107. The Company may also receive up to $200 million in payments for achievement of pre-specified sales milestones related to net sales of all collaboration products under the Astellas Agreement. In the event Astellas commercializes any collaboration products, the Company will also receive royalties on sales of such collaboration products, including royalties ranging from the high single digits to the high teens on sales of products containing CK-2127107. In addition to the foregoing development, commercial launch and sales milestones, the Company may also receive payments for the achievement of pre-specified milestones relating to the joint research program.

The Company retains the exclusive right to develop and commercialize tirasemtiv for the potential treatment of amyotrophic lateral sclerosis and other neuromuscular disorders independently from the Astellas Agreement.

As of June 30, 2013, the Company deferred revenue related to the Astellas Agreement in accordance with ASC 605-25. The Company evaluated whether the delivered elements under the arrangement have value on a stand-alone basis. Upfront, non-refundable, licensing payments are assessed to determine whether or not the licensee is able to obtain stand-alone value from the license. Where this is not the case, the Company does not consider the license deliverable to be a separate unit of accounting, and the revenue is deferred with revenue recognition for the license fee being recognized in conjunction with the other deliverables that constitute the combined unit of accounting.

The Company determined that the license and the research and development services are a single unit of accounting as the license was determined to not have stand-alone value. As of June 30, 2013, the Company deferred the $16 million upfront license fee and will recognize revenue ratably over the estimated performance period of the research term of two years.

The Company recognizes milestone payments utilizing the milestone method of revenue recognition. The Company believes the milestones related to research and early development are substantive as there is uncertainty that the milestones will be met, the milestone can only be achieved with the Company's past and current performance and the achievement of the milestone will result in

additional payment to the Company. The Company believes that the milestones related to later development and commercialization are not substantive as they are primarily the result of the collaborative partner's performance and therefore will be recognized as the Company completes its performance obligations under the agreement, if any. To date, the Company has not recognized any milestone revenue.

At June 30, 2013, the Company had $16 million of deferred revenue under the Astellas Agreement.

Note 6. Cash Equivalents and Investments

The amortized cost and fair value of cash equivalents and available for sale investments at June 30, 2013 and December 31, 2012 were as follows (in thousands):

	June 30, 2013				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Maturity Dates
Cash equivalents — money market funds	$ 15,410	$ —	$ —	$ 15,410	
Short-term investments — U.S. Treasury securities	$58,596	$ 7	$ (7)	$58,596	7/2013-6/2014

	December 31, 2012				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Maturity Dates
Cash equivalents — money market funds	$10,655	$ —	$ —	$10,655	
Short-term investments — U.S. Treasury securities	$59,075	$ 18	$ —	$ 59,093	1/2013-11/2013

As of June 30, 2013 and December 31, 2012, the Company's U.S. Treasury securities classified as short-term investments had unrealized losses of approximately $7,000 and zero, respectively. The Company collected the contractual cash flows on its U.S. Treasury securities that matured from January 1, 2013 through July 26, 2013, and expects to be able to collect all contractual cash flows on the remaining maturities of its U.S. Treasury securities.

Interest income was as follows (in thousands):

	Three Months Ended		Six Months Ended		Period from August 5, 1997(date of inception) to June 30,2013
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	
Interest income	$ 23	$ 8	$ 51	$ 22	$ 28,660

Note 7. Fair Value Measurements

The Company follows the fair value accounting guidance to value its financial assets and liabilities. Fair value is defined as the price that would be received for assets when sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that the Company believes market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable.

The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best information reasonably available. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers the security issuers' and the third-party insurers' credit risk in its assessment of fair value.

The Company classifies the determined fair value based on the observability of those inputs. Fair value accounting guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three defined levels of the fair value hierarchy are as follows:

Level 1 — Observable inputs, such as quoted prices in active markets for identical assets or liabilities;

Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or through corroboration with observable market data; and

Level 3 — Unobservable inputs, for which there is little or no market data for the assets or liabilities, such as internally-developed valuation models.

Financial assets measured at fair value on a recurring basis as of June 30, 2013 and December 31, 2012 were classified in one of the three categories described above as follows (in thousands):

	June 30, 2013			
	Fair Value Measurements Using			Assets
	Level 1	Level 2	Level 3	At Fair Value
Money market funds	$ 15,410	$—	$—	$ 15,410
U.S. Treasury securities	58,596	—	—	58,596
Total	$ 74,006	$—	$—	$ 74,006
Amounts included in:				
Cash and cash equivalents	$ 15,410	$—	$—	$ 15,410
Short-term investments	58,596	—	—	58,596
Total	$ 74,006	$—	$—	$ 74,006

	December 31, 2012			
	Fair Value Measurements Using			Assets
	Level 1	Level 2	Level 3	At Fair Value
Money market funds	$10,655	$—	$—	$ 10,655
U.S. Treasury securities	59,093	—	—	59,093
Total	$69,748	$—	$—	$ 69,748
Amounts included in:				
Cash and cash equivalents	$10,655	$—	$—	$ 10,655
Short-term investments	59,093	—	—	59,093
Total	$69,748	$—	$—	$ 69,748

The valuation technique used to measure fair value for the Company's Level 1 assets is a market approach, using prices and other relevant information generated by market transactions involving identical assets. As of June 30, 2013 and December 31, 2012, the Company had no financial assets measured at fair value on a recurring basis using significant Level 2 or Level 3 inputs.

The carrying amount of the Company's accounts receivable and accounts payable approximates fair value due to the short-term nature of these instruments.

Note 8. Stockholders' Equity (Deficit)

Accumulated Other Comprehensive Income

In the first six months of 2013, the Company reclassified insignificant amounts of unrealized gains (losses) on investments out of accumulated other comprehensive income into net loss.

Common stock

In conjunction with the Amgen Amendment Agreement (see Note 4), in June 2013, Amgen purchased 1,404,100 shares of the Company's common stock at a price per share of $7.12. The Company determined the fair value of the stock issued to Amgen to be $7.5 million. The excess of cash received over fair value of $2.5 million was deferred and will be recognized as revenue as services are performed over approximately 12 months.

Convertible Preferred Stock

Each share of Series B convertible preferred stock is convertible into common stock at any time at the holder's option. As a result of the one-for-six reverse stock split effected in June 2013, the conversion ratio for Series B convertible preferred stock changed from 1,000 shares of common stock per share of Series B convertible preferred stock to 166.67 shares of common stock per share of Series B convertible preferred stock.

In the first quarter of 2013, 4,000 shares of Series B convertible preferred stock were converted into 666,667 shares of common stock. In the second quarter of 2013, 15,026 shares of Series B convertible preferred stock were converted into 2,504,334 shares of common stock. On July 2, 2013, 4,000 shares of Series B convertible preferred stock, which represented all remaining shares of Series B convertible preferred stock, were converted into 666,667 shares of common stock. The conversions were in accordance with the terms of the original agreement under which the Series B convertible preferred stock was issued in 2012.

Warrants

In February 2013, warrants to purchase 1,000 shares of the Company's common stock at an exercise price of $5.28 per share were cash exercised in accordance with the June 20, 2012 underwriting agreements the Company entered into in connection with two separate, concurrent offerings for our securities (the "June 2012 Public Offerings").

In the second quarter of 2013, the Company issued 358,460 shares of common stock related to cashless exercise of warrants in accordance with the June 2012 Public Offerings.

MLV

On June 10, 2011, the Company entered into an At-The-Market Issuance Sales Agreement (the "MLV Agreement") with McNicoll, Lewis & Vlak LLC ("MLV"), pursuant to which the Company may issue and sell shares of common stock having an aggregate offering price of up to $20.0 million or 2,397,279 shares, whichever occurs first, from time to time through MLV as the sales agent. The issuance and sale of shares by the Company under the MLV Agreement, if any, are subject to the continued effectiveness of the Company's registration statement on Form S-3, which was declared effective by the SEC on June 23, 2011 (File No. 333-174869) and the terms and conditions of the MLV Agreement. As of December 31, 2012, the Company had issued a total of 862,592 shares through MLV for total net proceeds of approximately $5.3 million. As of July 26, 2013, there have been no further issuances of shares through MLV.

Stock Option Plans

Stock option activity for the six months ended June 30, 2013 under the Company's 2004 Equity Incentive Plan, as amended, and the Company's 1997 Stock Option/Stock Issuance Plan was as follows:

	Shares Available for Grant of Options or Awards	Stock Options Outstanding	Weighted Average Exercise Price per Share of Stock Options
Balance at December 31, 2012	878,711	1,790,527	$ 18.96
Options granted	(762,129)	762,129	5.91
Options exercised	—	(704)	9.24
Options forfeited	19,382	(19,382)	4.88
Options expired	37,459	(37,459)	14.17
Restricted stock units granted	(41,661)	—	—
Restricted stock units forfeited	4,999	—	—
Balance at June 30, 2013	136,761	2,495,111	$ 15.16

Restricted stock unit activity for the six months ended June 30, 2013 was as follows:

	Number of Shares	Weighted Average Award Date Fair Value per Share
Restricted stock units outstanding at December 31, 2012	216,913	$ 6.78
Restricted stock units granted	41,661	6.00
Restricted stock units forfeited	(4,999)	6.78
Unvested restricted stock units outstanding at June 30, 2013	253,575	$ 6.65

Note 9. Interest and Other, Net

Components of Interest and other, net were as follows (in thousands):

	Three Months Ended		Six Months Ended		Period from August 5, 1997 (date of inception) to June 30, 2013
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	
Interest income and other income	$ 23	$ 13	$ 52	$ 28	$ 29,152
Interest expense and other expense	4	—	3	(2)	(5,971)
Warrant expense	—	—	—	—	(1,585)
Interest and other, net	$ 27	$ 13	$ 55	$ 26	$ 21,596

Interest income and other income primarily consisted of interest income generated from the Company's cash, cash equivalents and investments. Interest expense and other expense primarily consisted of interest expense on borrowings under the Company's former equipment financing lines.

Warrant expense for the period from inception to June 30, 2013 was related to the change in the fair value of the warrant liability that was recorded in connection with the Company's registered direct equity offering in May 2009.

Note 10. Income Taxes

The Company follows the accounting guidance established by the FASB which defines the threshold for recognizing the benefits of tax return positions in the financial statements as "more-likely-than-not" to be sustained by the taxing authorities based solely on the technical merits of the position. If the recognition threshold is met, the tax benefit is measured and recognized as the largest amount of tax benefit that, in the Company's judgment, is greater than 50% likely to be realized.

The Company files income tax returns with the United States Internal Revenue Service ("IRS") and the state of California. For jurisdictions in which tax filings are made, the Company is subject to income tax examination for all fiscal years since inception. The IRS's Large Business and International Division concluded its audit of the 2009 tax year with no material adjustments. The Company believes that it maintains adequate reserves for uncertain tax positions.

In general, under section 382 of the Internal Revenue Code ("Section 382"), a corporation that undergoes an 'ownership change' is subject to limitations on its ability to utilize its pre-change net operating losses ("NOLs") and tax credits to offset future taxable income. The Company has performed a Section 382 analysis and does not believe that it has experienced an ownership change since 2006. A portion of the Company's existing NOLs and tax credits are subject to limitations arising from previous ownership changes. Future changes in the Company's stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 and result in additional limitations.

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

This discussion and analysis should be read in conjunction with our financial statements and accompanying notes included elsewhere in this report. Operating results are not necessarily indicative of results that may occur in future periods.

This report contains forward-looking statements that are based upon current expectations within the meaning of the Private Securities Litigation Reform Act of 1995. We intend that such statements be protected by the safe harbor created thereby. Forward-looking statements involve risks and uncertainties and our actual results and the timing of events may differ significantly from the results discussed in the forward-looking statements. Examples of such forward-looking statements include, but are not limited to, statements about or relating to:

- guidance concerning revenues, research and development expenses and general and administrative expenses for 2013;
- the sufficiency of existing resources to fund our operations for at least the next 12 months;
- our capital requirements and needs for additional financing;
- the initiation, design, conduct, enrollment, progress, timing and scope of clinical trials and development activities for our drug candidates conducted by ourselves or our partners, Amgen Inc. ("Amgen") and Astellas Pharma Inc. ("Astellas"), including the anticipated timing for initiation of clinical trials, anticipated rates of enrollment for clinical trials and anticipated dates of results becoming available or being announced from clinical trials;
- the results from the clinical trials and non-clinical and preclinical studies of our drug candidates and other compounds, and the significance and utility of such results;
- the ability of our amendment to the protocol of our BENEFIT-ALS clinical trial to maintain the originally intended statistical power of the trial;
- our plans to seek one or more strategic partners to develop and commercialize tirasemtiv;
- our and our partners' plans or ability to conduct the continued research and development of our drug candidates and other compounds;
- our expected roles in research, development or commercialization under our strategic alliances with Amgen and Astellas;
- the properties and potential benefits of, and the potential market opportunities for, our drug candidates and other compounds, including the potential indications for which they may be developed;
- the sufficiency of the clinical trials conducted with our drug candidates to demonstrate that they are safe and efficacious;
- our receipt of milestone payments, royalties, reimbursements and other funds from current or future partners under strategic alliances and sponsored research arrangements, such as with Amgen or Astellas;
- our ability to continue to identify additional potential drug candidates that may be suitable for clinical development;
- our plans or ability to commercialize drugs with or without a partner, including our intention to develop sales and marketing capabilities;
- the focus, scope and size of our research and development activities and programs;
- the utility of our focus on the cytoskeleton and the biology of muscle function, and our ability to leverage our experience in muscle contractility to other muscle functions;
- our ability to protect our intellectual property and to avoid infringing the intellectual property rights of others;
- expected future sources of revenue and capital;
- losses, costs, expenses and expenditures;
- future payments under loan and lease obligations;
- the expected recognition of revenue under our collaboration agreements;
- potential competitors and competitive products;
- retaining key personnel and recruiting additional key personnel;
- our monitoring for a potential ownership shift under Internal Revenue Code Section 382;
- expected future amortization of employee stock-based compensation; and
- the potential impact of recent accounting pronouncements on our financial position or results of operations.

Such forward-looking statements involve risks and uncertainties, including, but not limited to:

- our ability to acquire the funding necessary to conduct the one or more confirmatory Phase III clinical trials for tirasemtiv in patients with amyotrophic lateral sclerosis (also known as ALS or Lou Gehrig's disease) that we expect will be required to obtain marketing approval for tirasemtiv for the treatment of ALS;
- Amgen's decisions with respect to the timing, design and conduct of research and development activities for omecamtiv mecarbil, including decisions to postpone or discontinue research or development activities relating to omecamtiv mecarbil;
- Astellas' decisions with respect to the timing, design and conduct of research and development activities for CK-2127107, including decisions to postpone or discontinue research or development activities relating to CK-2127107;
- our ability to enter into partnership agreements for any of our programs on acceptable terms and conditions or in accordance with our planned timelines;
- our ability to obtain additional financing on acceptable terms, if at all;
- our receipt of funds and access to other resources under our current or future strategic alliances or sponsored research arrangements;
- difficulties or delays in the development, testing, production or commercialization of our drug candidates;
- difficulties or delays, or slower than anticipated patient enrollment, in our or partners' clinical trials;
- difficulties or delays in the manufacture and supply of clinical trial materials;
- failure by our contract research organizations, contract manufacturing organizations and other vendors to properly fulfill their obligations or otherwise perform as expected;
- results from non-clinical studies that may adversely impact the timing or the further development of our drug candidates and other compounds;
- the possibility that the U.S. Food and Drug Administration ("FDA") or foreign regulatory agencies may delay or limit our or our partners' ability to conduct clinical trials or may delay or withhold approvals for the manufacture and sale of our products;
- activities and decisions of, and market conditions affecting, current and future strategic partners;
- our ability to issue and sell shares of our common stock under our At-The-Market Issuance Sales Agreement with McNicoll, Lewis & Vlak LLC;
- changing standards of care and the introduction of products by competitors or alternative therapies for the treatment of indications we target that may make our drug candidates commercially unviable;
- changes in laws and regulations applicable to drug development, commercialization or reimbursement;
- the uncertainty of protection for our intellectual property, whether in the form of patents, trade secrets or otherwise;
- potential infringement or misuse by us of the intellectual property rights of third parties; and
- the timeliness and accuracy of information filed with the U.S. Securities and Exchange Commission (the "SEC") by third parties.

In addition such statements are subject to the risks and uncertainties discussed in the "Risk Factors" section and elsewhere in this document. Operating results reported are not necessarily indicative of results that may occur in future periods.

When used in this report, unless otherwise indicated, "Cytokinetics," "the Company," "we," "our" and "us" refers to Cytokinetics, Incorporated.

Overview

We were incorporated in Delaware in August 1997 as Cytokinetics, Incorporated. We are a clinical-stage biopharmaceutical company focused on the discovery and development of novel small molecule therapeutics that modulate muscle function for the potential treatment of serious diseases and medical conditions. Our research and development activities relating to the biology of muscle function have evolved from our knowledge and expertise regarding the cytoskeleton, a complex biological infrastructure that plays a fundamental role within every human cell. Our most advanced research and development programs relate to the biology of muscle function and are directed to small molecule modulators of the contractility of skeletal or cardiac muscle. We are also conducting earlier-stage research directed to other compounds with the potential to modulate muscle contractility and other muscle functions, such as growth, energetics and metabolism.

Our drug candidates currently in clinical development are our skeletal muscle activators, tirasemtiv and CK-2127107, and our cardiac muscle activator, omecamtiv mecarbil. Tirasemtiv is being evaluated for the potential treatment of ALS and other neuromuscular disorders. CK-2127107 is being evaluated for the potential treatment of non-neuromuscular indications associated with skeletal muscle weakness. Omecamtiv mecarbil is being evaluated for the potential treatment of heart failure.

Skeletal Muscle Contractility

Tirasemtiv is the lead drug candidate from this program, and is in Phase II clinical development. We are also developing another drug candidate from this program, CK-2127107, which is in a first-time-in-humans, Phase I clinical trial. Tirasemtiv and CK-2127107 are structurally distinct and selective small molecules that activate the fast skeletal muscle troponin complex in the sarcomere by increasing its sensitivity to calcium, leading to an increase in skeletal muscle contractility. We are evaluating potential indications for which tirasemtiv and CK-2127107 may be useful.

Each of tirasemtiv and CK-2127107 has demonstrated encouraging pharmacological activity in preclinical models. In our Phase I clinical trials of tirasemtiv in healthy volunteers, tirasemtiv appeared well-tolerated and no serious adverse events were reported. We have conducted three "evidence of effect" Phase IIa clinical trials of tirasemtiv: one in patients with ALS, one in patients with myasthenia gravis and one in patients with claudication associated with peripheral artery disease. Evidence of potentially clinically relevant pharmacodynamic effects was observed in each of these trials for their respective indications. In two further Phase II clinical trials of tirasemtiv in patients with ALS, encouraging trends toward functional improvements were observed in patients receiving tirasemtiv versus those receiving placebo. We are now conducting BENEFIT-ALS (Blinded Evaluation of Neuromuscular Effects and Functional Improvement with Tirasemtiv in ALS), a Phase IIb clinical trial of tirasemtiv in patients with ALS. We anticipate that we will need to conduct at least one confirmatory Phase III clinical trial of tirasemtiv in patients with ALS to gain marketing approval.

Tirasemtiv

ALS

In October 2012, we initiated BENEFIT-ALS, a multi-national, double-blind, randomized, placebo-controlled trial originally planned to enroll at least 400 patients and subsequently increased to enroll up to 500 patients. All patients begin treatment with open-label tirasemtiv at 125 mg twice daily. Patients who complete a week of open-label tirasemtiv at this starting dose are randomized 1-to-1 to receive 12 weeks of double-blind treatment with tirasemtiv or placebo. Clinical assessments take place monthly during double-blinded treatment. Randomized patients also participate in follow-up evaluations at both 7 and 28 days after their final dose of double-blind study drug. We are conducting BENEFIT-ALS at over 70 sites across the United States, Canada and several European countries. To date, we have enrolled over 500 patients in BENEFIT-ALS.

In July 2013, we were informed by our data management vendor that a programming error in the electronic data capture system controlling study drug assignment caused 58 patients initially randomized to and treated with tirasemtiv to receive placebo instead at a certain study visit and for the remainder of the study. No patients randomized to placebo were dispensed incorrect treatment. Cytokinetics and all clinical trial site personnel remain blinded to the specific patients affected by the error. Following detection of the error, we took steps to ensure that no further incorrect study drug assignments occurred and to correct the programming error in the electronic data capture system controlling study drug assignment. In addition, we convened an ad hoc meeting of the study's Data Safety Monitoring Board (DSMB) to assess whether the error in dispensing study drug had impacted the safety of the 58 affected patients. After review of the relevant safety data from BENEFIT-ALS, the DSMB reported no concerns regarding patient safety.

Following interactions with regulatory authorities, we amended the protocol for BENEFIT-ALS to enable increased enrollment to approximately 680 patients and to update the statistical methods section, in both cases with the objective to maintain the originally intended statistical power of the trial. Enrollment is expected to continue as the new protocol amendment becomes effective at participating investigative centers. We now expect to complete patient enrollment in BENEFIT-ALS during the second half of 2013, with results expected to be available in early 2014. These changes to BENEFIT-ALS are expected to increase the direct clinical trial costs by approximately $5 million in 2013 and 2014.

Myasthenia Gravis

In 2010, the National Institute of Neurological Disorders and Stroke ("NINDS") awarded us a grant of $2.8 million under the American Recovery and Reinvestment Act of 2009, which was intended to support three years of research and development of tirasemtiv for the potential treatment of myasthenia gravis. In September 2012, the NINDS awarded us an additional $0.5 million for this program under a separate grant. We recognized revenue under this grant in the first six months of 2013 and 2012 of $0.1 million and $0.6 million, respectively, which we recorded as research and development grant and other revenues.

CK-2127107

In April 2013, we announced the initiation of a first-time-in-humans Phase I clinical trial of CK-2127107 in healthy male volunteers, known as CY 5011. CY 5011 is a double-blind, randomized, placebo-controlled study designed to assess the safety, tolerability, and pharmacokinetics of single ascending oral doses of CK-2127107 administered in a three-period crossover design.

In June 2013 we entered into a collaboration and license agreement with Astellas (the "Astellas Agreement"). Under the Astellas Agreement, we granted Astellas an exclusive license to co-develop and jointly commercialize CK-2127107 for potential application in non-neuromuscular indications associated with skeletal muscle weakness worldwide. CK-2127107 will be developed jointly by Cytokinetics and Astellas. Cytokinetics will be primarily responsible for the conduct of Phase I clinical trials, including CY 5011, and certain Phase II readiness activities for CK-2127107. Astellas will be primarily responsible for the conduct of subsequent development and commercialization activities for CK-2127107.

The parties will jointly conduct research to identify next-generation skeletal muscle activators to be nominated as potential drug candidates, at Astellas' expense. Astellas has the exclusive rights to develop and commercialize fast skeletal troponin activators from this research program in non-neuromuscular indications and to develop and commercialize other novel mechanism skeletal muscle activators from this research program in all indications, subject to certain Cytokinetics' co-development and co-promotion rights. Astellas will be responsible for the costs associated with the development of all collaboration products, including CK-2127107.

Under the Astellas Agreement, we retain an option to conduct early-stage development for certain agreed indications at our initial expense, subject to reimbursement if development continues under the collaboration. We also retain an option to co-promote collaboration products in the United States and Canada. Astellas will reimburse us for certain expenses associated with our co-promotion activities.

In July 2013, we received an upfront payment of $16 million in connection with the execution of the Agreement, and we are eligible to potentially receive over $24 million in reimbursement of sponsored research and development activities during the initial two years of the collaboration. Based on the achievement of pre-specified criteria, we may receive over $250 million in milestone payments relating to the development and commercial launch of collaboration products, including up to $112 million in development and commercial launch milestones for CK-2127107. We may also receive up to $200 million in payments for achievement of pre-specified sales milestones related to net sales of all collaboration products under the Agreement. If Astellas commercializes any collaboration products, we will also receive royalties on sales of such collaboration products, including royalties ranging from the high single digits to the high teens on sales of products containing CK-2127107. In addition to these development, commercial launch and sales milestones, we may also receive payments for the achievement of pre-specified milestones relating to the joint research program.

The clinical trials programs for each of tirasemtiv and CK-2127107 may proceed for several years, and we will not be in a position to generate any revenues or material net cash flows from sales of this drug candidate until the program is successfully completed, regulatory approval is achieved, and the drug is commercialized. Tirasemtiv and CK-2127107 are each at too early a stage of development for us to predict if or when this may occur. Our expenditures will increase if and as we move tirasemtiv into later development. Our expenditures will also increase if Astellas terminates development of CK-2127107 or related compounds and we elect to develop them independently, or if we conduct early-stage development for certain agreed indications at our initial expense, subject to reimbursement if development continues under the collaboration.

We recorded research and development expenses for our skeletal muscle contractility program of approximately $17.0 million and $11.4 million in the first six months of 2013 and 2012, respectively. We anticipate that our expenditures on research and development in our skeletal muscle contractility program will increase significantly as we may continue the clinical development of tirasemtiv, CK-2127107 or other compounds from the skeletal muscle contractility program.

Cardiac Muscle Contractility

Our lead drug candidate from this program is omecamtiv mecarbil, a novel cardiac muscle myosin activator. In December 2006, we entered into a collaboration and option agreement with Amgen to discover, develop and commercialize novel small molecule therapeutics, including omecamtiv mecarbil, that activate cardiac muscle contractility for potential applications in the treatment of heart failure (the "Amgen Agreement"). The agreement granted Amgen an option to obtain an exclusive license worldwide, except Japan, to develop and commercialize omecamtiv mecarbil and other drug candidates arising from the collaboration.

In May 2009, Amgen exercised its option. As a result, Amgen became responsible for the development and commercialization of omecamtiv mecarbil and related compounds at its expense worldwide (excluding Japan), subject to our development and commercialization participation rights. Amgen will reimburse us for agreed research and development activities we perform under the collaboration. We are eligible for potential pre-commercialization and commercialization milestone payments of up to $600 million in the aggregate on omecamtiv mecarbil and other potential products arising from research under the collaboration, and royalties that escalate based on increasing levels of annual net sales of products commercialized under the agreement. The Amgen Agreement also provides for us to receive increased royalties by co-funding Phase III development costs of omecamtiv mecarbil and other drug candidates under the collaboration. If we elect to co-fund such costs, we would be entitled to co-promote the co-funded drug in North America and participate in agreed commercialization activities in institutional care settings, at Amgen's expense. In July 2013, Amgen announced that it had granted an option to commercialize omecamtiv mecarbil in Europe to Servier.

In June 2013, Cytokinetics and Amgen announced an amendment to the Amgen Agreement to include Japan, resulting in a worldwide collaboration (the "Amgen Agreement Amendment"). (See Note 4 to unaudited condensed financial statements.) Under the terms of the Amgen Agreement Amendment, we received a non-refundable upfront license fee of $15 million in June 2013. Under the Amgen Agreement Amendment, we plan to conduct a Phase I pharmacokinetic study intended to support inclusion of Japan in a potential Phase III clinical development program and potential global registration dossier for omecamtiv mecarbil. Amgen will reimburse us for the costs of this study. In addition, we are eligible to receive additional pre-commercialization milestone payments relating to the development of omecamtiv mecarbil in Japan of up to $50 million, and royalties on sales of omecamtiv mecarbil in Japan.

In conjunction with the Amgen Agreement Amendment, we also entered into a common stock purchase agreement which provided for the sale of 1,404,100 shares of our common stock to Amgen at a price per share of $7.12 and an aggregate purchase price of $10.0 million which was received in June 2013. Pursuant to this agreement, Amgen has agreed to certain trading and other restrictions with respect to our common stock. We determined the fair value of the stock issued to Amgen to be $7.5 million. The excess of cash received over fair value of $2.5 million was deferred and will be recognized as revenue as services are performed over approximately 12 months.

Omecamtiv Mecarbil. We expect omecamtiv mecarbil to be developed as a potential treatment across the continuum of care in heart failure, both as an intravenous formulation for use in the hospital setting and as an oral formulation for use in the outpatient setting. Amgen is currently conducting clinical trials of omecamtiv mecarbil in collaboration with Cytokinetics.

In March 2013, we announced that enrollment was completed in ATOMIC-AHF (Acute Treatment with Omecamtiv Mecarbil to Increase Contractility in Acute Heart Failure). ATOMIC-AHF is an international, randomized, double-blind, placebo-controlled, Phase IIb clinical trial of intravenous omecamtiv mecarbil in patients with left ventricular systolic dysfunction hospitalized with acutely decompensated heart failure. This clinical trial enrolled over 600 patients in three sequential, ascending-dose cohorts. In each cohort, patients were randomized to receive omecamtiv mecarbil or placebo. The primary efficacy objective of this trial was to evaluate the effect of 48 hours of intravenous omecamtiv mecarbil compared to placebo on dyspnea (shortness of breath). The secondary objectives were to assess the safety and tolerability of three dose levels of intravenous omecamtiv mecarbil compared with placebo and to evaluate the effects of 48 hours of treatment with intravenous omecamtiv mecarbil on additional measures of dyspnea, patients' global assessments, change in N-terminal pro brain-type natriuretic peptide (a biomarker associated with the severity of heart failure) and short-term clinical outcomes in these patients. In addition, the trial evaluated the relationship between plasma concentrations of omecamtiv mecarbil and echocardiographic parameters in patients with acute heart failure. The results from ATOMIC-AHF are planned to be presented at the European Society of Cardiology Congress and the Heart Failure Society of America conference, both in September 2013.

In March 2013, we announced the initiation of dosing of patients in COSMIC-HF (Chronic Oral Study of Myosin Activation to Increase Contractility in Heart Failure). COSMIC-HF is a Phase II, double-blind, randomized, placebo-controlled, multicenter, dose escalation study designed to evaluate several modified-release oral formulations of omecamtiv mecarbil in patients with heart failure and left ventricular systolic dysfunction. The primary objectives of this trial are to select an oral modified release formulation and doses of omecamtiv mecarbil for chronic twice-daily dosing in patients with heart failure and left ventricular systolic dysfunction and to characterize its pharmacokinetics after 12 weeks of treatment. The secondary objective is to evaluate the safety and tolerability of oral omecamtiv mecarbil. In addition, we will have an opportunity to evaluate the potential for sustained pharmacodynamic effects and their relationship to the pharmacokinetics of this drug candidate. We expect that over 400 patients will be enrolled in this clinical trial. In July 2013, we announced the opening of enrollment for the second cohort of the dose-escalation phase in COSMIC-HF. We expect that Amgen will initiate the expansion phase of this trial by the end of 2013.

During the quarter, Cytokinetics and Amgen reviewed results from a recently completed Phase I, open-label, single-dose clinical trial designed to compare the pharmacokinetics of omecamtiv mecarbil in patients undergoing hemodialysis versus healthy volunteers. No clinically meaningful differences were observed in this study in the pharmacokinetics of omecamtiv mecarbil administered to patients undergoing hemodialysis versus healthy volunteers.

Ongoing Research in Cardiac Muscle Contractility. In the first quarter of 2013, we and Amgen agreed to additional research activities intended to be conducted through 2014 under a collaborative research program directed to the discovery of next-generation cardiac sarcomere activator compounds. Under the Amgen Agreement, Amgen will reimburse us for certain agreed research activities we perform.

The clinical trials program for omecamtiv mecarbil may proceed for several years, and we will not be in a position to generate any revenues or material net cash flows from sales of this drug candidate until the program is successfully completed, regulatory approval is achieved, and the drug is commercialized. Omecamtiv mecarbil is at too early a stage of development for us to predict if or when this may occur. We recorded research and development expenses for our cardiac muscle contractility program of approximately $1.5 million and $2.2 million in the first six months of 2013 and 2012, respectively. We recognized research and development revenue from Amgen of $0.9 million and $2.3 million in the first six months of 2013 and 2012, respectively, consisting of reimbursements of full-time employee equivalent ("FTE") and other expenses.

We anticipate that our expenditures relating to the research and development of compounds in our cardiac muscle contractility program will increase if we participate in the future advancement of omecamtiv mecarbil through clinical development. Our expenditures will also increase if Amgen terminates development of omecamtiv mecarbil or related compounds and we elect to develop them independently, or if we elect to co-fund later-stage development of omecamtiv mecarbil or other compounds in our cardiac muscle contractility program under our collaboration and option agreement with Amgen.

Other Research and Preclinical Programs

We are leveraging our current understandings of muscle biology to investigate new ways to modulate muscle function beyond contractility (such as metabolism, growth and energetics) for other potential therapeutic applications. For example, we are conducting research with compounds that may affect muscle growth and that may have applications for serious diseases and medical conditions such as cachexia. Cachexia is a condition that can be associated with cancer, heart failure, chronic obstructive pulmonary disease or other conditions. This syndrome is characterized by the loss of muscle mass and may lead to weakness and disability. We are performing research on compounds that may increase muscle mass and which may impact patient functionality or potentially alter the course of diseases associated with muscle wasting. Similarly, we are performing research on compounds that may affect muscle metabolism and that may have application in conditions such as diabetes or obesity as well as other conditions of metabolic dysfunction.

Development Risks

The successful development of any of our drug candidates is highly uncertain. We cannot estimate with certainty or know the exact nature, timing and costs of the activities necessary to complete the development of any of our drug candidates or the date of completion of these development activities due to numerous risks and uncertainties, including, but not limited to:

- decisions made by Amgen with respect to the development of omecamtiv mecarbil and by Astellas with respect to the development of CK-2127107;
- our potential inability to obtain the additional funding necessary for us to conduct the one or more confirmatory Phase III clinical trials for tirasemtiv in patients with ALS that we anticipate will be required to obtain marketing approval for this indication;
- the uncertainty of the timing of the initiation and completion of patient enrollment and treatment in our clinical trials;
- the possibility of delays in the collection of clinical trial data and the uncertainty of the timing of the analyses of our clinical trial data after these trials have been initiated and completed;
- our potential inability to obtain additional funding and resources for our development activities on acceptable terms, if at all, including, but not limited to, our potential inability to obtain or retain partners to assist in the design, management, conduct and funding of clinical trials;
- failure by our clinical trial sites, clinical research organizations, clinical manufacturing organizations and other third parties supporting our clinical trials to fulfill their obligations or otherwise perform as expected.
- delays or additional costs in manufacturing of our drug candidates for clinical trial use, including developing appropriate formulations of our drug candidates;
- the uncertainty of clinical trial results, including variability in patient response;
- the uncertainty of obtaining FDA or other foreign regulatory agency approval required for the clinical investigation of our drug candidates;
- the uncertainty related to the development of commercial scale manufacturing processes and qualification of a commercial scale manufacturing facility;
- the possibility that results from non-clinical studies may adversely impact the timing or further development of our drug candidates; and
- possible delays in the characterization, formulation and manufacture of drug candidates and other compounds.

If we fail to complete the development of any of our drug candidates in a timely manner, it could have a material adverse effect on our operations, financial position and liquidity. In addition, any failure by us or our partners to obtain, or any delay in obtaining, regulatory approvals for our drug candidates could have a material adverse effect on our results of operations. A further discussion of the risks and uncertainties associated with completing our programs as planned, or at all, and certain consequences of failing to do so are discussed further in the risk factors entitled "We will need substantial additional capital in the future to sufficiently fund our operations," "We have never generated, and may never generate, revenues from commercial sales of our drugs and we may not have drugs to market for at least several years, if ever," "Clinical trials may fail to demonstrate the desired safety and efficacy of our drug candidates, which could prevent or significantly delay completion of clinical development and regulatory approval" and "Clinical trials are expensive, time-consuming and subject to delay," and other risk factors.

Restructuring

In October 2011, we announced a restructuring plan to realign our workforce and operations in line with our continued commitment to focus primarily on the development of our key later-stage development programs for tirasemtiv and omecamtiv mecarbil and on our follow-on skeletal muscle troponin activator program and joint research with Amgen directed to next-generation cardiac sarcomere activator compounds. As a result, we reduced our workforce by 18 employees, or approximately 18%, to 83 employees. We provided severance, employee benefit continuation and career transition assistance to the employees directly affected by the restructuring. We incurred restructuring charges of $1.2 million in the fourth quarter of 2011, primarily personnel-related termination costs. We completed all restructuring activities and recognized all anticipated restructuring charges by December 31, 2012. All payments relating to the restructuring were made prior to December 31, 2012; therefore there was no liability for restructuring at December 31, 2012, or at June 30, 2013.

Results of Operations

Revenues

We recorded total revenues of $1.0 million and $1.8 million for the second quarter of 2013 and 2012, respectively, and $1.8 and $3.7 million for the first six months of 2013 and 2012, respectively.

Research and development revenues from related parties for the second quarter and first six months of 2013 and 2012 consisted of research and development revenues from our strategic alliance with Amgen. Research and development revenues from Amgen were $0.6 million and $1.1 million for the second quarter of 2013 and 2012, respectively, and in both periods consisted of reimbursements of FTE expenses and other research and development expenses. Research and development revenues from Amgen were $0.9 million and $2.3 million for the first six months of 2013 and 2012, respectively, and in both periods consisted of reimbursements of FTE expenses and other research and development expenses. The research activities under our collaboration with Amgen are anticipated to continue through December 2014.

Research and development, grant and other revenues were $0.4 million and $0.7 million for the second quarter of 2013 and 2012, respectively. Research and development, grant and other revenues in the second quarter of 2013 included grant revenue of $36,000 and research and development revenues from MyoKardia, Inc. of $0.4 million. Research and development, grant and other revenues in the second quarter of 2012 included grant revenue from the NINDS of $0.3 million and research and development revenue from Global Blood Therapeutics, Inc. of $0.4 million.

Research and development, grant and other revenues were $0.9 million and $1.4 million for the first six months of 2013 and 2012, respectively. Research and development, grant and other revenues in the first six months of 2013 and 2012 included grant revenue from the NINDS of $69,000 and $0.6 million, respectively, and research and development revenue from Global Blood Therapeutics, Inc. of none and $0.8 million, respectively.

We anticipate that revenue for the full year 2013 will be in the range of $30 million to $32 million.

Research and Development Expenses

Research and development expenses were $12.3 million and $8.2 million in the second quarter of 2013 and 2012, respectively. The $4.1 million increase in research and development expenses in the second quarter of 2013, compared to the same period in 2012, was primarily due to increases of $4.6 million in outsourced clinical costs, $0.3 million in facilities costs, and $0.2 million in personnel related costs, partially offset by a decrease of $1.0 million in outsourced pre-clinical costs.

Research and development expenses were $22.2 million and $17.0 million in the first six months of 2013 and 2012, respectively. The $5.2 million increase in research and development expenses in the first six months of 2013, compared to the same period in 2012, was primarily due to increases of $6.5 million in outsourced clinical costs and $0.5 million in facilities costs, partially offset by a decrease of $1.9 million in outsourced pre-clinical costs.

From a program perspective, the $5.2 million increase in spending in the first six months of 2013, compared to the same period in 2012, was due to increased spending of $5.6 million for our skeletal muscle contractility program and $1.6 million for our other research and preclinical programs, partially offset by decreases of $0.7 million for our cardiac muscle contractility program and $1.3 million for our smooth muscle contractility program.

Research and development expenses incurred were related to the following programs (in millions):

	Three Months Ended		Six Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Cardiac muscle contractility	$ 0.9	$ 1.0	$ 1.5	$ 2.2
Skeletal muscle contractility	9.8	5.5	17.0	11.4
Smooth muscle contractility	0.1	0.7	0.2	1.5
All other research programs	1.5	1.0	3.5	1.9
Total research and development expenses	$ 12.3	$ 8.2	$ 22.2	$ 17.0

Clinical development timelines, likelihood of success and total completion costs vary significantly for each drug candidate and are difficult to estimate. We anticipate that we will determine on an ongoing basis which research and development programs to pursue and how much funding to direct to each program, taking into account the scientific and clinical success of each drug candidate. The lengthy process of seeking regulatory approvals and subsequent compliance with applicable regulations requires the expenditure of substantial resources. Any failure by us to obtain and maintain, or any delay in obtaining, regulatory approvals could cause our research and development expenditures to increase and, in turn, could have a material adverse effect on our results of operations.

We expect our research and development expenditures to continue to increase in 2013 compared to 2012. We expect to continue development of tirasemtiv for the potential treatment of ALS and other neuromuscular disorders. As part of our strategic alliance with Astellas, we expect to continue the development of CK-2127107 for the potential treatment of non-neuromuscular indications associated with skeletal muscle weakness. As part of our strategic alliance with Amgen, we expect to continue development of our drug candidate omecamtiv mecarbil for the potential treatment of heart failure. We anticipate that research and development expenses in 2013 will increase compared to 2012 and will be in the range of $56 million to $59 million. Non-cash expenses such as stock-based compensation and depreciation of approximately $3.0 million are included in our estimate of 2013 research and development expenses.

General and Administrative Expenses

General and administrative expenses were $3.7 million and $2.6 million in the second quarter of 2013 and 2012, respectively. The increase in the second quarter of 2013, compared to the same period in 2012, was primarily due to increases of $0.8 million in personnel expenses, $0.4 million in legal costs and $0.2 million in outsourced costs, partially offset by a $0.3 million decrease in facilities costs.

General and administrative expenses were $7.4 million and $5.6 million in the first six months of 2013 and 2012, respectively. The increase in the first six months of 2013, compared to the same period in 2012, was primarily due to increases of $1.2 million in personnel expenses, $0.5 million in legal costs and $0.3 million in outsourced costs, partially offset by a decrease of $0.5 million in facilities costs.

We expect that general and administrative expenses in 2013 will increase compared to 2012. We anticipate that general and administrative expenses will be in the range of $17.0 million to $18.0 million. Non-cash expenses such as stock-based compensation and depreciation of approximately $2.6 million are included in our estimate of 2013 general and administrative expenses.

Interest and Other, Net

Interest income and other income increased in the second quarter and first six months of 2013 compared to the same periods in 2012, due to higher average effective interest rates and higher average invested balances.

Interest and other expense was insignificant in the second quarter and first six months of both 2013 and 2012.

Income Taxes

We follow the accounting guidance established by the Financial Accounting Standards Board (“FASB”) which defines the threshold for recognizing the benefits of tax return positions in the financial statements as “more-likely-than-not” to be sustained by the taxing authorities based solely on the technical merits of the position. If the recognition threshold is met, the tax benefit is measured and recognized as the largest amount of tax benefit that, in our judgment, is greater than 50% likely to be realized.

We file income tax returns with the United States Internal Revenue Service ("IRS") and the state of California. For jurisdictions in which tax filings are made, we are subject to income tax examination for all fiscal years since inception. The IRS's Large Business and International Division concluded its audit of the 2009 tax year with no material adjustments. We believe that we maintain adequate reserves for uncertain tax positions.

In general, under Internal Revenue Code Section 382 ("Section 382"), a corporation that undergoes an 'ownership change' is subject to limitations on its ability to utilize its pre-change net operating losses ("NOLs") and tax credits to offset future taxable income. We have performed a Section 382 analysis and do not believe that we have experienced an ownership change since 2006. A portion of our existing NOLs and tax credits are subject to limitations arising from previous ownership changes. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 and result in additional limitations.

Critical Accounting Policies

The accounting policies that we consider to be our most critical (i.e., those that are most important to the portrayal of our financial condition and results of operations and that require our most difficult, subjective or complex judgments), the effects of those accounting policies applied and the judgments made in their application are summarized in "*Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates"* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012. There has been no material change to our critical accounting policies since then.

Recent Accounting Pronouncements

See Note 1, "Recent Accounting Pronouncements" in the Notes to Unaudited Condensed Financial Statements for a discussion of recently adopted accounting pronouncements and accounting pronouncements not yet adopted, and their expected impact on our financial position and results of operations.

Liquidity and Capital Resources

From August 5, 1997, our date of inception, through June 30, 2013, we funded our operations through the sale of equity securities, equipment financings, non-equity payments from collaborators, government grants and interest income.

In June 2013, we and Amgen announced the Amgen Agreement Amendment, which expanded our collaboration to include Japan (see Note 4 to unaudited condensed financial statements). Under the terms of the Amgen Agreement Amendment, we received a non-refundable upfront license fee of $15 million in June 2013. In conjunction with the Amgen Agreement Amendment, we also entered into a common stock purchase agreement with Amgen pursuant to which we sold 1,404,100 shares common stock to Amgen at a price per share of $7.12. The aggregate purchase price of $10.0 million was received in June 2013. We determined the fair value of the stock issued to Amgen to be $7.5 million. The excess of cash received over fair value of $2.5 million was deferred and will be recognized as revenue as services are performed over approximately 12 months.

In June 2013, we entered into the Astellas Agreement. (See Note 5 to unaudited condensed financial statements). In July 2013, we received an upfront payment of $16 million in connection with the execution of the Astellas Agreement. We are eligible to potentially receive over $24 million in reimbursement of sponsored research and development activities during the initial two years of the collaboration. Based on the achievement of pre-specified criteria, we may receive over $250 million in milestone payments relating to the development and commercial launch of collaboration products, including up to $112 million in development and commercial launch milestones for CK-2127107. We may also receive up to $200 million in payments for achievement of pre-specified sales milestones related to net sales of all collaboration products under the Astellas Agreement. If Astellas commercializes any collaboration products, we will also receive royalties on sales of such collaboration products, including royalties ranging from the high single digits to the high teens on sales of products containing CK-2127107. In addition to the foregoing development, commercial launch and sales milestones, we may also receive payments for the achievement of pre-specified milestones relating to the joint research program.

June 2012 Public Offerings

On June 20, 2012, we entered into underwriting agreements for two separate, concurrent offerings of our securities (the "June 2012 Public Offerings"). On June 25, 2012, pursuant to the underwriting agreements, in aggregate we issued to various investors (i) 9,320,176 shares of common stock for a purchase price of $4.56 per share, (ii) 23,026 shares of Series B convertible preferred stock (the "Series B Preferred Stock") for a purchase price of $760.00 per share, and (iii) warrants to purchase 7,894,704 shares of our common stock at an exercise price of $5.28 per share, for aggregate gross proceeds of approximately $60.0 million. After issuance costs of approximately $4.0 million, the net proceeds from the June 2012 Public Offerings were approximately $56.0 million.

The warrants issued in the June 2012 Public Offerings became exercisable upon issuance and will remain exercisable for five years until June 25, 2017. The warrant holders are prohibited from exercising the warrants and obtaining shares of common stock if, as

a result of such exercise, the holder and its affiliates would own more than 9.98% of the total number of shares of our common stock then issued and outstanding. We valued the warrants as of the date of issuance at $16.2 million using the Black-Scholes option pricing model and the following assumptions: a contractual term of five years, a risk-free interest rate of 0.73%, volatility of 76%, and the fair value of our common stock on the issuance date of $3.78. In February 2013, warrants to purchase 1,000 shares of our common stock at an exercise price of $5.28 per share were exercised in accordance with the June 2012 Public Offerings underwriting agreements. In April 2013, we issued 358,460 shares of common stock related to cashless exercise of warrants. As of June 30, 2013, warrants to purchase 6,577,928 shares of our common stock were outstanding and exercisable.

In the first quarter of 2013, 4,000 shares of Series B convertible preferred stock were converted into 666,667 shares of our common stock. In the second quarter of 2013, 15,026 shares of Series B convertible preferred stock were converted into 2,504,333 shares of our common stock. In July, 2013, 4,000 shares of Series B convertible preferred stock, which represented all remaining shares of Series B convertible preferred stock, were converted into 666,667 shares of our common stock. The conversions were in accordance with the terms of the original agreement under which the Series B Preferred Stock was issued in 2012.

MLV

On June 10, 2011, we entered into an At-The-Market Issuance Sales Agreement (the "MLV Agreement") with McNicoll, Lewis & Vlak LLC ("MLV"), pursuant to which we may issue and sell shares of common stock having an aggregate offering price of up to $20.0 million or 2,397,278 shares, whichever occurs first, from time to time through MLV as the sales agent. Our issuance and sale of shares under the MLV Agreement, if any, are subject to the continued effectiveness of our registration statement on Form S-3, which was declared effective by the SEC on June 23, 2011 (File No. 333-174869), and the terms and conditions of the MLV Agreement. As of December 31, 2012, we had issued a total of 862,592 shares through MLV for total net proceeds of approximately $5.3 million. As of July 26, 2013, there have been no further issuances of shares through MLV.

Sources and Uses of Cash

Our cash and cash equivalents, totaled $17.1 million at June 30, 2013, up from $14.9 million at December 31, 2012. The increase of $2.2 million was primarily due to the cash receipts from a licensing transaction partially offset by the use of cash to fund operations.

Net cash used in operating activities was $5.6 million in the first six months of 2013 and primarily resulted from the net loss of $27.7 million offset by cash received from licensing transactions. Net cash used in operating activities was $17.4 million in the first six months of 2012 and primarily resulted from the net loss of $18.9 million.

Net cash provided by investing activities was $0.3 million in the first six months of 2013 and primarily consisted of proceeds from the maturity of investments, net of cash used to purchase investments, of $0.5 million. Net cash provided by investing activities was $3.5 million in the first six months of 2012 and primarily consisted of proceeds from the maturity of investments, net of cash used to purchase investments, of $3.4 million.

Net cash provided by financing activities was $7.5 million in the first six months of 2013 and primarily consisted of the purchase of stock by Amgen (See Note 4 to unaudited condensed financial statements). Net cash provided by financing activities was $58.7 million in the first six months of 2012 and primarily consisted of net proceeds of $56.0 million from the sale of 9,320,176 shares of common stock and 23,026 shares of Series B Preferred Stock in the June 2012 Public Offerings and the net proceeds of $2.8 million from our sale of 432,724 shares of common stock through MLV.

Shelf Registration Statement. In November 2011, we filed a shelf registration statement with the SEC, which was declared effective in December 2011 (the "December 2011 Shelf"). The December 2011 Shelf allowed us to issue securities from time to time for an aggregate offering price of up to $100.0 million. In June 2012, we filed a supplemental shelf registration statement with the SEC, which was declared effective in June 2012 (the "Supplemental Shelf"). The Supplemental Shelf allows us to issue additional securities from time to time for an aggregate offering price of up to $20.0 million, and for a total aggregate offering price under the December 2011 Shelf and the Supplemental Shelf of up to $120.0 million. As of July 26, 2013, $18.3 million remains available to us under these shelf registration statements. The specific terms of offerings, if any, under these shelf registration statements will be established at the time of such offerings.

As of June 30, 2013, future minimum payments under our lease obligations were as follows (in thousands):

	Within One Year	One to Three Years	Three to Five Years	After Five Years	Total
Operating leases (1)	$3,267	$ 6,940	$ 7,428	$ —	$17,635

(1) Our long-term commitment under operating lease relates to payments under our facility lease in South San Francisco, California, which expires in 2018.

In future periods, we expect to incur substantial costs as we continue to expand our research programs and related research and development activities. We plan to continue clinical development of our fast skeletal muscle troponin activator, tirasemtiv, for the potential treatment of ALS and other neuromuscular disorders. As part of our strategic alliance with Astellas, we expect to continue the development of our skeletal muscle troponin activator CK-2127107 for the potential treatment of non-neuromuscular indications associated with skeletal muscle weakness. We plan to continue to support the clinical development of our cardiac muscle myosin activator, omecamtiv mecarbil, for the potential treatment of heart failure and research of potential next-generation compounds as part of our strategic alliance with Amgen. We expect to incur significant research and development expenses as we advance the research and development of compounds from our other muscle biology programs through research to candidate selection.

Our future capital uses and requirements depend on numerous factors. These factors include, but are not limited to, the following:

- the initiation, progress, timing, scope and completion of preclinical research, non-clinical development and clinical trials for our drug candidates and other compounds;
- the time and costs involved in obtaining regulatory approvals;
- delays that may be caused by requirements of regulatory agencies;
- Amgen's decisions with regard to funding of development and commercialization of omecamtiv mecarbil or other compounds for the potential treatment of heart failure under our collaboration;
- Astellas' decisions with regard to funding of development and commercialization of CK-2127107 or other compounds for the potential treatment of non-neuromuscular indications associated with skeletal muscle weakness under our collaboration;
- our level of funding for the development of current or future drug candidates;
- the number of drug candidates we pursue;
- the costs involved in filing and prosecuting patent applications and enforcing or defending patent claims;
- our ability to establish and maintain selected strategic alliances required for the development of drug candidates and commercialization of our potential drugs;
- our plans or ability to expand our drug development capabilities, including our capabilities to conduct clinical trials for our drug candidates;
- our plans or ability to engage third party manufacturers for our drug candidates and potential drugs;
- our plans or ability to build or access sales and marketing capabilities and to achieve market acceptance for potential drugs;
- the expansion and advancement of our research programs;
- the hiring of additional employees and consultants;
- the expansion of our facilities;
- the acquisition of technologies, products and other business opportunities that require financial commitments; and
- our revenues, if any, from successful development of our drug candidates and commercialization of potential drugs.

We have incurred an accumulated deficit of $476.6 million since inception and there can be no assurance that we will attain profitability. We are subject to risks common to development stage companies including, but not limited to, development of new drug candidates, dependence on key personnel, and the ability to obtain additional capital as needed to fund our future plans. Our liquidity will be impaired if sufficient additional capital is not available on terms acceptable to us, if at all. To date, we have funded our operations primarily through sales of our common stock and convertible preferred stock, contract payments under our collaboration agreements, debt financing arrangements, government grants and interest income. Until we achieve profitable operations, we intend to continue to fund operations through payments from strategic collaborations, additional sales of equity securities, government grants and debt financings. We have never generated revenues from commercial sales of our drugs and may not have drugs to market for at least several years, if ever. Our success is dependent on our ability to obtain additional capital by entering into new strategic collaborations and/or through equity or debt financings, and ultimately on our and our collaborators' ability to successfully develop and market one or more of our drug candidates. We cannot be certain that sufficient funds will be available from such collaborators or financings when needed or on satisfactory terms. Additionally, there can be no assurance that any of drugs based on our drug candidates will be accepted in the marketplace or that any future products can be developed or manufactured at an acceptable cost. These factors could have a material adverse effect on our future financial results, financial position and cash flows.

Based on the current status of our development plans, we believe that our existing cash and cash equivalents, investments and interest earned on investments will be sufficient to meet our projected operating requirements for at least the next 12 months. If, at any

time, our prospects for internally financing our research and development programs decline, we may decide to reduce research and development expenses by delaying, discontinuing or reducing our funding of development of one or more of our drug candidates or of other research and development programs. Alternatively, we might raise funds through strategic relationships, public or private financings or other arrangements. There can be no assurance that funding, if needed, will be available on attractive terms, or at all, or in accordance with our planned timelines. Furthermore, financing obtained through future strategic relationships may require us to forego certain commercialization and other rights to our drug candidates. Similarly, any additional equity financing may be dilutive to stockholders and debt financing, if available, may involve restrictive covenants. Our failure to raise capital as and when needed could have a negative impact on our financial condition and our ability to pursue our business strategy.

Off-Balance Sheet Arrangements

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk has not changed materially since our disclosures in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2012.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

Our management evaluated, with the participation and under the supervision of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded, subject to the limitations described below, that our disclosure controls and procedures are effective to ensure that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosures.

(b) Changes in internal control over financial reporting

There was no change in our internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(c) Limitations on the effectiveness of controls

A control system, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the controls are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

In evaluating our business, you should carefully consider the following risks in addition to the other information in this report. Any of the following risks could materially and adversely affect our business, results of operations, financial condition or your investment in our securities, and many are beyond our control. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also adversely affect our business.

Risks Related To Our Business

We have a history of significant losses and may not achieve or sustain profitability and, as a result, you may lose all or part of your investment.

We have generally incurred operating losses in each year since our inception in 1997, due to costs incurred in connection with our research and development activities and general and administrative costs associated with our operations. Our drug candidates are all in early and mid-stage clinical testing, and we and our partners must conduct significant additional clinical trials before we and our

partners can seek the regulatory approvals necessary to begin commercial sales of our drugs. We expect to incur increasing losses for at least several more years, as we continue our research activities and conduct development of, and seek regulatory approvals for, our drug candidates, and commercialize any approved drugs. If our drug candidates fail or do not gain regulatory approval, or if our drugs do not achieve market acceptance, we will not be profitable. If we fail to become and remain profitable, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

We will need substantial additional capital in the future to sufficiently fund our operations.

We have consumed substantial amounts of capital to date, and our operating expenditures will increase over the next several years if we expand our research and development activities. We have funded all of our operations and capital expenditures with proceeds from private and public sales of our equity securities, strategic alliances with Amgen Inc., Astellas Pharma Inc. ("Astellas") and others, equipment financings, interest on investments and government grants. We believe that our existing cash and cash equivalents, short-term investments and interest earned on investments should be sufficient to meet our projected operating requirements for at least the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development of our drug candidates and other research and development activities, including risks and uncertainties that could impact the rate of progress of our development activities, we are unable to estimate with certainty the amounts of capital outlays and operating expenditures associated with these activities.

For the foreseeable future, our operations will require significant additional funding, in large part due to our research and development expenses and the absence of any revenues from product sales. For example, we anticipate that we will need to conduct at least one Phase III clinical trial for tirasemtiv following the BENEFIT-ALS trial in order to obtain marketing approval for tirasemtiv for the potential treatment of ALS. We will require significant additional funding to enable us to conduct any such Phase III clinical trials. Until we can generate a sufficient amount of product revenue, we expect to raise future capital through strategic alliance and licensing arrangements, public or private equity offerings and debt financings. We do not currently have any commitments for future funding other than reimbursements, milestone and royalty payments that we may receive under our collaboration agreements with Amgen and Astellas. We may not receive any further funds under that agreement. Our ability to raise funds may be adversely impacted by current economic conditions. As a result of these and other factors, we do not know whether additional financing will be available when needed, or that, if available, such financing would be on terms favorable to our stockholders or us.

To the extent that we raise additional funds through strategic alliances or licensing and other arrangements with third parties, we will likely have to relinquish valuable rights to our technologies, research programs or drug candidates, or grant licenses on terms that may not be favorable to us. To the extent that we raise additional funds by issuing equity securities, our stockholders will experience additional dilution. To the extent that we raise additional funds through debt financing, the financing may involve covenants that restrict our business activities. In addition, funding from any of these sources, if needed, may not be available to us on favorable terms, or at all, or in accordance with our planned timelines.

If we cannot raise the funds we need to operate our business, we will need to delay or discontinue certain research and development activities. For example, if we cannot raise the funds necessary to enable the conduct of the one or more Phase III clinical trials for tirasemtiv for the potential treatment of ALS that we anticipate will be required for marketing approval, our ability to complete the development of tirasemtiv will be delayed or suspended. In October 2011, we announced a restructuring plan to focus resources primarily on the later-stage development programs for tirasemtiv and omecamtiv mecarbil and certain other research and development programs also directed to muscle biology. As a result, we reduced our workforce by approximately eighteen percent, and discontinued our research and development activities outside these areas of focus. If we delay or discontinue research and development activities, our stock price may be negatively affected.

We have never generated, and may never generate, revenues from commercial sales of our drugs and we will not have drugs to market for at least several years, if ever.

We currently have no drugs for sale and we cannot guarantee that we will ever develop or obtain approval to market any drugs. To receive marketing approval for any drug candidate, we must demonstrate that the drug candidate satisfies rigorous standards of safety and efficacy to the FDA in the United States and other regulatory authorities abroad. We and our partners will need to conduct significant additional research and preclinical and clinical testing before we or our partners can file applications with the FDA or other regulatory authorities for approval of any of our drug candidates. In addition, to compete effectively, our drugs must be easy to use, cost-effective and economical to manufacture on a commercial scale, compared to other therapies available for the treatment of the same conditions. We may not achieve any of these objectives. Currently, our only drug candidates in clinical development are omecamtiv mecarbil for the potential treatment of heart failure, tirasemtiv for the potential treatment of ALS and other neuromuscular disorders and CK-2127107 for the potential treatment of non-neuromuscular indications associated with muscle weakness. We cannot be certain that the clinical development of these or any future drug candidates will be successful, that they will receive the regulatory approvals required to commercialize them, or that any of our other research programs will yield a drug candidate suitable for clinical testing or commercialization. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially marketed for at least several years, if at all. The development of any one or all of these drug candidates may be discontinued at any stage of our clinical trials programs and we may not generate revenue from any of these drug candidates.

Clinical trials may fail to demonstrate the desired safety and efficacy of our drug candidates, which could prevent or significantly delay completion of clinical development and regulatory approval.

Prior to receiving approval to commercialize any of our drug candidates, we or our partners must adequately demonstrate to the satisfaction of FDA and foreign regulatory authorities that the drug candidate is sufficiently safe and effective with substantial evidence from well-controlled clinical trials. We or our partners will need to demonstrate efficacy in clinical trials for the treatment of specific indications and monitor safety throughout the clinical development process and following approval. None of our drug candidates have yet been demonstrated to be safe and effective in clinical trials and they may never be. In addition, for each of our preclinical compounds, we or our partners must adequately demonstrate satisfactory chemistry, formulation, stability and toxicity in order to submit an investigational new drug application ("IND") to the FDA, or an equivalent application in foreign jurisdictions, that would allow us to advance that compound into clinical trials. Furthermore, we or our partners may need to submit separate INDs (or foreign equivalent) to different divisions within the FDA (or foreign regulatory authorities) in order to pursue clinical trials in different therapeutic areas. Each new IND (or foreign equivalent) must be reviewed by the new division before the clinical trial under its jurisdiction can proceed, entailing all the risks of delay inherent to regulatory review. If our or our partners' current or future preclinical studies or clinical trials are unsuccessful, our business will be significantly harmed and our stock price could be negatively affected.

All of our drug candidates are prone to the risks of failure inherent in drug development. Preclinical studies may not yield results that would adequately support the filing of an IND (or a foreign equivalent) with respect to our potential drug candidates. Even if the results of preclinical studies for a drug candidate are sufficient to support such a filing, the results of preclinical studies do not necessarily predict the results of clinical trials. As an example, because the physiology of animal species used in preclinical studies may vary substantially from other animal species and from humans, it may be difficult to assess with certainty whether a finding from a study in a particular animal species will result in similar findings in other animal species or in humans. For any of our drug candidates, the results from Phase I clinical trials in healthy volunteers and clinical results from Phase I and II trials in patients are not necessarily indicative of the results of larger Phase III clinical trials that are necessary to establish whether the drug candidate is safe and effective for the applicable indication. Likewise, interim results from a clinical trial may not be indicative of the final results from that trial.

In addition, while the clinical trials of our drug candidates are designed based on the available relevant information, such information may not accurately predict what actually occurs during the course of the trial itself, which may have consequences for the conduct of an ongoing clinical trial or for the eventual results of that trial. For example, the number of patients planned to be enrolled in a placebo-controlled clinical trial is determined in part by estimates relating to expected treatment effect and variability about the primary endpoint. These estimates are based upon earlier nonclinical and clinical studies of the drug candidate itself and clinical trials of other drugs thought to have similar effects in a similar patient population. If information gained during the conduct of the trial shows these estimates to be inaccurate, we may elect to adjust the enrollment accordingly, which may cause delays in completing the trial, additional expense or a statistical penalty to apply to the evaluation of the trial results.

Furthermore, in view of the uncertainties inherent in drug development, such clinical trials may not be designed with focus on indications, patient populations, dosing regimens, safety or efficacy parameters or other variables that will provide the necessary safety or efficacy data to support regulatory approval to commercialize the resulting drugs. Clinical trials of our drug candidates are designed based on guidance or advice from regulatory agencies, which is subject to change during the development of the drug candidate at any time. Such a change in a regulatory agency's guidance or advice may cause that agency to deem results from trials to be insufficient to support approval of the drug candidate and require further clinical trials of that drug candidate to be conducted. In addition, individual patient responses to the dose administered of a drug may vary in a manner that is difficult to predict. Also, the methods we select to assess particular safety or efficacy parameters may not yield the same statistical precision in estimating our drug candidates' effects as may other methodologies. Even if we believe the data collected from clinical trials of our drug candidates are promising, these data may not be sufficient to support approval by the FDA or foreign regulatory authorities. Preclinical and clinical data can be interpreted in different ways. Accordingly, the FDA or foreign regulatory authorities could interpret these data in different ways from us or our partners, which could delay, limit or prevent regulatory approval.

Administering any of our drug candidates or potential drug candidates may produce undesirable side effects, also known as adverse effects. Toxicities and adverse effects observed in preclinical studies for some compounds in a particular research and development program may also occur in preclinical studies or clinical trials of other compounds from the same program. Potential toxicity issues may arise from the effects of the active pharmaceutical ingredient itself or from impurities or degradants that are present in the active pharmaceutical ingredient or could form over time in the formulated drug candidate or the active pharmaceutical ingredient. These toxicities or adverse effects could delay or prevent the filing of an IND (or a foreign equivalent) with respect to our drug candidates or potential drug candidates or cause us or our partners to modify, suspend or terminate clinical trials with respect to any drug candidate at any time during the development program. Further, the administration of two or more drugs contemporaneously

can lead to interactions between them, and our drug candidates may interact with other drugs that trial subjects are taking. For example, in a Phase I drug-drug interaction study of tirasemtiv administered orally to healthy volunteers, co-administration of tirasemtiv and riluzole (an approved treatment for ALS) approximately doubled the average maximum riluzole plasma level, although it also appeared to reduce the variability of the riluzole plasma levels of the study subjects. The FDA, other regulatory authorities, our partners or we may modify, suspend or terminate clinical trials with our drug candidates at any time. If these or other adverse effects are severe or frequent enough to outweigh the potential efficacy of a drug candidate, the FDA or other regulatory authorities could deny approval of that drug candidate for any or all targeted indications. Even if one or more of our drug candidates were approved for sale as drugs, the occurrence of even a limited number of toxicities or adverse effects when used in large populations may cause the FDA to impose restrictions on, or stop, the further marketing of those drugs. Indications of potential adverse effects or toxicities which do not seem significant during the course of clinical trials may later turn out to actually constitute serious adverse effects or toxicities when a drug is used in large populations or for extended periods of time.

We have observed certain adverse effects in the clinical trials conducted with our drug candidates. For example, in Phase II clinical trials of tirasemtiv, adverse events of dizziness, fatigue, headache, somnolence (sleepiness), euphoric mood, muscle spasms, gait disturbance, pain in extremity, feeling drunk, blurred vision, muscular weakness, nausea, balance disorder, asthenia (loss of strength and energy), abnormal coordination and dysarthria (difficulty speaking) occurred more frequently during treatment with tirasemtiv than with placebo, with a possible trend for their frequencies to increase with increasing doses of tirasemtiv. In clinical trials of omecamtiv mecarbil, dose-limiting effects were associated with complaints of chest discomfort, palpitations, dizziness and feeling hot, increases in heart rate, declines in blood pressure, electrocardiographic changes consistent with acute myocardial ischemia and transient rises in the MB fraction of creatine kinase and cardiac troponins I and T, which are indicative of myocardial infarction.

In addition, clinical trials of tirasemtiv and omecamtiv mecarbil enroll patients who typically suffer from serious diseases which put them at increased risk of death. These patients may die while receiving our drug candidates. In such circumstances, it may not be possible to exclude with certainty a causal relationship to our drug candidate, even though the responsible clinical investigator may view such an event as not study drug-related.

Any failure or significant delay in completing preclinical studies or clinical trials for our drug candidates, or in receiving and maintaining regulatory approval for the sale of any resulting drugs, may significantly harm our business and negatively affect our stock price.

Clinical trials are expensive, time-consuming and subject to delay.

Clinical trials are subject to rigorous regulatory requirements and are very expensive, difficult and time-consuming to design and implement. The length of time and number of trial sites and patients required for clinical trials vary substantially based on the type, complexity, novelty, intended use of the drug candidate and safety concerns. We estimate that the clinical trials of our current drug candidates will each continue for several more years. However, the clinical trials for all or any of these drug candidates may take significantly longer to complete. The commencement and completion of our clinical trials could be delayed or prevented by many factors, including, but not limited to:

- delays in obtaining, or inability to obtain, regulatory or other approvals to commence and conduct clinical trials in the manner we or our partners deem necessary for the appropriate and timely development of our drug candidates and commercialization of any resulting drugs;
- delays in identifying and reaching agreement, or inability to identify and reach agreement, on acceptable terms, with prospective clinical trial sites and other entities involved in the conduct of our clinical trials;
- delays or additional costs in developing, or inability to develop, appropriate formulations of our drug candidates for clinical trial use, including an appropriate modified release oral formulation for omecamtiv mecarbil;
- slower than expected rates of patient recruitment and enrollment, including as a result of competition for patients with other clinical trials; limited numbers of patients that meet the enrollment criteria; patients', investigators' or trial sites' reluctance to agree to the requirements of a protocol; or the introduction of alternative therapies or drugs by others;
- for those drug candidates that are the subject of a strategic alliance, delays in reaching agreement with our partner as to appropriate development strategies;
- a regulatory authority may require changes to a protocol for a clinical trial that then may require approval from regulatory agencies in other jurisdictions where the trial is being conducted;
- an institutional review board ("IRB") or its foreign equivalent may require changes to a protocol that then require approval from regulatory agencies and other IRBs and their foreign equivalents, or regulatory authorities may require changes to a protocol that then require approval from the IRBs or their foreign equivalents;
- for clinical trials conducted in foreign countries, the time and resources required to identify, interpret and comply with foreign regulatory requirements or changes in those requirements, and political instability or natural disasters occurring in those countries;

- lack of effectiveness of our drug candidates during clinical trials;
- unforeseen safety issues;
- inadequate supply, or delays in the manufacture or supply, of clinical trial materials;
- uncertain dosing issues;
- failure by us, our partners, or clinical research organizations, investigators or site personnel engaged by us or our partners to comply with good clinical practices and other applicable laws and regulations, including those concerning informed consent;
- inability or unwillingness of investigators or their staffs to follow clinical protocols;
- failure by our clinical research organizations, clinical manufacturing organizations and other third parties supporting our clinical trials to fulfill their obligations;
- inability to monitor patients adequately during or after treatment;
- introduction of new therapies or changes in standards of practice or regulatory guidance that render our drug candidates or their clinical trial endpoints obsolete; and
- results from non-clinical studies that may adversely impact the timing or further development of our drug candidates.

We do not know whether planned clinical trials will begin on time, or whether planned or currently ongoing clinical trials will need to be restructured or will be completed on schedule, if at all. Significant delays in clinical trials will impede our ability to commercialize our drug candidates and generate revenue and could significantly increase our development costs.

We depend on Amgen for the conduct, completion and funding of the clinical development and commercialization of omecamtiv mecarbil.

Under our strategic alliance, Amgen holds an exclusive license to our drug candidate omecamtiv mecarbil worldwide. As a result, Amgen is responsible for the clinical development and obtaining and maintaining regulatory approval of omecamtiv mecarbil for the potential treatment of heart failure worldwide.

We do not control the clinical development activities being conducted or that may be conducted in the future by Amgen, including, but not limited to, the timing of initiation, termination or completion of clinical trials, the analysis of data arising out of those clinical trials or the timing of release of data concerning those clinical trials, which may impact our ability to report on Amgen's results. Amgen may conduct these activities more slowly or in a different manner than we would if we controlled the clinical development of omecamtiv mecarbil. Amgen is responsible for filing future applications with the FDA or other regulatory authorities for approval of omecamtiv mecarbil and will be the owner of any marketing approvals issued by the FDA or other regulatory authorities for omecamtiv mecarbil. If the FDA or other regulatory authorities approve omecamtiv mecarbil, Amgen will also be responsible for the marketing and sale of the resulting drug, subject to our right to co-promote omecamtiv mecarbil in North America if we exercise our option to co-fund Phase III development costs of omecamtiv mecarbil under the collaboration. However, we cannot control whether Amgen will devote sufficient attention and resources to the clinical development of omecamtiv mecarbil or will proceed in an expeditious manner, even if we do exercise our option to co-fund the development of omecamtiv mecarbil. Even if the FDA or other regulatory agencies approve omecamtiv mecarbil, Amgen may elect not to proceed with the commercialization of the resulting drug in one or more countries.

If the results of one or more clinical trials with omecamtiv mecarbil do not meet Amgen's expectations at any time, Amgen may elect to terminate further development of omecamtiv mecarbil or certain of the potential clinical trials for omecamtiv mecarbil, even if the actual number of patients treated at that time is relatively small. In addition, Amgen generally has discretion to elect whether to pursue or abandon the development of omecamtiv mecarbil and may terminate our strategic alliance for any reason upon six months prior notice. If Amgen abandons omecamtiv mecarbil, it would result in a delay in or could prevent us from commercializing omecamtiv mecarbil, and would delay and could prevent us from obtaining revenues for this drug candidate. Disputes may arise between us and Amgen, which may delay or cause the termination of any omecamtiv mecarbil clinical trials, result in significant litigation or cause Amgen to act in a manner that is not in our best interest. If development of omecamtiv mecarbil does not progress for these or any other reasons, we would not receive further milestone payments or royalties on product sales from Amgen with respect to omecamtiv mecarbil. If Amgen abandons development of omecamtiv mecarbil prior to regulatory approval or if it elects not to proceed with commercialization of the resulting drug following regulatory approval, we would have to seek a new partner for clinical development or commercialization, curtail or abandon that clinical development or commercialization, or undertake and fund the clinical development of omecamtiv mecarbil or commercialization of the resulting drug ourselves. If we seek a new partner but are unable to do so on acceptable terms, or at all, or do not have sufficient funds to conduct the development or commercialization of omecamtiv mecarbil ourselves, we would have to curtail or abandon that development or commercialization, which could harm our business.

We will depend on Astellas for the conduct, completion and funding of the clinical development and commercialization of CK-2127107.

In June 2013, we entered into a strategic alliance with Astellas focused on the research, development and commercialization of skeletal muscle activators, other than tirasemtiv and certain related compounds. The primary objective of the collaboration is to advance novel therapies for indications associated with muscle weakness.

As part of the strategic alliance, we have granted Astellas an exclusive license to co-develop and commercialize CK-2127107 for potential application in non-neuromuscular indications worldwide. Following Cytokinetics' conduct of Phase I clinical trials and certain Phase II readiness activities for CK-2127107, Astellas will be primarily responsible for the conduct of subsequent development and commercialization activities for CK-2127107. Astellas may elect not to continue development of CK-2127107 following Cytokinetics' completion of these activities. In such event, we would need significant additional funding to continue the development of CK-2127107 on our own, which may not be available on attractive or acceptable terms, if at all, and we would be limited in the indications that we could pursue with this drug candidate.

We do not control the clinical development activities that may be conducted by Astellas, including, but not limited to, the timing of initiation, termination or completion of clinical trials, the analysis of data arising out of those clinical trials or the timing of release of data concerning those clinical trials, which may impact our ability to report on Astellas' results. Astellas may conduct these activities more slowly or in a different manner than we would. Astellas is responsible for filing future applications with the FDA or other regulatory authorities for approval of CK-2127107 and will be the owner of any marketing approvals issued by the FDA or other regulatory authorities for CK-2127107. If the FDA or other regulatory authorities approve CK-2127107, Astellas will also be responsible for the marketing and sale of the resulting drug, subject to our right to co-promote the drug in the United States and Canada. However, we cannot control whether Astellas will devote sufficient attention and resources to the clinical development of CK-2127107 or will proceed in an expeditious manner. Even if the FDA or other regulatory agencies approve CK-2127107, Astellas may elect not to proceed with the commercialization of the resulting drug in one or more countries.

If the results of one or more clinical trials with CK-2127107 do not meet Astellas' expectations at any time, Astellas may elect to terminate further development of CK-2127107 or certain of the potential clinical trials for CK-2127107, even if the actual number of patients treated at that time is relatively small. In addition, Astellas generally has discretion to elect whether to pursue or abandon the development of CK-2127107. Astellas may terminate our strategic alliance in whole or in part for any reason upon six months prior notice at any time following expiration of the collaboration's two-year research term. If Astellas abandons CK-2127107, it would result in a delay in or could prevent us from further developing or commercializing CK-2127107, and would delay and could prevent us from obtaining revenues for this drug candidate. Disputes may arise between us and Astellas, which may delay or cause the termination of any CK-2127107 clinical trials, result in significant litigation or cause Astellas to act in a manner that is not in our best interest. If development of CK-2127107 does not progress for these or any other reasons, we would not receive further milestone payments or royalties on product sales from Astellas with respect to CK-2127107. If Astellas abandons development of CK-2127107 prior to regulatory approval or if it elects not to proceed with commercialization of the resulting drug following regulatory approval, we would have to seek a new partner for clinical development or commercialization, curtail or abandon that clinical development or commercialization, or undertake and fund the clinical development of CK-2127107 or commercialization of the resulting drug ourselves. If we seek a new partner but are unable to do so on acceptable terms, or at all, or do not have sufficient funds to conduct the development or commercialization of CK-2127107 ourselves, we would have to curtail or abandon that development or commercialization, which could harm our business.

If we fail to enter into successful strategic alliances for our unpartnered drug candidates or research and development programs or maintain our current or future strategic alliances, we may have to reduce, delay or discontinue our advancement of our drug candidates and programs or expand our research and development capabilities and increase our expenditures.

Drug development is complicated and expensive. We currently have limited financial and operational resources to carry out drug development. Our strategy for developing, manufacturing and commercializing our drug candidates currently requires us to enter into and successfully maintain strategic alliances with pharmaceutical companies or other industry participants to advance our programs and reduce our expenditures on each program. Accordingly, the success of our development activities depends in large part on our current and future strategic partners' performance, over which we have little or no control.

We have retained all rights to develop and commercialize tirasemtiv. We currently do not have a strategic partner for this drug candidate. We may seek one or more strategic partners or other arrangements with third parties to support Phase III clinical development and commercialization of tirasemtiv. However, we may not be able to negotiate and enter into such strategic alliances or arrangements on acceptable terms, if at all, or in accordance with our planned timelines. If we are unable to enter into a strategic alliance for tirasemtiv, we will be unable to conduct the one or more Phase III clinical trials we believe will be necessary to obtain marketing approval for tirasemtiv for the potential treatment of ALS unless we are able to acquire the funding to do so from another source.

Our ability to commercialize drugs that we develop with our partners and that generate royalties from product sales depends on our partners' abilities to assist us in establishing the safety and efficacy of our drug candidates, obtaining and maintaining regulatory approvals and achieving market acceptance of the drugs once commercialized. Our partners may elect to delay or terminate development of one or more drug candidates, independently develop drugs that could compete with ours or fail to commit sufficient resources to the marketing and distribution of drugs developed through their strategic alliances with us. Our partners may not proceed with the development and commercialization of our drug candidates with the same degree of urgency as we would because of other priorities they face. In addition, new business combinations or changes in a partner's business strategy may adversely affect its willingness or ability to carry out its obligations under a strategic alliance.

If we are not able to successfully maintain our existing strategic alliances or establish and successfully maintain additional strategic alliances, we will have to limit the size or scope of, or delay or discontinue, one or more of our drug development programs or research programs, or undertake and fund these programs ourselves. Alternatively, if we elect to continue to conduct any of these drug development programs or research programs on our own, we will need to expand our capability to conduct clinical development by bringing additional skills, technical expertise and resources into our organization. This would require significant additional funding, which may not be available to us on acceptable terms, or at all.

To the extent we elect to fund the development of a drug candidate, such as omecamtiv mecarbil, tirasemtiv or CK-2127107, or the commercialization of a drug at our expense, we will need substantial additional funding.

The discovery, development and commercialization of new drugs is costly. As a result, to the extent we elect to fund the development of a drug candidate, such as omecamtiv mecarbil, tirasemtiv or CK-2127107, or the commercialization of a drug, we will need to raise additional capital to:

- fund clinical trials and seek regulatory approvals;
- expand our development capabilities;
- engage third party manufacturers for such drug candidate or drug;
- build or access commercialization capabilities;
- implement additional internal systems and infrastructure;
- maintain, defend and expand the scope of our intellectual property; and
- hire and support additional management and scientific personnel.

Our future funding requirements will depend on many factors, including, but not limited to:

- the rate of progress and costs of our clinical trials and other research and development activities;
- the costs and timing of seeking and obtaining regulatory approvals;
- the costs associated with establishing manufacturing and commercialization capabilities;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the costs of acquiring or investing in businesses, products and technologies;
- the effect of competing technological and market developments; and
- the status of, payment and other terms, and timing of any strategic alliance, licensing or other arrangements that we have entered into or may establish.

Until we can generate a sufficient amount of product revenue to finance our cash requirements, which we may never do, we expect to continue to finance our future cash needs primarily through strategic alliances, public or private equity offerings and debt financings. We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are not able to secure additional funding when needed, we may have to delay, reduce the scope of or eliminate one or more of our clinical trials or research and development programs or future commercialization initiatives.

We depend on contract research organizations to conduct our clinical trials and have limited control over their performance.

We have used and intend to continue to use contract research organizations ("CROs") within and outside of the United States to conduct clinical trials of our drug candidates, such as tirasemtiv and CK-2127107, and related activities. We do not have control over many aspects of our CROs' activities, and cannot fully control the amount, timing or quality of resources that they devote to our programs. CROs may not assign as high a priority to our programs or pursue them as diligently as we would if we were undertaking these programs ourselves. The activities conducted by our CROs therefore may not be completed on schedule or in a satisfactory manner. CROs may also give higher priority to relationships with our competitors and potential competitors than to their relationships with us. Outside of the United States, we are particularly dependent on our CROs' expertise in communicating with clinical trial sites and regulatory authorities and ensuring that our clinical trials and related activities and regulatory filings comply with applicable laws.

Our CROs' failure to carry out development activities on our behalf as agreed and according to our and the FDA's or other regulatory agencies' requirements and in accordance with applicable U.S. and foreign laws, or our failure to properly coordinate and manage these activities, could increase the cost of our operations and delay or prevent the development, approval and commercialization of our drug candidates. For example, in June 2013 we learned from our data management vendor for our BENEFIT-ALS clinical trial that a programming error in the electronic data capture system controlling study drug assignment caused 58 patients initially randomized to and treated with tirasemtiv to receive placebo instead at a certain trial visit and for the remainder of the trial. In order to maintain the originally intended statistical power of the trial, we amended the protocol to permit enrollment of approximately 680 patients, or 180 patients in addition to the 500 patients allowed under the existing protocol. This protocol amendment will result in additional costs and delays in conducting BENEFIT-ALS. In addition, if a CRO fails to perform as agreed, our ability to collect damages may be contractually limited. If we fail to effectively manage the CROs carrying out the development of our drug candidates or if our CROs fail to perform as agreed, the commercialization of our drug candidates will be delayed or prevented.

We have no manufacturing capacity and depend on our strategic partners and contract manufacturers to produce our clinical trial materials, including our drug candidates, and anticipate continued reliance on contract manufacturers for the development and commercialization of our potential drugs.

We do not currently operate manufacturing facilities for clinical or commercial production of our drug candidates. We have limited experience in drug formulation and manufacturing, and we lack the resources and the capabilities to manufacture any of our drug candidates on a clinical or commercial scale. Amgen has assumed responsibility to conduct these activities for the ongoing clinical development of omecamtiv mecarbil worldwide. Following our conduct of the Phase I clinical trials for CK-2127107, Astellas will assume responsibility to conduct these activities for the ongoing clinical development of CK-2127107 worldwide. For tirasemtiv, we rely on a limited number of contract manufacturers. In particular, we rely on single-source contract manufacturers for the active pharmaceutical ingredient and the drug product supply for our clinical trials, as well as other materials required to conduct our clinical trials. We expect to rely on contract manufacturers to supply all future drug candidates for which we conduct clinical development, as well as other materials required to conduct our clinical trials. If any of our existing or future contract manufacturers fail to perform satisfactorily, it could delay clinical development or regulatory approval of our drug candidates or commercialization of our drugs, producing additional losses and depriving us of potential product revenues. In addition, if a contract manufacturer fails to perform as agreed, our ability to collect damages may be contractually limited.

Our drug candidates require precise high-quality manufacturing. The failure to achieve and maintain high manufacturing standards, including failure to detect or control anticipated or unanticipated manufacturing errors or the frequent occurrence of such errors, could result in patient injury or death, discontinuance or delay of ongoing or planned clinical trials, delays or failures in product testing or delivery, cost overruns, product recalls or withdrawals and other problems that could seriously hurt our business. Contract drug manufacturers often encounter difficulties involving production yields, quality control and quality assurance and shortages of qualified personnel. These manufacturers are subject to stringent regulatory requirements, including the FDA's current good manufacturing practices regulations and similar foreign laws and standards. Each contract manufacturer must pass a pre-approval inspection before we can obtain marketing approval for any of our drug candidates and following approval will be subject to ongoing periodic unannounced inspections by the FDA, the U.S. Drug Enforcement Agency and other regulatory agencies, to ensure strict compliance with current good manufacturing practices and other applicable government regulations and corresponding foreign laws and standards. We seek to ensure that our contract manufacturers comply fully with all applicable regulations, laws and standards. However, we do not have control over our contract manufacturers' compliance with these regulations, laws and standards. If one of our contract manufacturers fails to pass its pre-approval inspection or maintain ongoing compliance at any time, the production of our drug candidates could be interrupted, resulting in delays or discontinuance of our clinical trials, additional costs and potentially lost revenues. In addition, failure of any third party manufacturers or us to comply with applicable regulations, including pre-or post-approval inspections and the current good manufacturing practice requirements of the FDA or other comparable regulatory agencies, could result in sanctions being imposed on us. These sanctions could include fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approval of our products, delay, suspension or withdrawal of approvals, license revocation, product seizures or recalls, operational restrictions and criminal prosecutions, any of which could significantly and adversely affect our business.

In addition, our existing and future contract manufacturers may not perform as agreed or may not remain in the contract manufacturing business for the time required to successfully produce, store and distribute our drug candidates. If a natural disaster, business failure, strike or other difficulty occurs, we may be unable to replace these contract manufacturers in a timely or cost-effective manner and the production of our drug candidates would be interrupted, resulting in delays and additional costs.

Switching manufacturers or manufacturing sites would be difficult and time-consuming because the number of potential manufacturers is limited. In addition, before a drug from any replacement manufacturer or manufacturing site can be commercialized, the FDA and, in some cases, foreign regulatory agencies, must approve that site. These approvals would require regulatory testing and compliance inspections. A new manufacturer or manufacturing site also would have to be educated in, or develop substantially equivalent processes for, production of our drugs and drug candidates. It may be difficult or impossible to transfer certain elements of a manufacturing process to a new manufacturer or for us to find a replacement manufacturer on acceptable terms quickly, or at all, either of which would delay or prevent our ability to develop drug candidates and commercialize any resulting drugs.

We may not be able to successfully scale-up manufacturing of our drug candidates in sufficient quality and quantity, which would delay or prevent us from developing our drug candidates and commercializing resulting approved drugs, if any.

To date, our drug candidates have been manufactured in small quantities for preclinical studies and early and mid-stage clinical trials. In order to conduct larger scale or late-stage clinical trials for a drug candidate and for commercialization of the resulting drug if that drug candidate is approved for sale, we will need to manufacture it in larger quantities. We may not be able to successfully increase the manufacturing capacity for any of our drug candidates, whether in collaboration with third-party manufacturers or on our own, in a timely or cost-effective manner or at all. If a contract manufacturer makes improvements in the manufacturing process for our drug candidates, we may not own, or may have to share, the intellectual property rights to those improvements. Significant scale-up of manufacturing may require additional validation studies, which are costly and which the FDA must review and approve. In addition, quality issues may arise during those scale-up activities because of the inherent properties of a drug candidate itself or of a drug candidate in combination with other components added during the manufacturing and packaging process, or during shipping and storage of the finished product or active pharmaceutical ingredients. If we are unable to successfully scale-up manufacture of any of our drug candidates in sufficient quality and quantity, the development of that drug candidate and regulatory approval or commercial launch for any resulting drugs may be delayed or there may be a shortage in supply, which could significantly harm our business.

The mechanisms of action of our drug candidates are unproven, and we do not know whether we will be able to develop any drug of commercial value.

We have discovered and are currently developing drug candidates that have what we believe are novel mechanisms of action directed against cytoskeletal targets, and intend to continue to do so. Because no currently approved drugs appear to operate via the same biochemical mechanisms as our compounds, we cannot be certain that our drug candidates will result in commercially viable drugs that safely and effectively treat the indications for which we intend to develop them. The results we have seen for our compounds in preclinical models may not translate into similar results in humans, and results of early clinical trials in humans may not be predictive of the results of larger clinical trials that may later be conducted with our drug candidates. Even if we are successful in developing and receiving regulatory approval for a drug candidate for the treatment of a particular disease, we cannot be certain that we will also be able to develop and receive regulatory approval for that or other drug candidates for the treatment of other diseases. If we or our partners are unable to successfully develop and commercialize our drug candidates, our business will be materially harmed.

Our success depends substantially upon our ability to obtain and maintain intellectual property protection relating to our drug candidates, compounds and research technologies.

We own, or hold exclusive licenses to, a number of U.S. and foreign patents and patent applications directed to our drug candidates, compounds and research technologies. Our success depends on our ability to obtain patent protection both in the United States and in other countries for our drug candidates, their methods of manufacture and use, and our technologies. Our ability to protect our drug candidates, compounds and technologies from unauthorized or infringing use by third parties depends substantially on our ability to obtain and enforce our patents. If our issued patents and patent applications, if granted, do not adequately describe, enable or otherwise provide coverage of our technologies and drug candidates, including omecamtiv mecarbil, tirasemtiv and CK-2127107, we or our licensees would not be able to exclude others from developing or commercializing these drug candidates. Furthermore, the degree of future protection of our proprietary rights is uncertain because legal means may not adequately protect our rights or permit us to gain or keep our competitive advantage.

Due to evolving legal standards relating to the patentability, validity and enforceability of patents covering pharmaceutical inventions and the claim scope of these patents, our ability to enforce our existing patents and to obtain and enforce patents that may issue from any pending or future patent applications is uncertain and involves complex legal, scientific and factual questions. The standards which the U.S. Patent and Trademark Office and its foreign counterparts use to grant patents are not always applied predictably or uniformly and are subject to change. To date, no consistent policy has emerged regarding the breadth of claims allowed in biotechnology and pharmaceutical patents. Thus, we cannot be sure that any patents will issue from any pending or future patent applications owned by or licensed to us. Even if patents do issue, we cannot be sure that the claims of these patents will be held valid or enforceable by a court of law, will provide us with any significant protection against competitive products, or will afford us a commercial advantage over competitive products. In particular:

- we or our licensors might not have been the first to make the inventions covered by each of our pending patent applications and issued patents;
- we or our licensors might not have been the first to file patent applications for the inventions covered by our pending patent applications and issued patents;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;

- some or all of our or our licensors' pending patent applications may not result in issued patents or the claims that issue may be narrow in scope and not provide us with competitive advantages;
- our and our licensors' issued patents may not provide a basis for commercially viable drugs or therapies or may be challenged and invalidated by third parties;
- our or our licensors' patent applications or patents may be subject to interference, opposition or similar administrative proceedings that may result in a reduction in their scope or their loss altogether;
- we may not develop additional proprietary technologies or drug candidates that are patentable; or
- the patents of others may prevent us or our partners from discovering, developing or commercializing our drug candidates.

Patent protection is afforded on a country-by-country basis. Some foreign jurisdictions do not protect intellectual property rights to the same extent as in the United States. Many companies have encountered significant difficulties in protecting and defending intellectual property rights in foreign jurisdictions. Some of our development efforts are performed in countries outside of the United States through third party contractors. We may not be able to effectively monitor and assess intellectual property developed by these contractors. We therefore may not be able to effectively protect this intellectual property and could lose potentially valuable intellectual property rights. In addition, the legal protection afforded to inventors and owners of intellectual property in countries outside of the United States may not be as protective of intellectual property rights as in the United States. Therefore, we may be unable to acquire and protect intellectual property developed by these contractors to the same extent as if these development activities were being conducted in the United States. If we encounter difficulties in protecting our intellectual property rights in foreign jurisdictions, our business prospects could be substantially harmed.

We rely on intellectual property assignment agreements with our corporate partners, employees, consultants, scientific advisors and other collaborators to grant us ownership of new intellectual property that is developed. These agreements may not result in the effective assignment to us of that intellectual property. As a result, our ownership of key intellectual property could be compromised.

Changes in either the patent laws or their interpretation in the United States or other countries may diminish the value of our intellectual property or our ability to obtain patents. For example, the America Invents Act of 2011 may affect the scope, strength and enforceability of our patent rights in the United States or the nature of proceedings which may be brought by us related to our patent rights in the United States.

If one or more products resulting from our drug candidates is approved for sale by the FDA and we do not have adequate intellectual property protection for those products, competitors could duplicate them for approval and sale in the United States without repeating the extensive testing required of us or our partners to obtain FDA approval. Regardless of any patent protection, under current law, an application for a generic version of a new chemical entity cannot be approved until at least five years after the FDA has approved the original product. When that period expires, or if that period is altered, the FDA could approve a generic version of our product regardless of our patent protection. An applicant for a generic version of our product may only be required to conduct a relatively inexpensive study to show that its product is bioequivalent to our product, and may not have to repeat the lengthy and expensive clinical trials that we or our partners conducted to demonstrate that the product is safe and effective. In the absence of adequate patent protection for our products in other countries, competitors may similarly be able to obtain regulatory approval in those countries of generic versions of our products.

We also rely on trade secrets to protect our technology, particularly where we believe patent protection is not appropriate or obtainable. However, trade secrets are often difficult to protect, especially outside of the United States. While we endeavor to use reasonable efforts to protect our trade secrets, our or our partners' employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose our information to competitors. In addition, confidentiality agreements, if any, executed by those individuals may not be enforceable or provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure. Pursuing a claim that a third party had illegally obtained and was using our trade secrets would be expensive and time-consuming, and the outcome would be unpredictable. Even if we are able to maintain our trade secrets as confidential, if our competitors independently develop information equivalent or similar to our trade secrets, our business could be harmed.

If we are not able to defend the patent or trade secret protection position of our technologies and drug candidates, then we will not be able to exclude competitors from developing or marketing competing drugs, and we may not generate enough revenue from product sales to justify the cost of development of our drugs or to achieve or maintain profitability.

If we are sued for infringing third party intellectual property rights, it will be costly and time-consuming, and an unfavorable outcome could have a significant adverse effect on our business.

Our ability to commercialize drugs depends on our ability to use, manufacture and sell those drugs without infringing the patents or other proprietary rights of third parties. Numerous U.S. and foreign issued patents and pending patent applications owned by third parties exist in the therapeutic areas in which we are developing drug candidates and seeking new potential drug candidates. In

addition, because patent applications can take several years to issue, there may be currently pending applications, unknown to us, which could later result in issued patents that our activities with our drug candidates could infringe. There may also be existing patents, unknown to us, that our activities with our drug candidates could infringe.

Other future products of ours may be impacted by patents of companies engaged in competitive programs with significantly greater resources. Further development of these products could be impacted by these patents and result in significant legal fees.

If a third party claims that our actions infringe its patents or other proprietary rights, we could face a number of issues that could seriously harm our competitive position, including, but not limited to:

- infringement and other intellectual property claims that, even if meritless, can be costly and time-consuming to litigate, delay the regulatory approval process and divert management's attention from our core business operations;
- substantial damages for past infringement which we may have to pay if a court determines that our drugs or technologies infringe a third party's patent or other proprietary rights;
- a court prohibiting us from selling or licensing our drugs or technologies unless the holder licenses the patent or other proprietary rights to us, which it is not required to do; and
- if a license is available from a holder, we may have to pay substantial royalties or grant cross-licenses to our patents or other proprietary rights.

If any of these events occur, it could significantly harm our business and negatively affect our stock price.

We may undertake infringement or other legal proceedings against third parties, causing us to spend substantial resources on litigation and exposing our own intellectual property portfolio to challenge.

Third parties may infringe our patents. To prevent infringement or unauthorized use, we may need to file infringement suits, which are expensive and time-consuming. In an infringement proceeding, a court may decide that one or more of our patents is invalid, unenforceable, or both. In this case, third parties may be able to use our technology without paying licensing fees or royalties. Even if the validity of our patents is upheld, a court may refuse to stop the other party from using the technology at issue on the ground that the other party's activities are not covered by our patents. Policing unauthorized use of our intellectual property is difficult, and we may not be able to prevent misappropriation of our proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the United States. In addition, third parties may affirmatively challenge our rights to, or the scope or validity of, our patent rights.

We may become involved in disputes with our strategic partners over intellectual property ownership, and publications by our research collaborators and clinical investigators could impair our ability to obtain patent protection or protect our proprietary information, either of which would have a significant impact on our business.

Inventions discovered under our current or future strategic alliance agreements may become jointly owned by our strategic partners and us in some cases, and the exclusive property of one of us in other cases. Under some circumstances, it may be difficult to determine who owns a particular invention or whether it is jointly owned, and disputes could arise regarding ownership or use of those inventions. These disputes could be costly and time-consuming, and an unfavorable outcome could have a significant adverse effect on our business if we were not able to protect or license rights to these inventions. In addition, our research collaborators and clinical investigators generally have contractual rights to publish data arising from their work. Publications by our research collaborators and clinical investigators relating to our research and development programs, either with or without our consent, could benefit our current or potential competitors and may impair our ability to obtain patent protection or protect our proprietary information, which could significantly harm our business.

We may be subject to claims that we or our employees have wrongfully used or disclosed trade secrets of their former employers.

Many of our employees were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending these claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper or prevent our ability to develop and commercialize certain potential drugs, which could significantly harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and distract management.

Our competitors may develop drugs that are less expensive, safer or more effective than ours, which may diminish or eliminate the commercial success of any drugs that we may commercialize.

We compete with companies that have developed drugs or are developing drug candidates for cardiovascular diseases, diseases and conditions associated with muscle weakness or wasting and other diseases for which our drug candidates may be useful treatments. For example, if tirasemtiv is approved by the FDA for the treatment of ALS, it may then compete with other potential new therapies for ALS that are currently being developed by companies such as Mitsubishi Tanabe Pharma Corporation, Eisai Inc., Trophos SA, Neuraltus Pharmaceuticals, Inc., Isis Pharmaceuticals, Inc. and GlaxoSmithKline plc. In addition, BrainStorm Cell Therapeutics and Neuralstem, Inc. are each conducting clinical development of stem cell therapies for the potential treatment of ALS. If CK-2127107 is approved by the FDA for the potential treatment of non-neuromuscular indications associated with muscle weakness, potential competitors include Ligand Pharmaceuticals, Inc., which is developing LGD-4033, a selective androgen receptor modulator, for muscle wasting; and GTx, Inc., which is developing ostarine, a selective androgen receptor modulator, for cancer cachexia. Novartis (in collaboration with Morphosys AG), is conducting clinical development with an activin type-IIB receptor antagonist to evaluate its ability to treat diseases involving the loss of muscle mass, strength and function.

If omecamtiv mecarbil is approved for marketing by the FDA for heart failure, it would compete against other drugs used for the treatment of acute and chronic heart failure. These include generic drugs, such as milrinone, dobutamine or digoxin and newer marketed drugs such as nesiritide. Omecamtiv mecarbil could also potentially compete against other novel drug candidates in development, such as bucindolol, which is being developed by ARCA biopharma, Inc.; serelaxin and LCZ-696, which are being developed by Novartis; cenderitide (CD-NP), which is being developed by Nile Therapeutics, Inc., TRV-027, which is being developed by Trevena; aladorian, which is being developed by Armgo Pharma, Inc; certain cardioprotectants which are being developed by Cardioxyl Pharmaceuticals, Inc.; glial growth factor (GGF-2) which is being developed by Acorda Therapeutics, Inc.; and Neurocardin, which is being developed by Zensun Sci & Tech, Ltd. In addition, there are a number of medical devices being developed for the potential treatment of heart failure.

Our competitors may:

- develop drug candidates and market drugs that are less expensive or more effective than our future drugs;
- commercialize competing drugs before we or our partners can launch any drugs developed from our drug candidates;
- hold or obtain proprietary rights that could prevent us from commercializing our products;
- initiate or withstand substantial price competition more successfully than we can;
- more successfully recruit skilled scientific workers and management from the limited pool of available talent;
- more effectively negotiate third-party licenses and strategic alliances;
- take advantage of acquisition or other opportunities more readily than we can;
- develop drug candidates and market drugs that increase the levels of safety or efficacy that our drug candidates will need to show in order to obtain regulatory approval; or
- introduce therapies or market drugs that render the market opportunity for our potential drugs obsolete.

We will compete for market share against large pharmaceutical and biotechnology companies and smaller companies that are collaborating with larger pharmaceutical companies, new companies, academic institutions, government agencies and other public and private research organizations. Many of these competitors, either alone or together with their partners, may develop new drug candidates that will compete with ours. Many of these competitors have larger research and development programs or substantially greater financial resources than we do. Our competitors may also have significantly greater experience in:

- developing drug candidates;
- undertaking preclinical testing and clinical trials;
- building relationships with key customers and opinion-leading physicians;
- obtaining and maintaining FDA and other regulatory approvals of drug candidates;
- formulating and manufacturing drugs; and
- launching, marketing and selling drugs.

If our competitors market drugs that are less expensive, safer or more efficacious than our potential drugs, or that reach the market sooner than our potential drugs, we may not achieve commercial success. In addition, the life sciences industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Our competitors may render our technologies obsolete by improving existing technological approaches or developing new or different approaches, potentially eliminating the advantages in our drug discovery process that we believe we derive from our research approach and proprietary technologies.

Our failure to attract and retain skilled personnel could impair our drug development and commercialization activities.

Our business depends on the performance of our senior management and key scientific and technical personnel. The loss of the services of any member of our senior management or key scientific or technical staff may significantly delay or prevent the achievement of drug development and other business objectives by diverting management's attention to transition matters and identifying suitable replacements. We also rely on consultants and advisors to assist us in formulating our research and development strategy. All of our consultants and advisors are either self-employed or employed by other organizations, and they may have conflicts of interest or other commitments, such as consulting or advisory contracts with other organizations, that may affect their ability to contribute to us. In addition, if and as our business grows, we will need to recruit additional executive management and scientific and technical personnel. There is intense competition for skilled executives and employees with relevant scientific and technical expertise, and this competition is likely to continue. Our inability to attract and retain sufficient scientific, technical and managerial personnel could limit or delay our product development activities, which would adversely affect the development of our drug candidates and commercialization of our potential drugs and growth of our business.

Our workforce reductions in October 2011 and any future workforce and expense reductions may have an adverse impact on our internal programs and our ability to hire and retain skilled personnel.

In October 2011, we reduced our workforce by approximately 18% in order to reduce expenses and to focus resources primarily on our later-stage development programs for tirasemtiv and omecamtiv mecarbil and certain other research and development programs also directed to muscle biology. These headcount reductions and the cost control measures we have implemented may negatively affect our productivity and limit our research and development activities. Our future success will depend in large part upon our ability to attract and retain highly skilled personnel. We may have difficulty retaining and attracting such personnel as a result of a perceived risk of future workforce reductions. In light of our continued need for funding and cost control, we may be required to implement future workforce and expense reductions, which could further limit our research and development activities. In addition, the implementation of any additional workforce or expense reduction programs may divert the efforts of our management team and other key employees, which could adversely affect our business.

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

We may have growth in our expenditures, the number of our employees and the scope of our operations, in particular with respect to those drug candidates that we elect to develop or commercialize independently or together with a partner. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

We currently have no sales or marketing capabilities and, if we are unable to enter into or maintain strategic alliances with marketing partners or to develop our own sales and marketing capabilities, we may not be successful in commercializing our potential drugs.

We currently have no sales, marketing or distribution capabilities. We plan to commercialize drugs that can be effectively marketed and sold in concentrated markets that do not require a large sales force to be competitive. To achieve this goal, we will need to establish our own specialized sales force and marketing organization with technical expertise and supporting distribution capabilities. Developing such an organization is expensive and time-consuming and could delay a product launch. In addition, we may not be able to develop this capacity efficiently, cost-effectively or at all, which could make us unable to commercialize our drugs. If we determine not to market our drugs on our own, we will depend on strategic alliances with third parties, such as Amgen and Astellas, which have established distribution systems and direct sales forces to commercialize them. If we are unable to enter into such arrangements on acceptable terms, we may not be able to successfully commercialize these drugs. To the extent that we are not successful in commercializing any drugs ourselves or through a strategic alliance, our product revenues and business will suffer and our stock price would decrease.

Risks Related To Our Industry

The regulatory approval process is expensive, time-consuming and uncertain and may prevent our partners or us from obtaining approvals to commercialize some or all of our drug candidates.

The research, testing, manufacturing, selling and marketing of drugs are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, and regulations differ from country to country. Neither we nor our partners are permitted to market our potential drugs in the United States until we receive approval of a new drug application ("NDA") from the FDA. Neither we nor our partners have received NDA or other marketing approval for any of Cytokinetics' drug candidates.

Obtaining NDA approval is a lengthy, expensive and uncertain process. In addition, failure to comply with FDA and other applicable foreign and U.S. regulatory requirements may subject us to administrative or judicially imposed sanctions. These include warning letters, civil and criminal penalties, injunctions, product seizure or detention, product recalls, total or partial suspension of production, and refusal to approve pending NDAs or supplements to approved NDAs.

Regulatory approval of an NDA or NDA supplement is never guaranteed, and the approval process typically takes several years and is extremely expensive. The FDA and foreign regulatory agencies also have substantial discretion in the drug approval process, and the guidance and advice issued by such agencies is subject to change at any time. Despite the time and efforts exerted, failure can occur at any stage, and we may encounter problems that cause us to abandon clinical trials or to repeat or perform additional preclinical testing and clinical trials. The number and focus of preclinical studies and clinical trials that will be required for approval by the FDA and foreign regulatory agencies varies depending on the drug candidate, the disease or condition that the drug candidate is designed to address, and the regulations applicable to any particular drug candidate. In addition, the FDA may require that a proposed Risk Evaluation and Mitigation Strategy, also known as a REMS, be submitted as part of an NDA if the FDA determines that it is necessary to ensure that the benefits of the drug outweigh its risks. The FDA and foreign regulatory agencies can delay, limit or deny approval of a drug candidate for many reasons, including, but not limited to:

- they might determine that a drug candidate is not safe or effective;
- they might not find the data from preclinical testing and clinical trials sufficient and could request that additional trials be performed;
- they might not approve our, our partner's or the contract manufacturer's processes or facilities; or
- they might change their approval policies or adopt new regulations.

Even if we receive regulatory approval to manufacture and sell a drug in a particular regulatory jurisdiction, other jurisdictions' regulatory authorities may not approve that drug for manufacture and sale. If we or our partners fail to receive and maintain regulatory approval for the sale of any drugs resulting from our drug candidates, it would significantly harm our business and negatively affect our stock price.

If we or our partners receive regulatory approval for our drug candidates, we or they will be subject to ongoing obligations to and continued regulatory review by the FDA and foreign regulatory agencies, and may be subject to additional post-marketing obligations, all of which may result in significant expense and limit commercialization of our potential drugs.

Any regulatory approvals that we or our partners receive for our drug candidates may be subject to limitations on the indicated uses for which the drug may be marketed or require potentially costly post-marketing follow-up studies or compliance with a REMS. In addition, if the FDA or foreign regulatory agencies approves any of our drug candidates, the labeling, packaging, adverse event reporting, storage, advertising, promotion and record-keeping for the drug will be subject to extensive regulatory requirements. The subsequent discovery of previously unknown problems with the drug, including adverse events of unanticipated severity or frequency, or the discovery that adverse effects or toxicities observed in preclinical research or clinical trials that were believed to be minor actually constitute much more serious problems, may result in restrictions on the marketing of the drug or withdrawal of the drug from the market.

The FDA and foreign regulatory agencies may change their policies and additional government regulations may be enacted that could prevent or delay regulatory approval of our drug candidates. We cannot predict the likelihood, nature or extent of adverse government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are not able to maintain regulatory compliance, we might not be permitted to market our drugs and our business would suffer.

If physicians and patients do not accept our drugs, we may be unable to generate significant revenue, if any.

Even if our drug candidates obtain regulatory approval, the resulting drugs, if any, may not gain market acceptance among physicians, healthcare payors, patients and the medical community. Even if the clinical safety and efficacy of drugs developed from our drug candidates are established for purposes of approval, physicians may elect not to recommend these drugs for a variety of reasons including, but not limited to:

- introduction of competitive drugs to the market;
- clinical safety and efficacy of alternative drugs or treatments;
- cost-effectiveness;
- availability of coverage and reimbursement from health maintenance organizations and other third-party payors;
- convenience and ease of administration;
- prevalence and severity of adverse side effects;
- other potential disadvantages relative to alternative treatment methods; or
- insufficient marketing and distribution support.

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

The coverage and reimbursement status of newly approved drugs is uncertain and failure to obtain adequate coverage and reimbursement could limit our ability to market any drugs we may develop and decrease our ability to generate revenue.

Even if one or more of our drug candidates is approved for sale, the commercial success of our drugs in both domestic and international markets will be substantially dependent on whether third-party coverage and reimbursement is available for our drugs by the medical profession for use by their patients, which is highly uncertain. Medicare, Medicaid, health maintenance organizations and other third-party payors are increasingly attempting to contain healthcare costs by limiting both coverage and the level of reimbursement of new drugs. As a result, they may not cover or provide adequate payment for our drugs. They may not view our drugs as cost-effective and reimbursement may not be available to consumers or may be insufficient to allow our drugs to be marketed on a competitive basis. If we are unable to obtain adequate coverage and reimbursement for our drugs, our ability to generate revenue will be adversely affected. Likewise, current and future legislative or regulatory efforts to control or reduce healthcare costs or reform government healthcare programs, such as the Patient Protection Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, could result in lower prices or rejection of coverage and reimbursement for our potential drugs. Changes in coverage and reimbursement policies or healthcare cost containment initiatives that limit or restrict reimbursement for any of our drug candidates that are approved could cause our potential future revenues to decline.

We may be subject to costly product liability or other liability claims and may not be able to obtain adequate insurance.

The use of our drug candidates in clinical trials may result in adverse effects. We cannot predict all the possible harms or adverse effects that may result from our clinical trials. We currently maintain limited product liability insurance. We may not have sufficient resources to pay for any liabilities resulting from a personal injury or other claim excluded from, or beyond the limit of, our insurance coverage. Our insurance does not cover third parties' negligence or malpractice, and our clinical investigators and sites may have inadequate insurance or none at all. In addition, in order to conduct clinical trials or otherwise carry out our business, we may have to contractually assume liabilities for which we may not be insured. If we are unable to look to our own or a third party's insurance to pay claims against us, we may have to pay any arising costs and damages ourselves, which may be substantial.

In addition, if we commercially launch drugs based on our drug candidates, we will face even greater exposure to product liability claims. This risk exists even with respect to those drugs that are approved for commercial sale by the FDA and foreign regulatory agencies and manufactured in licensed and regulated facilities. We intend to secure additional limited product liability insurance coverage for drugs that we commercialize, but may not be able to obtain such insurance on acceptable terms with adequate coverage, or at reasonable costs. Even if we are ultimately successful in product liability litigation, the litigation would consume substantial amounts of our financial and managerial resources and may create adverse publicity, all of which would impair our ability to generate sales of the affected product and our other potential drugs. Moreover, product recalls may be issued at our discretion or at the direction of the FDA and foreign regulatory agencies, other governmental agencies or other companies having regulatory control for drug sales. Product recalls are generally expensive and often have an adverse effect on the reputation of the drugs being recalled and of the drug's developer or manufacturer.

We may be required to indemnify third parties against damages and other liabilities arising out of our development, commercialization and other business activities, which could be costly and time-consuming and distract management. If third parties that have agreed to indemnify us against damages and other liabilities arising from their activities do not fulfill their obligations, then we may be held responsible for those damages and other liabilities.

Our employees or contractors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, anti-bribery laws and insider trading.

We are exposed to the risk of fraud or other misconduct by our employees or contractors. Such misconduct could include failures to comply with the regulations of the FDA and non-U.S. regulators, provide accurate information to the FDA and non-U.S. regulators, comply with anti-bribery laws (such as the Foreign Corrupt Practice Act) or healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, marketing and promotion, sales commission, incentive programs and other business arrangements and practices. Such misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. We have adopted a code of conduct, but it is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent these activities may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

Responding to any claims relating to improper handling, storage or disposal of the hazardous chemicals and radioactive and biological materials we use in our business could be time-consuming and costly.

Our research and development processes involve the controlled use of hazardous materials, including chemicals and radioactive and biological materials. Our operations produce hazardous waste products. We cannot eliminate the risk of accidental contamination or discharge and any resultant injury from those materials. Federal, state and local laws and regulations govern the use, manufacture, storage, handling and disposal of hazardous materials. We may be sued for any injury or contamination that results from our or third parties' use of these materials. Compliance with environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development and production activities.

Our facilities in California are located near an earthquake fault, and an earthquake or other types of natural disasters, catastrophic events or resource shortages could disrupt our operations and adversely affect our results.

All of our facilities and our important documents and records, such as hard copies of our laboratory books and records for our drug candidates and compounds and our electronic business records, are located in our corporate headquarters at a single location in South San Francisco, California near active earthquake zones. If a natural disaster, such as an earthquake or flood, a catastrophic event such as a disease pandemic or terrorist attack, or a localized extended outage of critical utilities or transportation systems occurs, we could experience a significant business interruption. Our partners and other third parties on which we rely may also be subject to business interruptions from such events. In addition, California from time to time has experienced shortages of water, electric power and natural gas. Future shortages and conservation measures could disrupt our operations and cause expense, thus adversely affecting our business and financial results.

Risks Related To an Investment in Our Securities

We expect that our stock price will fluctuate significantly, and you may not be able to resell your shares at or at or above your investment price.

The stock market, particularly in recent years, has experienced significant volatility, particularly with respect to pharmaceutical, biotechnology and other life sciences company stocks, which often does not relate to the operating performance of the companies represented by the stock. Factors that could cause volatility in the market price of our common stock include, but are not limited to:

- announcements concerning any of the clinical trials for our compounds, such as tirasemtiv for the potential treatment of ALS, CK-2127107 for the potential treatment of non-neuromuscular indications associated with muscle weakness and omecamtiv mecarbil for the potential treatment of heart failure (including, but not limited to, the timing of initiation or completion of such trials and the results of such trials, and delays or discontinuations of such trials, including delays resulting from slower than expected or suspended patient enrollment or discontinuations resulting from a failure to meet pre-defined clinical end points);
- announcements concerning our strategic alliance with Amgen or Astellas or future strategic alliances;
- failure or delays in entering additional drug candidates into clinical trials;
- failure or discontinuation of any of our research programs;
- issuance of new or changed securities analysts' reports or recommendations;
- failure or delay in establishing new strategic alliances, or the terms of those alliances;
- market conditions in the pharmaceutical, biotechnology and other healthcare-related sectors;
- actual or anticipated fluctuations in our quarterly financial and operating results;
- developments or disputes concerning our intellectual property or other proprietary rights;
- introduction of technological innovations or new products by us or our competitors;
- issues in manufacturing our drug candidates or drugs;
- market acceptance of our drugs;
- third-party healthcare coverage and reimbursement policies;
- FDA or other U.S. or foreign regulatory actions affecting us or our industry;
- litigation or public concern about the safety of our drug candidates or drugs;
- additions or departures of key personnel;
- substantial sales of our common stock by our existing stockholders, whether or not related to our performance;
- automated trading activity by algorithmic and high-frequency trading programs; and
- volatility in the stock prices of other companies in our industry or in the stock market generally.

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

If the ownership of our common stock continues to be highly concentrated, it may prevent you and other stockholders from influencing significant corporate decisions and may result in conflicts of interest that could cause our stock price to decline.

As of July 26, 2013, our executive officers, directors and their affiliates beneficially owned or controlled approximately 5.3% of the outstanding shares of our common stock (after giving effect to the exercise of all outstanding vested and unvested options, restricted stock units and warrants). Accordingly, these executive officers, directors and their affiliates, acting as a group, will have substantial influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets or any other significant corporate transactions. These stockholders may also delay or prevent a change of control of us, even if such a change of control would benefit our other stockholders. The significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

Volatility in the stock prices of other companies may contribute to volatility in our stock price.

The stock market in general, and the NASDAQ stock exchanges and the market for technology companies in particular, have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Further, there has been particular volatility in the market prices of securities of early stage and development stage life sciences companies. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs, potential liabilities and the diversion of management's attention and resources, and could harm our reputation and business.

Our common stock is thinly traded and there may not be an active, liquid trading market for our common stock.

There is no guarantee that an active trading market for our common stock will be maintained on NASDAQ, or that the volume of trading will be sufficient to allow for timely trades. Investors may not be able to sell their shares quickly or at the latest market price if trading in our stock is not active or if trading volume is limited. In addition, if trading volume in our common stock is limited, trades of relatively small numbers of shares may have a disproportionate effect on the market price of our common stock.

Our stockholders will experience substantial additional dilution if outstanding options or warrants are exercised for common stock.

As of July 26, 2013, there were 7,692,096 shares of common stock issuable upon the exercise of warrants, having a weighted average exercise price of $5.95 per share, and 2,493,753 shares of common stock issuable upon the exercise of stock options outstanding, having a weighted average exercise price of $15.16 per share. The exercise of outstanding options or warrants for common stock would be substantially dilutive to the outstanding shares of common stock. Any dilution or potential dilution may cause our stockholders to sell their shares, which would contribute to a downward movement in the stock price of our common stock.

If we raise additional capital by issuing securities in the future, it will cause dilution to existing stockholders and may cause our share price to decline.

We may raise additional funds through the issuance and sale of additional shares of our common stock or other securities convertible into or exchangeable for our common stock. For example, in June 2011, we entered into an At-the-Market Issuance Sales Agreement (the "ATM Agreement") with McNicoll, Lewis & Vlak LLC ("MLV"), pursuant to which we may issue and sell shares of our common stock having an aggregate offering price up to $20.0 million or 2,397,278 shares, whichever occurs first, from time to time, through MLV as our sales agent. It is anticipated that these additional shares may be sold through MLV over a period of up to 36 months from June 2011. The number of shares ultimately offered for sale by MLV is dependent upon the number of shares that we elect to sell through MLV under the ATM Agreement, subject to the terms and conditions of the ATM Agreement. Depending upon market liquidity at the time, sales of shares of our common stock through MLV under the ATM Agreement may cause the trading price of our common stock to decline.

To the extent that we raise additional capital by issuing equity securities under the ATM Agreement or otherwise, our stockholders will experience additional dilution, and any such issuances may result in downward pressure on the price of our common stock.

Ownership changes may limit our ability to use our net operating losses and tax credits in the future.

In general, under Section 382 of the Internal Revenue Code ("Section 382"), a corporation that undergoes an 'ownership change' is subject to limitations on its ability to utilize its pre-change net operating losses and tax credits to offset future taxable income. We have performed a Section 382 analysis and do not believe that we have experienced an ownership change since 2006. A portion of our existing net operating losses and tax credits are subject to limitations arising from previous ownership changes. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 and result in additional limitations. We intend to continue to monitor public filings made by third parties with the SEC to assess whether an ownership change under Section 382 has occurred. Our ability to accurately assess any such ownership change is limited by the timeliness and accuracy of these public filings.

Evolving regulation of corporate governance and public disclosure may result in additional expenses, use of resources and continuing uncertainty.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and new SEC regulations and NASDAQ Stock Market LLC rules create uncertainty for public companies. We regularly evaluate and monitor developments with respect to new and proposed laws, regulations and standards. We cannot accurately predict or estimate the amount of the additional costs we may incur in connection with complying with such laws, regulations and standards or the timing of these costs. For example, compliance with the internal control requirements of Section 404 of the Sarbanes-Oxley Act has to date required us to commit significant resources to document and test the adequacy of our internal control over financial reporting. We can provide no assurance as to conclusions of management or by our independent registered public accounting firm with respect to the effectiveness of our internal control over financial reporting in the future. In addition, the SEC has adopted regulations that require us to file corporate financial statement information in an interactive data format known as XBRL. We may incur significant costs and need to invest considerable resources to remain in compliance with these regulations.

These new or changed laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to maintain high standards of corporate governance and public disclosure. As a result, we intend to invest the resources necessary to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new or changed laws, regulations and standards differ from the activities intended by regulatory or governing bodies, due to ambiguities related to practice or otherwise, regulatory authorities may initiate legal proceedings against us, which could be costly and time-consuming, and our reputation and business may be harmed.

We have never paid dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future.

We have paid no cash dividends on any of our classes of capital stock to date and we currently intend to retain our future earnings, if any, to fund the development and growth of our businesses. In addition, the terms of existing or any future debts may preclude us from paying these dividends.

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

On June 14, 2013, we sold 1,404,100 shares of our common stock at a price per share of $7.12 and an aggregate purchase price of $10.0 million to Amgen, pursuant to a common stock purchase agreement between us and Amgen.

We relied on the exemption from registration contained in Section 4(2) of the Securities Act, and Regulation D, Rule 506 thereunder, in connection with the issuance and sale of the common stock to Amgen.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
3.1	Amended and Restated Certificate of Incorporation.(1)
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation.(2)
3.3	Amended and Restated Bylaws.(3)
3.4	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock.(4)
3.5	Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock.(5)
3.6	Certificate of Amendment of Amended and Restated Certificate of Incorporation (10)
4.1	Specimen Common Stock Certificate.(6)
4.3	Form of Warrant to Purchase Common Stock of Cytokinetics, Inc.(4)
4.4	Form of Common Stock Warrant Agreement(7)
4.5	Form of Preferred Stock Warrant Agreement(7)
4.6	Form of Warrant (8)
10.2	2004 Equity Incentive Plan, as amended
10.3	2004 Employee Stock Purchase Plan
*10.46	Amendment No. 6, dated June 11, 2013, to the Collaboration and Option Agreement by and between the Company and Amgen Inc.
*10.47	Collaboration and License Agreement dated June 21, 2013, by and between the Company and Astellas Pharma Inc.
10.48	Common Stock Purchase Agreement dated June 11, 2013 by and between the Company and Amgen, Inc. (9)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of the Chief Executive Officer and the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
101.INS **	XBRL Instance Document.
101.SCH **	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.

(1) Incorporated by reference from our registration statement on Form S-3, registration number 333-174869, filed with the Securities and Exchange Commission on June 13, 2011.
(2) Incorporated by reference from our Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on August 4, 2011.
(3) Incorporated by reference from our registration statement on Form S-1, registration number 333-112261, declared effective by the Securities and Exchange Commission on April 29, 2004.
(4) Incorporated by reference from our Current Report on Form 8-K, filed with the Securities and Exchange Commission on April 18, 2011.
(5) Incorporated by reference from our Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 20, 2012.
(6) Incorporated by reference from our Quarterly Report on Form 10-Q, filed with the Security and Exchange Commission on May 9, 2007.

(7) Incorporated by reference from our registration statement on Form S-3, registration number 333-178189, filed with the Securities and Exchange Commission on November 25, 2011.
(8) Incorporated by reference from our Current Report on Form 10-Q, filed with the Securities and Exchange Commission on August 6, 2012.
(9) Incorporated by reference from our Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 12, 2013.
(10) Incorporated by reference from our Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 25, 2013.
* Pursuant to a request for confidential treatment, portions of this Exhibit have been redacted from the publicly filed document and have been furnished separately to the Securities and Exchange Commission as required by Rule 406 under the Securities Act or Rule 24b-2 under the Securities Exchange Act, as applicable.
** Furnished herewith. In accordance with Rule 406T of Regulation S-T, the information in these exhibits shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to liability under that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

SIGNATURES

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

Dated: August 7, 2013

CYTOKINETICS, INCORPORATED
(Registrant)

/s/ Robert I. Blum

Robert I. Blum
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Sharon A. Barbari

Sharon A. Barbari
Executive Vice President, Finance and
Chief Financial Officer
(Principal Financial Officer)

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Exhibit 10.2

CYTOKINETICS, INCORPORATED

2004 EQUITY INCENTIVE PLAN, AS AMENDED

(As amended by the Board of Directors on February 6, 2013; Stockholder approval May 22, 2013;
updated following reverse stock split June 25, 2013)

1. *Purposes of the Plan*. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. *Definitions*. As used herein, the following definitions will apply:

(a) *"Administrator"* means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) *"Affiliated SAR"* means an SAR that is granted in connection with a related Option, and which automatically will be deemed to be exercised at the same time that the related Option is exercised.

(c) *"Applicable Laws"* means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(d) *"Approval Authority"* means an authority, governmental or otherwise, that regulates pre-market approval of goods and services.

(e) *"Award"* means, individually or collectively, a grant under the Plan of Options, SARs, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(f) *"Award Agreement"* means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(g) *"Board"* means the Board of Directors of the Company.

(h) *"Cash Position"* means the Company's or a business unit's level of cash, cash equivalents, and available for sale marketable securities.

(i) *"Change in Control"* means the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" means directors who either (A) are Directors as of the effective date of the Plan, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but will not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company); or

(iv) 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.

(j) *"Clinical Progression"* means, for any Performance Period, a Product's entry into or completion of a phase of clinical development, such as when a Product enters into or completes a Phase 1, Phase 2, Phase 3 or other clinical study.

(k) *"Code"* means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(l) *"Collaboration Arrangement"* means, for any Performance Period, entry into an agreement or arrangement with a third party for the development, commercialization, marketing or distribution of a Product or for the conducting of a research program to discover or develop a Product or technologies.

(m) *"Collaboration Progression"* means, for any Performance Period, an event that triggers an obligation or payment right to accrue under a Collaboration Agreement.

(n) *"Committee"* means a committee of Directors appointed by the Board in accordance with Section 4 of the Plan.

(o) *"Common Stock"* means the common stock of the Company.

(p) *"Company"* means Cytokinetics, Incorporated, a Delaware corporation, or any successor thereto.

(q) *"Consultant"* means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services to such entity.

(r) *"Determination Date"* means the latest possible date that will not jeopardize the qualification of an Award granted under the Plan as "performance-based compensation" under Section 162(m) of the Code.

(s) *"Director"* means a member of the Board.

(t) *"Disability"* means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(u) *"Earnings Per Share"* means as to any Performance Period, the Company's or a business unit's Net Income, divided by a weighted average number of common shares outstanding and dilutive common equivalent shares deemed outstanding, determined in accordance with generally accepted accounting principles.

(v) *"Employee"* means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(w) *"Exchange Act"* means the Securities Exchange Act of 1934, as amended.

(x) *"Exchange Program"* means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have lower exercise prices and different terms), Awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion, subject to the provisions of Section 4(c).

(y) *"Fair Market Value"* means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the NASDAQ Global Market, the NASDAQ Global Select Market or the NASDAQ Capital Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share of Common Stock will be the mean between the high bid and low asked prices for the Common Stock on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

(z) *"Financing Event"* means, for any Performance Period, the closing of any financing event for capital raising purposes.

(aa) *"Fiscal Year"* means the fiscal year of the Company.

(bb) *"Freestanding SAR"* means an SAR that is granted independently of any Option.

(cc) *"Incentive Stock Option"* means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(dd) *"Net Income"* means as to any Performance Period, the income after taxes of the Company or a business unit for the Performance Period determined in accordance with generally accepted accounting principles.

(ee) *"Nonstatutory Stock Option"* means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(ff) *"Officer"* means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(gg) *"Operating Cash Flow"* means the Company's or a business unit's sum of Net Income plus depreciation and amortization less capital expenditures plus changes in working capital comprised of accounts receivable, inventories, other current assets, trade accounts payable, accrued expenses, product warranty, advance payments from customers and long-term accrued expenses, determined in accordance with generally acceptable accounting principles.

(hh) *"Operating Expenses"* means the sum of the Company's or a business unit's research and development expenses and selling and general and administrative expenses during a Performance Period.

(ii) *"Operating Income"* means the Company's or a business unit's income from operations determined in accordance with generally accepted accounting principles.

(jj) *"Option"* means a stock option granted pursuant to the Plan.

(kk) *"Outside Director"* means a Director who is not an Employee.

(ll) *"Parent"* means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(mm) *"Participant"* means the holder of an outstanding Award.

(nn) *"Performance Period"* means any Fiscal Year or such other period as determined by the Administrator in its sole discretion.

(oo) *"Performance Share"* means an Award granted to a Participant pursuant to Section 9.

(pp) *"Performance Unit"* means an Award granted to a Participant pursuant to Section 9.

(qq) *"Period of Restriction"* means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(rr) *"Plan"* means this 2004 Equity Incentive Plan.

(ss) *"Product"* means any drug candidate or product candidate requiring pre-market approval by an Approval Authority.

(tt) *"Product Approval"* means the approval by any Approval Authority of the right to market or sell a Product.

(uu) *"Product Revenues"* means as to any Performance Period, the Company's or a business unit's sales, royalties, license fees, milestones and related-party revenues, determined in accordance with generally accepted accounting principles.

(vv) *"Profit After Tax"* means as to any Performance Period, the Company's or a business unit's income after taxes, determined in accordance with generally accepted accounting principles.

(ww) *"Projects in Development"* refers to one or more projects at any or all stages of development from conception, discovery, and/or initial research through Product Approval, including, but not limited to, pre-clinical studies, filing of an investigational new drug application (IND) or foreign equivalent, Phase 1, Phase 2, and Phase 3 clinical trials and submission and approval of a new drug application (NDA) or foreign equivalent.

(xx) *"Regulatory Filings"* means as to any Performance Period, filings submitted to an Approval Authority with respect to a Product for which the Company is pursuing Product Approval.

(yy) *"Restricted Stock"* means shares of Common Stock issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(zz) *"Restricted Stock Unit"* shall mean a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 10. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(aaa) *"Return on Assets*" means as to any Performance Period, the percentage equal to the Company's or a business unit's Operating Income before incentive compensation, divided by average net Company or business unit, as applicable, assets, determined in accordance with generally accepted accounting principles.

(bbb) *"Return on Equity"* means as to any Performance Period, the percentage equal to the Company's Profit After Tax divided by average stockholder's equity, determined in accordance with generally accepted accounting principles.

(ccc) *"Revenue Growth"* means as to any Performance Period, the Company's or a business unit's net sales determined in accordance with generally accepted accounting principles, compared to the net sales of the immediately preceding quarter.

(ddd) *"Rule 16b-3"* means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(eee) *"Section 16(b)"* means Section 16(b) of the Exchange Act.

(fff) *"Service Provider"* means an Employee, Director or Consultant.

(ggg) *"Share"* means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(hhh) *"Stock Appreciation Right"* or "SAR" means an Award, granted alone or in connection with an Option, that pursuant to Section 8 is designated as a SAR.

(iii) *"Subsidiary"* means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

(jjj) *"Tandem SAR"* means an SAR that is granted in connection with a related Option, the exercise of which will require forfeiture of the right to purchase an equal number of Shares under the related Option (and when a Share is purchased under the Option, the SAR will be canceled to the same extent).

(kkk) *"Total Stockholder Return"* means the total return (change in share price plus reinvestment of any dividends) of a share of Common Stock.

3. *Stock Subject to the Plan*.

(a) *Stock Subject to the Plan*. Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be optioned and sold under the Plan is (A) 4,841,245 Shares plus (B) any Shares returned on or after February 28, 2013 to the 1997 Stock Option/Stock Issuance Plan as a result of termination of options or repurchase of Shares issued under such plan up to a maximum of 44,825 Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) *Full Value Awards* Any Shares subject to Awards granted with an exercise price less than the Fair Market Value on the date of grant of such Awards will be counted against the numerical limits of this Section 3 as two Shares for every one Share subject thereto. Further, if Shares acquired pursuant to any such Award are forfeited or repurchased by the Company and would otherwise return to the Plan pursuant to Section 3(c), two times the number of Shares so forfeited or repurchased will return to the Plan and will again become available for issuance.

(c) *Lapsed Awards*. If an Award expires or becomes unexercisable without having been exercised in full, or, with respect to Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units, is forfeited to or repurchased by the Company due to failure to vest, the unpurchased Shares (or for Awards other than Options and Stock Appreciation Rights, the forfeited or repurchased Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). Upon exercise of a Stock Appreciation Right settled in Shares, the gross number of Shares covered by the portion of the Award so exercised will cease to be available under the Plan. If the exercise price of an Option is paid by tender to the Company, or by attestation to the ownership of Shares owned by the Participant, the number of Shares available for issuance under the Plan will be reduced by the gross number of Shares for which the Option is exercised. Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if unvested Shares of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company due to failure to vest, such Shares will become available for future grant under the Plan. Shares used to pay the tax and exercise price of an Award will not become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing provisions of this Section 3(c), subject to adjustment provided in Section 14, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under this Section 3(c).

(d) *Share Reserve*. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. *Administration of the Plan*.

(a) *Procedure*.

(i) *Multiple Administrative Bodies*. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) *Section 162(m)*. To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan will be administered by a Committee of two or more "outside directors" within the meaning of Section 162(m) of the Code.

(iii) *Rule 16b-3*. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) *Other Administration*. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) *Powers of the Administrator*. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of agreement for use under the Plan;

(v) to determine the terms and conditions of any, and with the approval of the Company's stockholders, to institute an Exchange Program;

(vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws;

(ix) to modify or amend each Award (subject to Section 19(c) of the Plan), including the discretionary authority to extend the post-termination exercisability period of Awards longer than is otherwise provided for in the Plan;

(x) to allow Participants to satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued upon exercise of an Award that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld (the Fair Market Value of the Shares to be withheld will be determined on the date that the amount of tax to be withheld is to be determined and all elections by a Participant to have Shares withheld for this purpose will be made in such form and under such conditions as the Administrator may deem necessary or advisable);

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) *Prohibition Against Repricing*. Subject to adjustments made pursuant to Section 14, in no event shall the Administrator have the right to amend the terms of any Award to reduce the exercise price of such outstanding Award or cancel an outstanding Award in exchange for cash or other Awards with an exercise price that is less than the exercise price of the original Award without stockholder approval.

(d) *Effect of Administrator's Decision*. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. *Eligibility*. Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. *Stock Options*.

(a) *Limitations*.

(i) Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds $100,000, such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted.

(ii) The following limitations will apply to grants of Options:

(1) No Service Provider will be granted, in any Fiscal Year, Options to purchase more than 250,000 Shares.

(2) In connection with his or her initial service, a Service Provider may be granted Options to purchase up to an additional 250,000 Shares, which will not count against the limit set forth in Section 6(a)(ii)(1) above.

(3) The foregoing limitations will be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 14.

(4) If an Option is cancelled in the same Fiscal Year in which it was granted (other than in connection with a transaction described in Section 14), the cancelled Option will be counted against the limits set forth in subsections (1) and (2) above.

(b) *Term of Option*. The term of each Option will be stated in the Award Agreement and will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) *Option Exercise Price and Consideration*.

(i) *Exercise Price*. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

a) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant.

b) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than 100% of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be determined by the Administrator, but will be no less than 100% of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) *Waiting Period and Exercise Dates.* At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) *Form of Consideration*. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws; (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option will be exercised and provided that accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company; (5) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan; (6) a reduction in the amount of any Company liability to the Participant, including any liability attributable to the Participant's participation in any Company-sponsored deferred compensation program or arrangement; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(d) *Exercise of Option*.

(i) *Procedure for Exercise; Rights as a Stockholder*. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) *Termination of Relationship as a Service Provider*. If a Participant ceases to be a Service Provider, other than upon the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for

three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) *Disability of Participant*. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) *Death of Participant*. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. *Restricted Stock*.

(a) *Grant of Restricted Stock*. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) *Restricted Stock Agreement*. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Notwithstanding the foregoing sentence, for Restricted Stock intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, during any Fiscal Year no Participant will receive more than an aggregate of 166,666 Shares of Restricted Stock. Notwithstanding the foregoing limitation, in connection with his or her initial service as an Employee, for Restricted Stock intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, an Employee may be granted an aggregate of up to an additional 166,666 Shares of Restricted Stock. Unless the Administrator determines otherwise, Shares of Restricted Stock will be held by the Company as escrow agent until the restrictions on such Shares have lapsed.

(c) *Transferability*. Except as provided in this Section 7, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) *Other Restrictions*. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) *Removal of Restrictions*. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) *Voting Rights*. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) *Dividends and Other Distributions*. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award Agreement. Any such dividends will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) *Return of Restricted Stock to Company*. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

(i) *Section 162(m) Performance Restrictions*. For purposes of qualifying grants of Restricted Stock as "performance-based compensation" under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals will be set by the Administrator on or before the Determination Date. In granting Restricted Stock which is intended to qualify under Section 162(m) of the Code, the Administrator will follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

8. *Stock Appreciation Rights*.

(a) *Grant of SARs*. Subject to the terms and conditions of the Plan, a SAR may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion. The Administrator may grant Affiliated SARs, Freestanding SARs, Tandem SARs, or any combination thereof.

(b) *Number of Shares*. The Administrator will have complete discretion to determine the number of SARs granted to any Service Provider; provided, however, no Service Provider will be granted, in any Fiscal Year, SARs covering more than 250,000 Shares. Notwithstanding the limitation in the previous sentence, in connection with his or her initial service a Service Provider may be granted SARs covering up to an additional 250,000 Shares. The foregoing limitations will be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 14. In addition, if a SAR is cancelled in the same Fiscal Year in which it was granted (other than in connection with a transaction described in Section 14), the cancelled SAR will be counted against the numerical share limits set forth above.

(c) *Exercise Price and Other Terms*. The Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of SARs granted under the Plan; provided, however, that the per Share exercise price of a SAR will be no less than 100% of the Fair Market Value per Share on the date of grant. However, the exercise price of Tandem or Affiliated SARs will equal the exercise price of the related Option.

(d) *Exercise of Tandem SARs*. Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable. With respect to a Tandem SAR granted in connection with an Incentive Stock Option: (a) the Tandem SAR will expire

no later than the expiration of the underlying Incentive Stock Option; (b) the value of the payout with respect to the Tandem SAR will be for no more than one hundred percent (100%) of the difference between the exercise price of the underlying Incentive Stock Option and the Fair Market Value of the Shares subject to the underlying Incentive Stock Option at the time the Tandem SAR is exercised; and (c) the Tandem SAR will be exercisable only when the Fair Market Value of the Shares subject to the Incentive Stock Option exceeds the Exercise Price of the Incentive Stock Option.

(e) *Exercise of Affiliated SARs*. An Affiliated SAR will be deemed to be exercised upon the exercise of the related Option. The deemed exercise of an Affiliated SAR will not necessitate a reduction in the number of Shares subject to the related Option.

(f) *Exercise of Freestanding SARs*. Freestanding SARs will be exercisable on such terms and conditions as the Administrator, in its sole discretion, will determine.

(g) *SAR Agreement*. Each SAR grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the SAR, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(h) *Maximum Term/Expiration of SARs*. The term of each SAR will be stated in the Award Agreement and will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(i) *Payment of SAR Amount*. Upon exercise of an SAR, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the SAR is exercised.

At the discretion of the Administrator, the payment upon SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

9. *Performance Units and Performance Shares*.

(a) *Grant of Performance Units/Shares*. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant provided that during any Fiscal Year, for Performance Units or Performance Shares intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, (i) no Participant will receive Performance Units having an initial value greater than $4,000,000, and (ii) no Participant will receive more than 166,666 Performance Shares. Notwithstanding the foregoing limitation, for Performance Shares intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, in connection with his or her initial service, a Service Provider may be granted up to an additional 166,666 Performance Shares.

(b) *Value of Performance Units/Shares*. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) *Performance Objectives and Other Terms*. The Administrator will set performance objectives or other vesting provisions in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period,

and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, or individual goals, applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) *Earning of Performance Units/Shares*. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) *Form and Timing of Payment of Performance Units/Shares*. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) *Cancellation of Performance Units/Shares*. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

(g) *Section 162(m) Performance Restrictions*. For purposes of qualifying grants of Performance Units/Shares as "performance-based compensation" under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals will be set by the Administrator on or before the Determination Date. In granting Performance Units/Shares which are intended to qualify under Section 162(m) of the Code, the Administrator will follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

10. *Restricted Stock Units*.

(a) *Grant of Restricted Stock Units*. Restricted Stock Units may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Restricted Stock Units granted to each Participant provided that during any Fiscal Year, for Restricted Stock Units intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, no Participant will receive more than 166,666 Restricted Stock Units. Notwithstanding the foregoing limitation, for Restricted Stock Units intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, in connection with his or her initial service, a Service Provider may be granted up to an additional 166,666 Restricted Stock Units.

(b) *Vesting Provisions and Other Terms*. The Administrator will set service-based or other vesting provisions in its discretion which, depending on the extent to which they are met, will determine the number of Restricted Stock Units that will be paid out to the Service Providers. Each Award of Restricted Stock Units will be evidenced by an Award Agreement that will specify the vesting schedule, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) *Earning of Restricted Stock Units*. Upon vesting, the holder of Restricted Stock Units will be entitled to receive a payout of the number of Restricted Stock Units earned by the Participant. After the grant of Restricted Stock Units the Administrator, in its sole discretion, may reduce or waive any vesting provisions for such Restricted Stock Units.

(d) *Form and Timing of Payment of Restricted Stock Units*. Payment of earned Restricted Stock Units will be made as soon as practicable after vesting, but in no event more than ten business days later. The Administrator shall pay earned Restricted Stock Units in the form of Shares.

(e) *Cancellation of Restricted Stock Units*. On the date set forth in the Award Agreement, all unvested Restricted Stock Units Shares will be forfeited to the Company, and again will be available for grant under the Plan.

(f) *Section 162(m) Performance Restrictions*. For purposes of qualifying grants of Restricted Stock Units as "performance-based compensation" under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals will be set by the Administrator on or before the Determination Date. In granting Restricted Stock Units which are intended to qualify under Section 162(m) of the Code, the Administrator will follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

11. *Performance Goals*. The granting and/or vesting of Awards of Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units and other incentives under the Plan may be made subject to the attainment of performance goals relating to one or more business criteria within the meaning of Section 162(m) of the Code and may provide for a targeted level or levels of achievement ("Performance Goals") including: (i) Cash Position, (ii) Clinical Progression, (iii) Collaboration Arrangement, (iv) Collaboration Progression, (v) Earnings Per Share, (vi) Financing Event, (vii) Net Income, (viii) Operating Cash Flow, (ix) Operating Expenses, (x) Operating Income, (xi) Product Approval, (xii) Product Revenues, (xiii) Profit After Tax, (xiv) Projects in Development, (xv) Regulatory Filings, (xvi) Return on Assets, (xvii) Return on Equity, (xviii) Revenue Growth, and (xix) Total Stockholder Return. Prior to the Determination Date, the Administrator will determine whether any significant element(s) will be included in or excluded from the calculation of any Performance Goal with respect to any Participant. Any Performance Goals may be used to measure the performance of the Company as a whole or a business unit of the Company and may be measured relative to a peer group or index or to another Performance Goal. With respect to any Award, Performance Goals may be used alone or in combination. The Performance Goals may differ from Participant to Participant and from Award to Award. Prior to the Determination Date, the Administrator will determine whether any significant element(s) will be included in or excluded from the calculation of any Performance Goal with respect to any Participant. In all other respects, Performance Goals will be calculated in accordance with the Company's financial statements, generally accepted accounting principles, or under a methodology established by the Administrator prior to the issuance of an Award, which is consistently applied and identified in the financial statements, including footnotes, or the management discussion and analysis section of the Company's annual report. In determining the amounts earned by a Participant pursuant to an Award intended to qualified as "performance-based compensation" under Section 162(m) of the Code, the Administrator will have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Administrator may deem relevant to the assessment of individual or corporate performance for the Performance Period. A Participant will be eligible to receive payment pursuant to an Award intended to qualify as "performance-based compensation" under Section 162(m) of the Code for a Performance Period only if the Performance Goals for such period are achieved.

12. *Leaves of Absence*. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Service Provider will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six months and a day following the 1st day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

13. *Transferability of Awards.* Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate; provided, however, that the Administrator may only make an Award transferable to one or more of the following: (i) the Participant's spouse, children or grandchildren (including any adopted and step children or grandchildren), parents, grandparents, siblings or any "Family Member" (as defined pursuant to Rule 701 of the Securities Act of 1933, as amended) of the Participant; (ii) a trust for the benefit of one or more of the Participant or the persons referred to in clause (i); (iii) a partnership, limited liability company or corporation in which the Participant or the persons referred to in clause (i) are the only partners, members or stockholders; or (iv) charitable donations.

14. *Adjustments; Dissolution or Liquidation; Merger or Change in Control*.

(a) *Adjustments*. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, shall appropriately adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, the numerical Share limits in Sections 3, 6, 7, 8, 9 and 10 of the Plan.

(b) *Dissolution or Liquidation*. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) *Change in Control*. In the event of a Change in Control, each outstanding Award will be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock shall lapse, and, with respect to Performance Shares, Restricted Stock Units and Performance Units, all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted for in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be fully vested and exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

With respect to Awards granted to an Outside Director that are assumed or substituted for, if on the date of or following such assumption or substitution the Participant's status as a Director or a director of the successor corporation, as applicable, is terminated other than upon a voluntary resignation by the Participant not at the request of the successor, then the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares subject to the Award, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock shall lapse, and, with respect to Performance Shares, Restricted Stock Units and Performance Units, all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) or, in the

case of a Stock Appreciation Right upon the exercise of which the Administrator determines to pay cash or a Performance Share or Performance Unit which the Administrator can determine to pay in cash, the fair market value of the consideration received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Performance Share or Performance Unit, for each Share subject to such Award (or in the case of Performance Units, the number of implied shares determined by dividing the value of the Performance Units by the per share consideration received by holders of Common Stock in the Change in Control), to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

15. *Tax Withholding*

(a) *Withholding Requirements.* Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) *Withholding Arrangements.* The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the amount required to be withheld, (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the amount required to be withheld, or (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. The amount of the withholding requirement will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

16. *No Effect on Employment or Service*. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. *Date of Grant.* The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

18. *Term of Plan.* Subject to Section 22 of the Plan, the Plan will continue in effect until February 9, 2021 unless terminated earlier under Section 19 of the Plan.

19. *Amendment and Termination of the Plan*.

(a) *Amendment and Termination.* The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) *Stockholder Approval.* The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) *Effect of Amendment or Termination.* No amendment, alteration, suspension or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

20. *Conditions Upon Issuance of Shares*.

(a) *Legal Compliance.* Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) *Investment Representations.* As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

21. *Inability to Obtain Authority.* The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

22. *Stockholder Approval.* The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

Exhibit 10.3

CYTOKINETICS, INCORPORATED

2004 EMPLOYEE STOCK PURCHASE PLAN

(As amended by the Board of Directors on February 6, 2013; stockholder approval May 22, 2013;
updated following reverse stock split June 25, 2013)

The following constitutes the provisions of the 2004 Employee Stock Purchase Plan of Cytokinetics, Incorporated:

1. Purpose. The purpose of the Plan is to provide Employees with an opportunity to purchase Common Stock through accumulated payroll deductions. It is the intention of the Company to have the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Plan, accordingly, shall be construed so as to extend and limit Plan participation in a manner that is consistent with the requirements of that section of the Code.

2. Definitions.

(a) "Administrator" means the Board or any committee thereof designated by the Board in accordance with Section 14.

(b) "Board" means the Board of Directors of the Company.

(c) "Change of Control" means the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets; or

(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.

(iv) A change in the composition of the Board, as a result of which fewer than a majority of the Directors are Incumbent Directors. "Incumbent Directors" means Directors who either (A) are Directors as of the effective date of the Plan (pursuant to Section 23), or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of those Directors whose election or nomination was not in connection with any transaction described in subsections (i), (ii) or (iii) or in connection with an actual or threatened proxy contest relating to the election of Directors of the Company.

(d) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein shall be a reference to any successor or amended section of the Code.

(e) "Common Stock" means the common stock of the Company.

(f) "Company" means Cytokinetics, Incorporated, a Delaware corporation.

(g) "Compensation" means an Employee's base straight time gross earnings, commissions (to the extent such commissions are an integral, recurring part of compensation), overtime and shift premium, but exclusive of payments for incentive compensation, bonuses and other compensation.

(h) "Designated Subsidiary" means any Subsidiary that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan.

(i) "Director" means a member of the Board.

(j) "Employee" means any individual who is a common law employee of an Employer and is customarily employed for more than twenty (20) hours per week and more than five (5) months in any calendar year by the Employer. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Employer. Where the period of leave exceeds ninety (90) days and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the 91st day of such leave.

(k) "Employer" means any one or all of the Company and its Designated Subsidiaries.

(l) "Enrollment Date" means the first Trading Day of each Offering Period.

(m) "Exchange Act" means the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(n) "Exercise Date" means April 30 and October 31 of each year or, if such date is not a Trading Day, then the first Trading Day occurring immediately prior to such date. The first Exercise Date under the Plan shall be November 1, 2004.

(o) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the NASDAQ National Market or The NASDAQ SmallCap Market of The NASDAQ Stock Market, its Fair Market Value shall be the closing sales price for the Common Stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the date of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable, or;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean of the closing bid and asked prices for the Common Stock on the date of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable, or;

(iii) In the absence of an established market for the Common Stock, its Fair Market Value shall be determined in good faith by the Administrator, or;

(iv) For purposes of the Enrollment Date of the first Offering Period under the Plan, the Fair Market Value shall be the initial price to the public as set forth in the final prospectus deemed to be included within the registration statement on Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Common Stock (the "Registration Statement").

(p) "Offering Periods" means the periods of approximately twenty-four (24) months during which an option granted pursuant to the Plan may be exercised, commencing on May 1 and November 1 of each year (provided that if such date is not a Trading Day, such Offering Period will commence on the first Trading Day occurring after such date), and terminating on the April 30 or October 31 occurring approximately 24 months thereafter, respectively (provided that if such date is not a Trading Day, such Offering Period will terminate on the first Trading Day occurring immediately prior to such date). Notwithstanding the foregoing, the first Offering Period under the Plan shall commence with the first Trading Day on or after the date on which the Securities and Exchange Commission declares the Company's Registration Statement effective and ending on the first Trading Day on or after the earlier of (i) May 1, 2006 or (ii) twenty-seven (27) months from the beginning of the first Offering Period; and provided, further, that the second Offering Period under the Plan shall commence on November 1, 2004. The duration and timing of Offering Periods may be changed pursuant to Section 4 of this Plan.

(q) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(r) "Plan" means this 2004 Employee Stock Purchase Plan, as amended.

(s) "Purchase Period" means the approximately six (6) month period commencing on one Exercise Date and ending with the next Exercise Date, except that the first Purchase Period of any Offering Period shall commence on the Enrollment Date and end with the next Exercise Date.

(t) "Purchase Price" means an amount equal to eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Enrollment Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be adjusted by the Administrator pursuant to Section 20.

(u) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(v) "Trading Day" means a day on which the U.S. national stock exchanges and the NASDAQ System are open for trading.

3. Eligibility.

(a) First Offering Period. Any individual who is an Employee immediately prior to the first Offering Period under the Plan shall be automatically enrolled in the first Offering Period.

(b) Subsequent Offering Periods. Any individual who is an Employee as of the Enrollment Date of any future Offering Period shall be eligible to participate in such Offering Period, subject to the requirements of Section 5.

(c) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Employee shall be granted an option under the Plan (i) to the extent that, immediately after the grant, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate which exceeds twenty-five thousand dollars ($25,000) worth of stock (determined at the Fair Market Value of the stock on the Enrollment Date of the Offering Period) for each calendar year in which such option is outstanding at any time.

4. Offering Periods. The Plan shall be implemented by consecutive, overlapping Offering Periods with a new Offering Period commencing on the first Trading Day on or after May 1 and November 1 of each year, or on such other date as the Administrator shall determine, and continuing thereafter until terminated in accordance with Section 20; provided, however, that the first Offering Period under the Plan shall commence with the first Trading Day on or after the date on which the Securities and Exchange Commission declares the Company's Registration Statement effective and ending on the first Trading Day on or after the earlier of (i) May 1, 2006 or (ii) twenty-seven (27) months from the beginning of the first Offering Period; and provided, further, that the second Offering Period under the Plan shall commence on November 1, 2004. The Administrator shall have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter.

5. Participation.

(a) First Offering Period. An Employee who has become a participant in the first Offering Period under the Plan pursuant to Section 3(a) shall be entitled to continue his or her participation in such Offering

Period only if he or she submits to the Company's payroll office (or its designee) a properly completed subscription agreement authorizing payroll deductions in the form provided by the Administrator for such purpose (i) no earlier than the effective date of the filing of the Company's Registration Statement on Form S-8 with respect to the shares of Common Stock issuable under the Plan (the "Effective Date") and (ii) no later than five (5) business days from the Effective Date or such other period of time as the Administrator may determine (the "Enrollment Window"). A participant's failure to submit the subscription agreement during the Enrollment Window pursuant to this Section 5(a) shall result in the automatic termination of his or her participation in the first Offering Period under the Plan.

(b) Subsequent Offering Periods. An Employee who is eligible to participate in the Plan pursuant to Section 3(b) may become a participant by (i) submitting to the Company's payroll office (or its designee), on or before a date prescribed by the Administrator prior to an applicable Enrollment Date, a properly completed subscription agreement authorizing payroll deductions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure prescribed by the Administrator.

6. Payroll Deductions.

(a) At the time a participant enrolls in the Plan pursuant to Section 5, he or she shall elect to have payroll deductions made on each payday during the Offering Period in an amount not exceeding 15% of the Compensation which he or she receives on each such payday. Effective for Purchase Periods and Offering Periods commencing on or after November 1, 2006, eligible Employees who wish to enroll in the Plan, and participants then participating in the Plan who are subscribing at a rate of 0% of Compensation, may elect prior to the commencement of a Purchase Period or Offering Period, as applicable, to have payroll deductions made on each payday during the Offering Period in an amount not to exceed 15% of Compensation, but with a minimum contribution rate of 1% of Compensation, subject to Sections 3(c) and 6(e). Effective only for Offering Periods commencing on or after November 1, 2012, a participant may elect prior to the commencement of an Offering Period (or a Purchase Period within such an Offering Period, as applicable) to have payroll deductions made on each payday during the Offering Period in an amount not to exceed 15% of Compensation, but with a minimum contribution rate of 0.1% of Compensation, subject to Sections 3(c) and 6(e). Participants will not be permitted to subscribe at a rate of 0% of Compensation, except as required by Sections 3(c) and 6(e).

(b) Payroll deductions authorized by a participant shall commence on the first payday following the Enrollment Date and shall end on the last payday in the Offering Period to which such authorization is applicable, unless sooner terminated by the participant as provided in Section 10; provided, however, that for the first Offering Period under the Plan, payroll deductions shall commence on the first payday on or following the end of the Enrollment Window.

(c) All payroll deductions made for a participant shall be credited to his or her account under the Plan. A participant may not make any additional payments into such account.

(d) A participant may discontinue his or her participation in the Plan as provided in Section 10, or may change the rate of his or her payroll deductions during the Offering Period by (i) properly completing and submitting to the Company's payroll office (or its designee), on or before a date prescribed by the Administrator prior to an applicable Exercise Date, a new subscription agreement authorizing the change in payroll deduction rate in the form provided by the Administrator for such purpose, or (ii) following an electronic or other procedure prescribed by the Administrator; provided, however, that a participant may only make one payroll deduction change during each Purchase Period. If a participant has not followed such procedures to change the rate of payroll deductions, the rate of his or her payroll deductions shall continue at the originally elected rate throughout the Offering Period and future Offering Periods (unless terminated as provided in Section 10). The Administrator may, in its sole discretion, limit the nature and/or number of payroll deduction rate changes that may be made by participants during any Offering Period. Any change in payroll deduction rate made pursuant to this Section 6(d) shall be effective as of the first full payroll period

following five (5) business days after the date on which the change is made by the participant (unless the Administrator, in its sole discretion, elects to process a given change in payroll deduction rate more quickly). Effective for Purchase Periods and the Offering Periods commencing on or after November 1, 2006, a subscription agreement authorizing a decrease in the rate of payroll deductions may be submitted at any time during a Purchase Period, but a subscription agreement authorizing an increase in the rate of payroll deductions must be, and will only be processed if it is, received by the Company's payroll office (or its designee) at least five (5) days prior to the commencement of a Purchase Period to which it relates. A subscription agreement authorizing an increase in the rate of payroll deductions will not be processed and will have no effect after the commencement of a Purchase Period to which it relates.

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(c), or if the Administrator reasonably anticipates a participant has contributed a sufficient amount to purchase a number of shares of Common Stock equal to or in excess of the applicable limit for such Purchase or Offering Period (as set forth in Section 7 or as established by the Administrator), a participant's payroll deductions may be decreased to zero percent (0%) at any time during a Purchase Period. Subject to Section 423(b)(8) of the Code and Section 3(c) hereof, payroll deductions will recommence at the rate originally elected by the participant effective as of the beginning of the first Purchase Period which is scheduled to end in the following calendar year, or, for participants who have had contributions reduced due to the applicable limits on the maximum number of shares that may be purchased in any Purchase or Offering Period, the immediately following Purchase Period, unless terminated by the participant as provided in Section 10.

(f) At the time the option is exercised, in whole or in part, or at the time some or all of the Company's Common Stock issued under the Plan is disposed of, the participant must make adequate provision for the Company's federal, state, or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock. At any time, the Company may, but shall not be obligated to, withhold from the participant's compensation the amount necessary for the Company to meet applicable withholding obligations, including any withholding required to make available to the Company any tax deductions or benefits attributable to the sale or early disposition of Common Stock by the Employee.

7. Grant of Option. On the Enrollment Date of each Offering Period, each Employee participating in such Offering Period shall be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such participant's payroll deductions accumulated prior to such Exercise Date and retained in the participant's account as of the Exercise Date by the applicable Purchase Price; provided that in no event shall a participant be permitted to purchase during each Purchase Period more than 208 shares of Common Stock (subject to any adjustment pursuant to Section 19), and provided further that such purchase shall be subject to the limitations set forth in Sections 3(c) and 13. The Employee may accept the grant of such option (i) with respect to the first Offering Period under the Plan, by submitting a properly completed subscription agreement in accordance with the requirements of Section 5(a) on or before the last day of the Enrollment Window, and (ii) with respect to any future Offering Period under the Plan, by electing to participate in the Plan in accordance with the requirements of Section 5(b). The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that a participant may purchase during each Purchase Period of such Offering Period. Exercise of the option shall occur as provided in Section 8, unless the participant has withdrawn pursuant to Section 10. The option shall expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock shall be exercised automatically on the Exercise Date, and the maximum number of full shares subject to option shall be purchased for such participant at the applicable Purchase Price with the accumulated payroll deductions in his or her account. No fractional shares of Common Stock shall be purchased; any payroll deductions accumulated in a participant's account which are not sufficient to purchase a full share shall be retained in the participant's account for the subsequent

Purchase Period or Offering Period, subject to earlier withdrawal by the participant as provided in Section 10. Any other monies left over in a participant's account after the Exercise Date shall be returned to the participant. During a participant's lifetime, a participant's option to purchase shares hereunder is exercisable only by him or her.

(b) Notwithstanding any contrary Plan provision, if the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company shall make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as shall be practicable and as it shall determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect, or (y) provide that the Company shall make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as shall be practicable and as it shall determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 20. The Company may make pro rata allocation of the shares of Common Stock available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares of Common Stock for issuance under the Plan by the Company's shareholders subsequent to such Enrollment Date.

9. Delivery. As soon as administratively practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company shall arrange the delivery to each participant, as appropriate, the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. No participant shall have any voting, dividend, or other shareholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the participant as provided in this Section 9.

10. Withdrawal.

(a) Under procedures established by the Administrator, a participant may withdraw all but not less than all the payroll deductions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's payroll office (or its designee) a written notice of withdrawal in the form prescribed by the Administrator for such purpose, or (ii) following an electronic or other withdrawal procedure prescribed by the Administrator. All of the participant's payroll deductions credited to his or her account shall be paid to such participant as promptly as practicable after the effective date of his or her withdrawal and such participant's option for the Offering Period shall be automatically terminated, and no further payroll deductions for the purchase of shares shall be made for such Offering Period. If a participant withdraws from an Offering Period, payroll deductions shall not resume at the beginning of the succeeding Offering Period unless the participant re-enrolls in the Plan in accordance with the provisions of Section 5.

(b) A participant's withdrawal from an Offering Period shall not have any effect upon his or her eligibility to participate in any similar plan which may hereafter be adopted by the Company or in succeeding Offering Periods which commence after the termination of the Offering Period from which the participant withdraws.

11. Termination of Employment. Upon a participant's ceasing to be an Employee, for any reason, he or she shall be deemed to have elected to withdraw from the Plan and the payroll deductions credited to such participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan shall be returned to such participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such participant's option shall be automatically terminated. The preceding sentence

notwithstanding, a participant who receives payment in lieu of notice of termination of employment shall be treated as continuing to be an Employee for the participant's customary number of hours per week of employment during the period in which the participant is subject to such payment in lieu of notice.

12. Interest. No interest shall accrue on the payroll deductions of a participant in the Plan.

13. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 19, the maximum number of shares of Common Stock which shall be made available for sale under the Plan shall be 416,666 shares of Common Stock.

(b) Shares of Common Stock to be delivered to a participant under the Plan shall be registered in the name of the participant or in the name of the participant and his or her spouse.

14. Administration. The Board or a committee of members of the Board who shall be appointed from time to time by, and shall serve at the pleasure of, the Board, shall administer the Plan. The Administrator shall have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for administration of the Plan (including, without limitation, to adopt such procedures and sub-plans as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the United States). The Administrator, in its sole discretion and on such terms and conditions as it may provide, may delegate to one or more individuals all or any part of its authority and powers under the Plan. Every finding, decision and determination made by the Administrator (or its designee) shall, to the full extent permitted by law, be final and binding upon all parties.

15. Designation of Beneficiary.

(a) A participant may designate a beneficiary who is to receive any shares of Common Stock and cash, if any, from the participant's account under the Plan in the event of such participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such participant of such shares and cash. In addition, a participant may designate a beneficiary who is to receive any cash from the participant's account under the Plan in the event of such participant's death prior to exercise of the option. If a participant is married and the designated beneficiary is not the spouse, spousal consent shall be required for such designation to be effective.

(b) Such designation of beneficiary may be changed by the participant at any time. In the event of the death of a participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such participant's death, the Company shall deliver such shares and/or cash to the executor or administrator of the estate of the participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) All beneficiary designations under this Section 15 shall be made in such form and manner as the Administrator may prescribe from time to time.

16. Transferability. Neither payroll deductions credited to a participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15) by the participant. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from an Offering Period in accordance with Section 10.

17. Use of Funds. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll

deductions. Until shares of Common Stock are issued under the Plan (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), a participant shall only have the rights of an unsecured creditor with respect to such shares.

18. Reports. Individual accounts shall be maintained for each participant in the Plan. Statements of account shall be given to participating Employees at least annually, which statements shall set forth the amounts of payroll deductions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

19. Adjustments, Dissolution, Liquidation or Change of Control .

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, shall, in such manner as it may deem equitable, adjust the number and class of Common Stock which may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan which has not yet been exercised, and the numerical limits of Sections 7 and 13.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Offering Period then in progress shall be shortened by setting a new Exercise Date (the "New Exercise Date"), and shall terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Board. The New Exercise Date shall be before the date of the Company's proposed dissolution or liquidation. The Board shall notify each participant in writing, at least ten (10) business days prior to the New Exercise Date, that the Exercise Date for the participant's option has been changed to the New Exercise Date and that the participant's option shall be exercised automatically on the New Exercise Date, unless prior to such date the participant has withdrawn from the Offering Period as provided in Section 10.

(c) Change of Control. In the event of a Change of Control, each outstanding option shall be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, any Purchase Periods then in progress shall be shortened by setting a new Exercise Date (the "New Exercise Date") and any Offering Periods then in progress shall end on the New Exercise Date. The New Exercise Date shall be before the date of the Company's proposed Change of Control. The Board shall notify each participant in writing, at least ten (10) business days prior to the New Exercise Date, that the Exercise Date for the participant's option has been changed to the New Exercise Date and that the participant's option shall be exercised automatically on the New Exercise Date, unless prior to such date the participant has withdrawn from the Offering Period as provided in Section 10.

20. Amendment or Termination.

(a) The Administrator may at any time and for any reason terminate or amend the Plan. Except as provided in Section 19, no such termination can affect options previously granted under the Plan, provided that an Offering Period may be terminated by the Administrator on any Exercise Date if the Administrator determines that the termination or suspension of the Plan is in the best interests of the Company and its stockholders. Except as provided in Section 19 and this Section 20, no amendment may make any change in any option theretofore granted which adversely affects the rights of any participant. To the extent necessary to comply with Section 423 of the Code (or any successor rule or provision or any other applicable law, regulation or stock exchange rule), the Company shall obtain stockholder approval in such a manner and to such a degree as required.

(b) Without stockholder consent and without regard to whether any participant rights may be considered to have been "adversely affected," the Administrator shall be entitled to change the Offering Periods, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each participant properly correspond with amounts withheld from the participant's Compensation, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable which are consistent with the Plan.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Board may, in its discretion and, to the extent necessary or desirable, modify or amend the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price;

(ii) shortening any Offering Period so that Offering Period ends on a new Exercise Date, including an Offering Period underway at the time of the Board action; and

(iii) allocating shares.

Such modifications or amendments shall not require stockholder approval or the consent of any Plan participants.

21. Notices. All notices or other communications by a participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

22. Conditions Upon Issuance of Shares. Shares of Common Stock shall not be issued with respect to an option under the Plan unless the exercise of such option and the issuance and delivery of such shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, including the rules and regulations promulgated thereunder, the Exchange Act and the requirements of any stock exchange upon which the shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It shall continue in effect until terminated under Section 20.

24. Automatic Transfer to Low Price Offering Period. To the extent permitted by any applicable laws, regulations, or stock exchange rules if the Fair Market Value of the Common Stock on any Exercise Date in an Offering Period is lower than the Fair Market Value of the Common Stock on the Enrollment Date of such Offering Period, then all participants in such Offering Period shall be automatically withdrawn from such Offering Period immediately after the exercise of their option on such Exercise Date and automatically re-enrolled in the immediately following Offering Period.

Exhibit 10.3

SAMPLE SUBSCRIPTION AGREEMENT

CYTOKINETICS, INCORPORATED

2004 EMPLOYEE STOCK PURCHASE PLAN

SUBSCRIPTION AGREEMENT

Original Application — Offering Date:
Change in Payroll Deduction Rate
Change of Beneficiary(ies)

1. hereby elects to participate in the Cytokinetics, Incorporated 2004 Employee Stock Purchase Plan (the "Plan") and subscribes to purchase shares of the Company's Common Stock in accordance with this Subscription Agreement and the Plan. Capitalized terms not otherwise defined herein will have the meanings given to them in the Plan.

2. I hereby authorize payroll deductions from each paycheck in the amount of % of my Compensation on each payday (from 0.1% to 15%) during the Offering Period in accordance with the Plan. I acknowledge and agree that I may not increase the payroll deduction rate for a Purchase Period after it has commenced and may only increase payroll deductions for future Purchase Periods in accordance with the terms of the Plan or as otherwise determined by the Administrator.

3. I understand that said payroll deductions shall be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option.

4. I have received a copy of the complete Plan. I understand that my participation in the Plan is in all respects subject to the terms of the Plan. I understand that my ability to exercise the option under this Subscription Agreement is subject to shareholder approval of the Plan.

5. Shares of Common Stock purchased for me under the Plan should be issued in the name(s) of Employee or Employee and Spouse only.

6. I understand that if I dispose of any shares received by me pursuant to the Plan within 2 years after the Offering Date (the first day of the Offering Period during which I purchased such shares) or one year after the Exercise Date, I will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased by me over the price which I paid for the shares. I hereby agree to notify the Company in writing within 30 days after the date of any disposition of my shares and I will make adequate provision for Federal, state or other tax withholding obligations, if any, which arise upon the disposition of the Common Stock . The Company may, but will not be obligated to, withhold from my compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Common Stock by me. If I dispose of such shares at any time after the expiration of the 2-year and 1-year holding periods, I understand that I will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (1) the excess of the fair market value of the shares at the time of such disposition over the purchase price which I paid for the shares, or (2) 15% of the fair market value of the shares on the first day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

7. I hereby agree to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon my eligibility to participate in the Plan.

8. In the event of my death, I hereby designate the following as my beneficiary(ies) to receive all payments and/or shares due me under the Plan:

NAME: (Please print) _____
(First) (Middle) (Last)

_____ _____
Relationship

_____ _____
Percentage Benefit (Address)

NAME: (please print) _____
(First) (Middle) (Last)

_____ _____
Relationship

_____ _____
Percentage of Benefit (Address)

Employee's Social Security Number: _____

Employee's Address: _____
_____
_____

I UNDERSTAND THAT THIS SUBSCRIPTION AGREEMENT SHALL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY ME.

Dated: _____ _____
Signature of Employee

_____
Spouse's Signature (If beneficiary other than spouse)

Exhibit 10.3

SAMPLE WITHDRAWAL NOTICE

CYTOKINETICS, INCORPORATED

2004 EMPLOYEE STOCK PURCHASE PLAN

NOTICE OF WITHDRAWAL

The undersigned participant in the Offering Period of the Cytokinetics, Incorporated 2004 Employee Stock Purchase Plan which began on , (the "Offering Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be automatically terminated. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned shall be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant:

_____

_____

_____

Signature:

_____

Date: _____

Exhibit 10.46

[*] = 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.

AMENDMENT NO. 6 TO COLLABORATION
AND OPTION AGREEMENT

This Amendment No. 6 to the Agreement (this " **Amendment No. 6**") is entered into as of June 11, 2013 (the "**Amendment Effective Date**") by and between Cytokinetics, Incorporated ("**Cytokinetics**"), a Delaware corporation, having its principal place of business at 280 East Grand Ave., South San Francisco, California 94080 and Amgen Inc., a Delaware corporation having its principal place of business at One Amgen Center Drive, Thousand Oaks, California 91320 ("**Amgen**").

WHEREAS, Cytokinetics and Amgen are parties to that certain Collaboration and Option Agreement dated December 29, 2006, as amended (the "**Agreement**");

WHEREAS, in May 2009, Amgen exercised its option to obtain an exclusive, worldwide license (excluding Japan) to certain compounds that modulate the contractile elements in cardiac muscle tissue to activate cardiac contractility, including *omecamtiv mecarbil* (also known as CK-452), as further described in the Agreement;

WHEREAS, Amgen now wishes to extend its license to include Japan and CK is willing to grant such license on the terms and conditions set forth herein;

WHEREAS, Amgen and Cytokinetics have entered into that certain Common Stock Purchase Agreement of even date herewith;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CK and Amgen, intending to be legally bound, agree to amend the Agreement as set forth below.

1. **Definitions.** Capitalized terms used herein and not otherwise defined have the meaning ascribed in the Collaboration Agreement.

2. **Expansion of Territory**

(a) Section 1.35 of the Agreement is replaced in its entirety with the following:

""*Global Registration Dossier*" shall mean, with respect to a particular Compound being developed under the Collaboration, the collective data package from clinical and other studies specifically applicable to obtaining, maintaining and expanding regulatory approvals for such Compound throughout the United States, the European Union and Japan, excluding country-specific requirements."

(b) Section 1.63 of the Agreement is replaced in its entirety with the following:

""*Territory*" shall mean the world."

(c) All references in the Agreement to Cytokinetics' rights outside of the Territory are deleted from the Agreement, including, without limitation, in Sections 2.6, 2.19, 7.3, 9.2.3, 9.3.1, 13.7 and Article 22, and Cytokinetics will no longer have any right to research, manufacture, develop or commercialize Compounds, including, without limitation, Japan Eligible Compounds, itself or through a Third Party, outside the scope of the Collaboration. The Parties' rights and obligations under the Agreement will be the same with respect to Japan as they are in the rest of the Territory, subject to the following:

(i) Amgen will pay Cytokinetics the additional pre-commercial milestone payments described in Exhibit A. [*] under this Amendment No. 6.

(ii) Amgen will pay Cytokinetics royalties on Net Sales of Compounds in Japan in accordance with Section 13.4 of the Agreement, [*] as set forth in [*] included in the [*] under Sections [*] of the Agreement. [*] for the purpose of the [*] of the Agreement. Section [*] of the Agreement is [*] in Japan.

(d) In partial consideration for the expansion of the Territory described above, Amgen shall pay Cytokinetics a non-refundable license fee in the amount of $15,000,000 cash on or before June 14, 2013.

3. **Japan PK Bridging Study**

(a) Cytokinetics will conduct a Phase I Trial designed to study the PK of *omecamtiv mecarbil* in healthy volunteers of Japanese descent (the "**PK Bridging Study**") in accordance with a protocol to be approved by the JDC and included in the Development Plan. The PK Bridging Study is expected to be initiated [*].

(b) [*] to conduct the PK Bridging Study and the [*] the PK Bridging Study [*] to occur in [*] included in the Development Plan.

(c) Amgen will permit Cytokinetics to cross-reference Amgen's IND [*] for Cytokinetics' IND related to the PK Bridging Study.

(d) Amgen will supply [*] to Cytokinetics' designee or the designated clinical trial site at Amgen's option to enable the conduct of the Japanese Ethnic Bridging Study in accordance with the protocol. To the extent necessary, the Parties will [*].

(e) Notwithstanding Section 17.1 (Indemnity) of the Agreement, Amgen's indemnification obligations for the PK Bridging Study under the Agreement shall [*] the same as the [*].

(f) Amgen will [*] for the PK Bridging Study, in accordance with the protocol, using [*] *omecamtiv mecarbil*.

(g) Amgen will bear the costs for the PK Bridging Study [*] in accordance with Section 4.7.1.2 of the Agreement (it being understood that [*] of the Agreement), provided that [*] the PK Bridging Study [*] the PK Bridging Study on [*] (the "[*] **Cost**"). Following [*] Cytokinetics will [*] the PK Bridging Study for [*] will be [*] Cost. Amgen will [*]. If [*], then [*] will promptly provide [*] Cost, along with a [*], including all [*]. Amgen will [*] as reasonably requested by Cytokinetics and will [*] regarding such [*]. The Parties intend to [*] the PK Bridging Study [*]. If the [*] the PK Bridging Study [*] in accordance with [*] set forth above.

4. **Joint Press Release.** Within four business days of the execution of this Amendment No. 6, the Parties shall issue a joint press release announcing such Amendment in the form attached as Exhibit C.

Except as expressly set forth herein, all of the terms and conditions of the Agreement will remain in full force and effect. This Amendment No. 6 and the Common Stock Purchase Agreement of even date herewith constitute the entire agreement between the Parties as to their subject matter, and supersedes and merges all prior negotiations, representations, agreements and understandings regarding the same.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 6 as of the Amendment Effective Date.

Cytokinetics, Inc.	**Amgen Inc.**
By: /s/ Robert I. Blum	By: /s/ Robert A. Bradway
Name: Robert I. Blum	Name: Robert A. Bradway
Title: President and CEO	Title: Chairman and Chief Executive Officer

[*] = 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.

EXHIBIT A

Japan Milestones

Event	[*]	[*]	[*]
[*]	[*]	[*]	[*]
[*]	**[*]**	**[*]**	**[*]**
[*]	**[*]**	**[*]**	**[*]**
Total (Max)	**[*]**	**[*]**	**[*]**

† This [*] milestone is payable if [*] of the [*] such that [*] at any time [*] Japan.

[*] means achievement of [*] as defined by the [*].

[*] means achievement of [*] as defined by the [*].

[*] = 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.

EXHIBIT B

[*]

[*]

[*] = 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.

EXHIBIT C

Joint Press Release

[attached]

[*] = 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.

AMGEN AND CYTOKINETICS ANNOUNCE
EXPANSION OF LICENSE FOR *OMECAMTIV MECARBIL*

Cytokinetics Will Receive $25 Million
Plus Potential Milestone Payments and Royalties

THOUSAND OAKS, Calif. AND SOUTH SAN FRANCISCO, Calif, (June 12, 2013) – Amgen (NASDAQ:AMGN) and Cytokinetics Incorporated (NASDAQ:CYTK) today announced an expansion of their strategic collaboration to include Japan. In 2006, Cytokinetics and Amgen entered into a collaboration to discover, develop and commercialize novel small-molecule therapeutics that activate cardiac muscle contractility for potential applications in the treatment of heart failure. *Omecamtiv mecarbil* is the most advanced drug candidate in this collaboration. Initially, Cytokinetics' license to Amgen for *omecamtiv mecarbil* excluded Japan. Under the amendment to the collaboration announced today, the companies have agreed on terms expanding Amgen's license for *omecamtiv mecarbil* and related compounds to include Japan.

In consideration of the expanded license, Cytokinetics will receive $25 million from Amgen comprised of a non-refundable license fee of $15 million and $10 million for Amgen's purchase of Cytokinetics' common stock. The companies have executed a stock purchase agreement providing for the sale of Cytokinetics' common stock to Amgen at a price per share equal to the 10-day trailing average of the closing price of Cytokinetics' stock on the last trading day prior to execution of the stock purchase agreement. In addition, Cytokinetics is eligible to receive additional pre-commercialization milestone payments for the development of *omecamtiv mecarbil* in Japan of up to $50 million as well as royalties on sales of *omecamtiv mecarbil* in Japan. Under the terms of the amended collaboration agreement, Cytokinetics plans to conduct a Phase I pharmacokinetic study, the costs of which will be reimbursed by Amgen, intended to support the inclusion of Japanese patients in a potential Phase III clinical development program for *omecamtiv mecarbil*.

"We are pleased to expand our collaboration with Amgen to include Japan," stated Robert I. Blum, Cytokinetics' President and Chief Executive Officer. "Our decision to amend the agreement at this time is based on our confidence in the progress of our collaborative development program for *omecamtiv mecarbil* and on Amgen's recent commitment to expand its business activities in Japan. We look forward to the integration of Japan into our collaboration's global development plan for this promising drug candidate."

"This expanded collaboration furthers Amgen's hopes to address the needs of patients with heart failure in Japan," said Sean E. Harper, M.D., Amgen's Executive Vice President of Research and Development.

About *Omecamtiv Mecarbil*

Omecamtiv mecarbil is a small molecule cardiac myosin activator which was discovered by Cytokinetics' scientists and is the subject of a collaboration between Cytokinetics and Amgen. It is being investigated for the treatment of heart failure.

About Amgen

Amgen discovers, develops, manufactures and delivers innovative human therapeutics. A biotechnology pioneer since 1980, Amgen was one of the first companies to realize the new science's promise by bringing safe, effective medicines from lab to manufacturing plant to patient. Amgen therapeutics have changed the practice of medicine, helping people around the world in the fight against serious illnesses. With a deep and broad pipeline of potential new medicines, Amgen remains committed to advancing science to dramatically improve people's lives. For more information, visit www.amgen.com and follow us on www.twitter.com/amgen.

About Cytokinetics

Cytokinetics is a clinical-stage biopharmaceutical company focused on the discovery and development of novel small molecule therapeutics that modulate muscle function for the potential treatment of serious diseases and other medical conditions. Cytokinetics currently has three compounds in clinical development: *omecamtiv mecarbil* in Phase II for acute and chronic heart failure, *tirasemtiv* in Phase II for amyotrophic lateral sclerosis and CK-212107 in a Phase I study in healthy volunteers. All of the company's drug candidates have arisen from Cytokinetics' muscle biology focused research activities and are directed towards the cytoskeleton. The cytoskeleton is a complex biological infrastructure that plays a fundamental role within every human cell. Additional information about Cytokinetics can be obtained at http://www.cytokinetics.com.

Forward-Looking Statements: Amgen

This news release contains forward-looking statements that involve significant risks and uncertainties, including those discussed below and others that can be found in Amgen's Form 10-K for the year ended December 31, 2012, and in any subsequent periodic reports on Form 10-Q and Form 8-K. Amgen is providing this information as of the date of this news release and does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

No forward-looking statement can be guaranteed and actual results may differ materially from those Amgen projects. Amgen's results may be affected by Amgen's ability to successfully market both new and existing products domestically and internationally, clinical and regulatory developments (domestic or foreign) involving current and future products, sales growth of recently launched products, competition from other products (domestic or foreign) and difficulties or delays in manufacturing its products. In addition, sales of Amgen products are affected by reimbursement policies imposed by third-party payers, including governments, private insurance plans and managed care providers and may be affected by regulatory, clinical and guideline developments and domestic and international trends toward managed care and healthcare cost containment as well as U.S. legislation affecting pharmaceutical pricing and reimbursement. Government and others' regulations and reimbursement policies may affect the development, usage and pricing of Amgen products. Furthermore, Amgen's research, testing, pricing, marketing and other operations are subject to extensive regulation by domestic and

foreign government regulatory authorities. Amgen or others could identify safety, side effects or manufacturing problems with Amgen products after they are on the market. Amgen's business may be impacted by government investigations, litigation and product liability claims. If Amgen fails to meet the compliance obligations in the corporate integrity agreement between Amgen and the U.S. government, Amgen could become subject to significant sanctions. Further, while Amgen routinely obtains patents for its products and technology, the protection offered by its patents and patent applications may be challenged, invalidated or circumvented by its competitors. Amgen depends on third parties for a significant portion of its manufacturing capacity for the supply of certain of its current and future products and limits on supply may constrain sales of certain of its current products and product candidate development. In addition, Amgen competes with other companies with respect to some of its marketed products as well as for the discovery and development of new products. Discovery or identification of new product candidates cannot be guaranteed and movement from concept to product is uncertain; consequently, there can be no guarantee that any particular product candidate will be successful and become a commercial product. Further, some raw materials, medical devices and component parts for Amgen products are supplied by sole third-party suppliers. Amgen's business performance could affect or limit the ability of its Board of Directors to declare a dividend or its ability to pay a dividend or repurchase its common stock.

Forward-Looking Statements: Cytokinetics

This press release contains forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995 (the "Act"). Cytokinetics disclaims any intent or obligation to update these forward-looking statements, and claims the protection of the Act's Safe Harbor for forward-looking statements. Examples of such statements include, but are not limited to, statements relating to Cytokinetics' and Amgen's research and development activities, including the planned conduct of clinical trials; the potential receipt of milestones, royalties and other payments; and the properties and potential benefits of omecamtiv mecarbil and Cytokinetics' other drug candidates. Such statements are based on management's current expectations, but actual results may differ materially due to various risks and uncertainties, including, but not limited to: Cytokinetics anticipates that it will be required to conduct at least one confirmatory Phase III clinical trial of tirasemtiv in ALS patients which will require significant additional funding, and it may be unable to obtain such additional funding on acceptable terms, if at all; potential difficulties or delays in the development, testing, regulatory approvals for trial commencement, progression or product sale or manufacturing, or production of Cytokinetics' drug candidates that could slow or prevent clinical development or product approval, including risks that current and past results of clinical trials or preclinical studies may not be indicative of future clinical trials results, patient enrollment for or conduct of clinical trials may be difficult or delayed, Cytokinetics' drug candidates may have adverse side effects or inadequate therapeutic efficacy, the U.S. Food and Drug Administration or foreign regulatory agencies may delay or limit Cytokinetics' or its partners' ability to conduct clinical trials, and Cytokinetics may be unable to obtain or maintain patent or trade secret protection for its intellectual property; Amgen's decisions with respect to the design, initiation, conduct, timing and continuation of development activities for omecamtiv mecarbil; Cytokinetics may incur unanticipated research and development and other costs or be unable to obtain additional financing necessary to conduct development of its products; Cytokinetics may be unable to enter into future collaboration agreements for its drug candidates and programs on acceptable terms, if at all; standards of care may change, rendering Cytokinetics' drug candidates obsolete; competitive products or alternative therapies may be developed by others for the treatment of indications Cytokinetics' drug candidates and potential drug candidates may target; and risks and uncertainties relating to the timing and receipt of payments from its partners, including milestones and royalties on

future potential product sales under Cytokinetics' collaboration agreements with such partners. For further information regarding these and other risks related to Cytokinetics' business, investors should consult Cytokinetics' filings with the Securities and Exchange Commission.

Contacts:

Kristen Davis, 805-447-3008 (Amgen media)

Arvind Sood, 805-447-1060 (Amgen investors)

Joanna L. Goldstein, 650-624-3000 (Cytokinetics investors & media)

Exhibit 10.47

EXECUTION COPY
CONFIDENTIAL

[*] = 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.

License and Collaboration Agreement

by and between

Cytokinetics, Inc.

and

Astellas Pharma Inc.

LICENSE AND COLLABORATION AGREEMENT

This LICENSE AND COLLABORATION AGREEMENT (this "**Agreement**") is made as of June 21, 2013 (the "**Effective Date**"), by and between **Cytokinetics, Inc.**, a corporation organized and existing under the laws of Delaware, having its principal place of business at 280 East Grand Avenue, South San Francisco, CA 94080, USA ("**Cytokinetics**"), and **Astellas Pharma Inc.**, a corporation organized and existing under the laws of Japan, having its registered office at 5-1, Nihonbashi-Honcho 2-chome, Chuo-ku, Tokyo 103-8411, Japan ("**Astellas**"). Astellas and Cytokinetics are referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Cytokinetics is a biopharmaceutical company directed to the research and development of small molecule compounds that modulate muscle function, and owns certain patents and know-how relating to skeletal sarcomere activators;

WHEREAS, Astellas is a pharmaceutical company working to create and develop novel therapies;

WHEREAS, Cytokinetics has conducted and continues to conduct research activities (including biochemistry, cellular characterization, chemistry and pharmacology) directed to the discovery of small molecules that activate the skeletal muscle sarcomere, and has initiated a first-time-in-humans Phase 1 clinical trial of its proprietary fast skeletal muscle troponin activator CK-2127107;

WHEREAS, Astellas has conducted [*];

WHEREAS, Cytokinetics and Astellas desire to establish a collaboration for the research and development and, if successful, commercialization of pharmaceutical products that contain certain fast skeletal [*] activators (except for Cytokinetics' clinical development candidate tirasemtiv and related molecules) and certain other skeletal sarcomere activators, all under the terms and conditions set forth herein;

WHEREAS, Cytokinetics will retain the right to products that contain tirasemtiv and related molecules, and will develop and, if successful, commercialize such products outside the scope of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Astellas and Cytokinetics hereby agree as follows:

[*] = 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.

ARTICLE 1
DEFINITIONS

The terms in this Agreement with initial letters capitalized shall have the meanings set forth below, or the meaning as designated in the indicated places throughout this Agreement.

1.1 "**Active Ingredient**" means the clinically active material(s) that provide pharmacological activity in a pharmaceutical product (excluding formulation components such as coatings, stabilizers, excipients or solvents, adjuvants or controlled release technologies).

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

1.3 "**Alliance Manager**" is defined in Section 2.1.

1.4 "**Astellas Indemnitee**" is defined in Section 15.1.

1.5 "**Astellas Know-How**" means all Know-How that is (a) Controlled by Astellas or its Affiliates during the Term and (b) reasonably necessary or useful for the Research, Development, Manufacture, Commercialization or Medical Affairs Activities of any Compound and/or Collaboration Product, provided, however, that Astellas Know-How specifically excludes Collaboration Know-How.

1.6 "**Astellas Patents**" means any Patent Right that is (a) Controlled by Astellas or its Affiliates during the Term and (b) reasonably necessary or useful for the Research, Development, Manufacture, Commercialization or Medical Affairs Activities of any Compound and/or Collaboration Product, provided, however, that Astellas Patents specifically exclude Collaboration Patents. The Astellas Patents existing as of the Effective Date are listed in **Exhibit A.**

1.7 "**Astellas Technology**" means Astellas Know-How and Astellas Patents.

1.8 "**Business Day**" means a day other than a Saturday, Sunday or a day that is a statutory holiday in Japan or a bank holiday in New York, USA.

1.9 "**Claims**" means all Third Party demands, claims, actions, proceedings and liability (whether criminal or civil, in contract, tort or otherwise) for losses, damages, reasonable legal costs and other reasonable expenses of any nature.

1.10 "**CMC Activities**" means the chemistry, manufacturing, control and other activities necessary or useful for generating the CMC Information required for Marketing Approval of the Collaboration Products, including Manufacture of validation and/or clinical trial materials, which are necessary or useful to obtain Marketing Approval of the Collaboration Products.

1.11 "CMC Information" means information related to the chemistry, manufacturing and controls of a Compound or a Collaboration Product, as specified by FDA, EMA or other applicable Regulatory Authority.

1.12 "Collaboration" means the collaboration of the Parties with respect to the Research, Development, Manufacture, Commercialization and Medical Affairs Activities of the Compounds and Collaboration Products in the Licensed Indications (for [*] Activators) or the Field (for [*] Activators), as and to the extent set forth in this Agreement.

1.13 "**Collaboration Intellectual Property**" means any information and materials, including discoveries, improvements, modifications, processes, methods, assay, designs, protocols, formulas, data, inventions, algorithms, forecasts, profiles, strategies, plans, results, coordinates for compound/apo protein structures, expression constructs, know-how and trade secrets, patentable or otherwise, that is discovered, generated, conceived and/or reduced to practice by or on behalf either Party (including its Affiliates, employees, agents and contractors), whether solely or jointly, as a result of: (a) the performance of its activities under the Research Plan and/or (b) the performance of its activities under the Development Plan [*], in each case including all rights, title and interest in and to the intellectual property rights therein and thereto.

1.14 "**Collaboration Know-How**" means Know-How that is within the Collaboration Intellectual Property.

1.15 "**Collaboration Patents**" means Patent Rights that [*] Collaboration Patents.

1.16 "**Collaboration Product**" means any pharmaceutical product containing a Compound, alone or in combination with other Active Ingredients, in any formulation or dosage form and for any mode of administration.

1.17 "**Combination Product**" is defined in Section 1.91 (definition of "Net Sales").

1.18 "**Commercialize**" or "**Commercialization**" means all activities directed to marketing, promoting, advertising, exhibiting, distributing, detailing or selling a Collaboration Product in the Field (including importing and exporting activities in connection therewith). For the avoidance of doubt, Commercialization does not include Medical Affairs Activities.

1.19 "**Commercialization Plan**" is defined in Section 8.3.

1.20 "**Committee**" means the JSC, JRC, JDC, JMC, JCC, JMAC or JPC, as applicable.

1.21 "**Competing Program**" is defined in Section 3.6(e).

1.22 "**Compound**" means any [*] Activator or [*] Activator.

1.23 "**Compound Criteria**" means the criteria listed in **Exhibit B** for each of [*] Activators, [*] Activators and [*] Activators.

[*] = 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.

1.24 "**Confidential Information**" of a Party means all Know-How, unpublished patent applications and other non-public information and data of a financial, commercial, business, operational or technical nature of such Party that is disclosed by or on behalf of such Party or any of its Affiliates or otherwise made available to the other Party or any of its Affiliates, in each case in connection with this Agreement, whether made available orally, visually, in writing or in electronic form. To the extent that Cytokinetics discloses to Astellas and/or its Affiliates any information relating to [*] (such disclosure to be made at Cytokinetics' sole discretion), such information shall also be deemed Confidential Information. Collaboration Intellectual Property shall be deemed Confidential Information of both Parties.

1.25 "**Confidentiality Agreement**" is defined in Section 16.8.

1.26 "**Control**" or "**Controlled**" means, with respect to any Know-How, Patent Rights or other intellectual property rights, that a Party has the legal authority or right (whether by ownership, license or otherwise) to grant a license, sublicense, access or right to use (as applicable) under such Know-How, Patent Rights, or other intellectual property rights to the other Party on the terms and conditions set forth herein, in each case without breaching the terms of any agreement with a Third Party.

1.27 "**Co-Promote**" and "**Co-Promotion**" means the promotional activities relating to the Collaboration Products directed to healthcare professionals or otherwise in furtherance of the Commercialization of the Collaboration Products to be conducted by Cytokinetics in the Co-Promotion Territory in the event Cytokinetics exercises its rights under Section 8.6.

1.28 "**Co-Promotion Territory**" means: (a) the fifty (50) states and the District of Columbia in the United States of America; and (b) Canada.

1.29 "**Cytokinetics Indemnitee**" is defined in Section 15.2.

1.30 "**Cytokinetics Know-How**" means all Know-How that is (a) Controlled by Cytokinetics or its Affiliates during the Term and (b) reasonably necessary or useful for the Research, Development, Manufacture, Commercialization or Medical Affairs Activities of any Compound and/or Collaboration Product, provided, however, that Cytokinetics Know-How specifically excludes Collaboration Know-How.

1.31 "**Cytokinetics Patents**" means any Patent Right that is (a) Controlled by Cytokinetics or its Affiliates during the Term and (b) reasonably necessary or useful for the Research, Development, Manufacture, Commercialization or Medical Affairs Activities of any Compound and/or Collaboration Product, provided, however, that Cytokinetics Patents specifically exclude Collaboration Patents. The Cytokinetics Patents existing as of the Effective Date are listed in **Exhibit C**. For clarity, Cytokinetics Patents shall include any Patent Rights arising after the Effective Date that [*] as of the Effective Date.

1.32 "**Cytokinetics Technology**" means Cytokinetics Patents and Cytokinetics Know-How.

[*] = 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.

1.33 "**Develop**" or "**Development**" means all development activities for any Compound or Collaboration Product that are directed to obtaining Marketing Approval(s) of the Collaboration Products, including: all non-clinical, preclinical and clinical activities, testing and studies of such Compound or Collaboration Product (including IND-Enabling Studies and translational research); manufacturing development, process and formulation development; toxicology, pharmacokinetic, pharmacodynamic, drug-drug interaction, safety, tolerability and pharmacological studies; distribution of such Compound or Collaboration Product for use in clinical trials (including placebos and comparators); statistical analyses; assay development; instrument design and development; protocol design and development; quality assurance and control; report writing; and the preparation, filing and prosecution of any MAA for such Collaboration Product; development activities directed to label expansion (including prescribing information) and/or obtaining Marketing Approval for one or more additional Indications or patient populations following initial Marketing Approval; development activities conducted after receipt of Marketing Approval which were a condition for the receipt of such Marketing Approval; and all regulatory activities related to any of the foregoing.

1.34 "**Development Costs**" means the [*] costs incurred by or on account of a Party in performing Development in accordance with the Development Plan.

1.35 "**Development Plan**" is defined in Section 5.2(a).

1.36 "**Development Program**" is defined in Section 5.2(a).

1.37 "**Diligent Efforts**" means: (a) where applied to carrying out specific tasks and obligations of a Party under this Agreement, expending [*] to accomplish such task or obligation as such Party (on its own and/or acting through any of its Affiliates, sublicensees or subcontractors) would [*]; and (b) where applied to the Research, Development, Manufacture, and/or Commercialization of, or Medical Affairs Activities for, a Compound or Collaboration Product, the use of [*], in an [*], as [*], taking into account relevant factors including, without limitation, [*] and other relevant factors, including [*]. "Diligent Efforts" shall require that such Party (on its own and/or acting through any of its Affiliates, sublicensees or subcontractors), at a minimum: (i) promptly assign responsibility for such obligations to qualified personnel, set annual goals and objectives for carrying out such obligations, and monitor and hold personnel accountable for progress with respect to such goals and objectives; (ii) set and seek to achieve specific and meaningful objectives for carrying out such obligations, with timelines consistent with a comparable [*] program; and (iii) make and implement decisions and [*] designed to [*] with respect to such objectives.

1.38 "**Disclosing Party**" is defined in Section 12.1(a).

1.39 "**Dollars**" means the U.S. dollar, and "**$**" shall be interpreted accordingly.

1.40 "**Earlier Milestone Event**" is defined in Section 10.5(b).

1.41 "**EMA**" means the European Medicines Agency or any successor entity thereto.

[*] = 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.

1.42 "EU" or the **"European Union"** means the European Union and its member states as of the Effective Date, which are: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom, as well as Norway and Iceland, and each of their successors to the extent such successors occupy the same territory.

1.43 "[*] Activator" means (a) any small molecule compound that (i) is [*], (ii) has a specified level of stimulatory activity against any [*], as set forth in the applicable Compound Criteria, and (iii) the [*]; and (b) any [*] in subclause (a) above.

1.44 "[*] **Activator**" means, subject to the final sentence of this paragraph, (a) any small molecule compound that (i) is [*], (ii) has a specified level of stimulatory activity against any [*], as set forth in the applicable Compound Criteria, and (iii) the [*]; and (b) any [*] in subclause (a) above. [*] Activators include [*], but exclude all [*].

1.45 "**FCPA**" is defined in Section 16.7(a).

1.46 "**FCPA Covered Person**" is defined in Section 16.7(a).

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

1.48 "**Federal Arbitration Act**" is defined in Section 16.6.

1.49 "**Field**" means the treatment, prevention and/or amelioration of any diseases and medical conditions in humans.

1.50 "**Filing**" of an MAA means the acceptance by a Regulatory Authority of an MAA for filing and review, if applicable, or otherwise the submission of such MAA.

1.51 "**First Commercial Sale**" means, with respect to any Collaboration Product in any country or jurisdiction, the first sale of such Collaboration Product to a Third Party for distribution, use or consumption in such country or jurisdiction after the Marketing Approvals have been obtained for such Collaboration Product in such country or jurisdiction.

1.52 "**FTE**" means the equivalent of a full-time individual's work for a twelve (12) month period (consisting of a total of [*] hours per year of dedicated effort). Any person who devotes more or less than [*] hours per year on the applicable activities shall be treated as an FTE on a pro-rata basis, based upon the actual number of hours worked by such person on such activities, divided by [*]. For avoidance of doubt, the hours allocated to the work of general corporate or administrative personnel shall not be incorporated into FTE.

1.53 "**FTE Rate**" means an initial rate of [*] Dollars [*] per FTE per year for Cytokinetics, which shall apply through [*]. Thereafter, the FTE Rate shall be changed annually on a calendar year basis to reflect any year-to-year percentage increase or decrease (as the case may be) in the Consumer Price Index in the U.S. ("**CPI**") (based on the change in the CPI from the

most recent index available as of the Effective Date to the most recent index available as of the date of the calculation of such revised FTE Rate). The FTE Rate applicable to [*] shall be subject to the adjustment set forth in Section [*].

1.54 "**GAAP**" means the U.S. generally accepted accounting principles.

1.55 "**Generic Product**" means, with respect to a Collaboration Product in a particular country, any pharmaceutical product that (a) contains the same Active Ingredients and formulation as such Collaboration Product; (b) [*] in such country and [*] in such country; and (c) is sold in such country by a Third Party that is not a sublicensee of Astellas or its Affiliates and did not purchase such product in a chain of distribution that included any of Astellas or its Affiliates or sublicensees.

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

1.57 "**IFRS**" means International Financial Reporting Standards.

1.58 "**IND**" means any investigational new drug application, clinical trial application, clinical trial exemption or similar or equivalent application or submission for approval to conduct human clinical investigations filed with or submitted to a Regulatory Authority in conformance with the requirements of such Regulatory Authority.

1.59 "**IND-Enabling Studies**" means studies that are specifically required for an IND, including ADME (absorption, distribution, metabolism, and excretion), GLP toxicology studies, or studies required for the preparation of the CMC section of an IND, including studies related to analytical methods and purity analysis, and formulation and manufacturing development studies, all as necessary to obtain the permission of Regulatory Authorities to begin human clinical investigations.

1.60 "**Indemnified Party**" is defined in Section 15.3.

1.61 "**Indemnifying Party**" is defined in Section 15.3.

1.62 "**Indication**" means any human diseases, syndromes and medical conditions that can be diagnosed, treated, prevented or ameliorated.

1.63 "**Initiate**" or "**Initiation**" means, with respect to a clinical trial of a Collaboration Product, the first dosing of the first human subject for such clinical trial.

1.64 "**[*]** Rules" is defined in Section 16.6.

1.65 "**Joint Commercialization Committee**" or "**JCC**" is defined in Section 2.6.

[*] = 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.

1.66 "**Joint Development Committee**" or "**JDC**" is defined in Section 2.4.

1.67 "**Joint Manufacturing Committee**" or "**JMC**" is defined in Section 2.5.

1.68 "**Joint Medical Affairs Committee**" or "**JMAC**" is defined in Section 2.7.

1.69 "**Joint Patent Committee**" or "**JPC**" is defined in Section 2.8.

1.70 "**Joint Research Committee**" or "**JRC**" is defined in Section 2.3.

1.71 "**Joint Steering Committee**" or "**JSC**" is defined in Section 2.2.

1.72 "**Know-How**" means any information and materials, including discoveries, improvements, modifications, processes, methods, assays, designs, protocols, formulas, data, inventions, algorithms, forecasts, profiles, strategies, plans, results, coordinates for compound/apo protein structures, expression constructs, know-how and trade secrets (in each case, patentable, copyrightable or otherwise), but excluding any Patent Rights.

1.73 "**Later Milestone Event**" is defined in Section 10.5(b).

1.74 "**Law**" means any federal, state, local, foreign or multinational law, statute, standard, ordinance, code, rule, regulation, resolution or promulgation, or any order by any Governmental Authority, or any license, franchise, permit or similar right granted under any of the foregoing, or any similar provision having the force or effect of law.

1.75 "**Lead Compound**" means (a) Cytokinetics' proprietary compound known as CK-2127107, which is the subject of the Lead Compound IND, and (b) any [*] in subclause (a) above.

1.76 "**Lead Compound IND**" means U.S. IND No. [*].

1.77 "Lead Compound [*]" is defined in Section [*].

1.78 "Lead Compound [*]" is defined in Section [*].

1.79 "**Lead Product**" means a Collaboration Product that contains the Lead Compound.

1.80 "**Licensed Indications**" means the following Indications: (a) [*] non-neuromuscular diseases and conditions (e.g., [*]); (b) [*]; and (c) any other Indication designated as a Licensed Indication pursuant to Section [*].

1.81 "**MAA**" or "**Marketing Authorization Application** " means an application to the appropriate Regulatory Authority for approval to commercially sell a Collaboration Product (but excluding pricing approval) in the Field in a particular jurisdiction (including, without limitation, a New Drug Application in the U.S.) and all amendments and supplements thereto.

1.82 "**Major EU Market Countries**" means [*].

[*] = 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.

1.83 "**Major Market Countries**" means [*].

1.84 "**Manufacture**" and "**Manufacturing**" mean activities directed to manufacturing, processing, filling, finishing, packaging, labeling, quality control, quality assurance testing and release, post-marketing validation testing, inventory control and management, storing and transporting any Compound and/or Collaboration Product.

1.85 "**Manufacturing Costs**" means, with respect to a particular Compound or Collaboration Product Manufactured and supplied by a Party pursuant to the Development Plan:

(a) if such Compound or Collaboration Product is Manufactured by such Party's Third Party manufacturer, [*] costs incurred by such Party in association therewith, including for [*] with respect thereto;

(b) if such Compound or Collaboration Product is Manufactured by such Party itself, [*], including without limitation [*] manufacturing costs. Such [*] of Compound or Collaboration Product [*] and (ii) in accordance with IFRS (in the case of Astellas) or GAAP (in the case of Cytokinetics) consistently applied.

1.86 "**Marketing Approval**" means all approvals necessary for the commercial sale of a Collaboration Product in the Field in a given country or regulatory jurisdiction.

1.87 "Medical Affairs Activities" means activities designed to ensure or improve appropriate medical use of, conduct medical education regarding, or further research regarding, the Compound and the Collaboration Product or to increase disease state awareness, including by way of example: (a) activities of medical scientific liaisons, which shall mean the following functions: (x) conduct of service based medical activities including providing input and assistance with consultancy meetings, recommending investigators for clinical trials and providing input in the design of such trials and other research related activities, and (y) delivery of non-promotional communications and conduct of non-promotional activities including presenting new clinical trial data and other scientific or disease state awareness information; (b) grants to support continuing medical education, symposia, or Third Party research related to Collaboration Products; (c) development, publication and dissemination of publications relating to the Compound and the Collaboration Products and relevant disease states; (d) medical information services provided in response to inquiries communicated via sales representatives or received by letter, phone call or email; (e) conducting advisory board meetings or other consultant programs; (f) support of investigator-initiated trials; (g) managing relationships with cooperative groups, physician/hospital networks and disease state or patient and caregiver advocacy groups; (h) establishing and implementing risk, evaluation and mitigation strategies, (i) voluntary phase 4 trials or post-approval patient registries, (j) health economic and outcomes research (HEOR) activities, (k) independent medical education activities, and (l) non-promotional exhibiting at medical and scientific fora. For the purposes of clarity, post-approval clinical studies within the approved Indications, which were a condition for the receipt of such Marketing Approval, shall be included within Development and shall not be included within Medical Affairs Activities.

1.88 "**Medical Affairs Plan**" is defined in Section 9.3.

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1.89 "**MSL**" is defined in Section 9.1.

1.90 [*] is defined in Section [*].

1.91 "**Net Sales**" means the gross amount billed or invoiced by or for the benefit of Astellas, its Affiliates, and its sublicensees to independent, unrelated persons in bona fide arm's length transactions with respect to a Collaboration Product, less the following deductions, as allocable to such Collaboration Products (if not previously deducted from the amount invoiced):

(a) [*];

(b) [*];

(c) [*];

(d) [*]; and

(e) [*].

If a single item falls into more than one of the categories set forth in clauses (a)-(e) above, such item may not be deducted more than once.

Sales between Astellas and its Affiliates and sublicensees shall be disregarded for purposes of calculating Net Sales except if such purchaser is a distributor, pharmacy or end user.

If a Collaboration Product either (i) is sold in the form of a combination product containing both a Compound and one or more Active Ingredient(s) as separate molecular entity(ies) that are not Compounds; or (ii) is sold in a form that contains (or is sold bundled with) a delivery device therefor (in either case ((i) or (ii)), a "**Combination Product**"), the Net Sales of such Collaboration Product for the purpose of calculating royalties and sales-based milestones owed under this Agreement for sales of such Collaboration Product, shall be determined as follows: first, Astellas shall determine the actual Net Sales of such Combination Product (using the above provisions) and then such amount shall be multiplied by the fraction A/(A+B), where A is the invoice price of such Collaboration Product, if sold separately, and B is the total invoice price of other Active Ingredient or delivery device in such Combination Product if sold separately. If any other Active Ingredient or delivery device in such Combination Product is not sold separately, Net Sales shall be calculated by multiplying actual Net Sales of such Combination Product by a fraction A/C where A is the invoice price of such Collaboration Product if sold separately, and C is the invoice price of such Combination Product. If neither such Collaboration Product nor any other Active Ingredient (or delivery device) in such Combination Product is sold separately, the adjustment to Net Sales shall be determined by the Parties in good faith to reasonably reflect the fair market value of the contribution of such Collaboration Product in such Combination Product to the total fair market value of such Combination Product.

With respect to any sale of any Collaboration Product in a given country for any substantive consideration other than monetary consideration on arm's length terms (which has the effect of reducing the invoiced amount below what it would have been in the absence of such

non-monetary consideration), for purposes of calculating the Net Sales, such Collaboration Product shall be deemed to be sold exclusively for cash at the average Net Sales price charged to Third Parties for cash sales of such Collaboration Product in such country during the applicable reporting period (or if there were only *de minimis* cash sales in such country, at the fair market value as determined in good faith based on pricing in comparable markets). Notwithstanding the foregoing, Net Sales shall not include amounts (whether actually existing or deemed to exist for purposes of calculation) for Collaboration Products distributed for use in clinical trials.

Net Sales shall be calculated on an accrual basis, in a manner consistent with Astellas' accounting policies for external reporting purposes, as consistently applied, in accordance with IFRS. To the extent any accrued amounts used in the calculation of Net Sales are estimates, such estimates shall be trued-up in accordance with Astellas' accounting policies for external reporting purposes, as consistently applied, and Net Sales and related payments under this Agreement shall be reconciled as appropriate.

1.92 [*] means (a) [*], and (b) any other [*] that is designated by the JDC as a [*] pursuant to Section [*].

1.93 [*] is defined in Section [*].

1.94 [*] **Activators**" means [*] Activators and [*] Activators, and specifically excludes (a) [*] Activators, (b) [*], and (c) any compound targeting any [*].

1.95 "**Patent Rights**" means all patents and patent applications (which shall be deemed to include certificates of invention and applications for certificates of invention), including all divisionals, continuations, substitutions, continuations-in-part, re-examinations, reissues, additions, renewals, revalidations, extensions, registrations, pediatric exclusivity periods and supplemental protection certificates and the like of any such patents and patent applications, and any and all foreign equivalents of the foregoing.

1.96 "**Person**" means any individual, partnership, limited liability company, firm, corporation, association, trust, unincorporated organization or other entity.

1.97 "**Pharmacovigilance Agreement**" is defined in Section 6.5.

1.98 "**Phase 1 Clinical Trial**" means a controlled human clinical trial of a Collaboration Product that would satisfy the requirements of 21 CFR 312.21(a) or corresponding foreign regulations, regardless of whether such trial is referred to as a "phase 1 clinical trial" in the Development Plan.

1.99 "**Phase 1 Work**" is defined in Section 5.3(b).

1.100 "**Phase 2 Clinical Trial**" means a controlled human clinical trial of a Collaboration Product that would satisfy the requirements of 21 CFR 312.21(b) or corresponding foreign regulations, regardless of whether such trial is referred to as a "phase 2 clinical trial" in the Development Plan.

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1.101 "**Phase 3 Clinical Trial**" means a controlled or uncontrolled human clinical trial of a Collaboration Product that would satisfy the requirements of 21 CFR 312.21(c) or corresponding foreign regulations, regardless of whether such trial is referred to as a "phase 3 clinical trial" in the Development Plan.

1.102 "[*]" is defined in Section [*].

1.103 "**Product Infringement**" is defined in Section 11.4(a).

1.104 "**Product Marks**" is defined in Section 11.5.

1.105 "**Receiving Party**" is defined in Section 12.1(a).

1.106 "**Regulatory Authority"** means any applicable Governmental Authority responsible for granting Marketing Approvals or pricing approvals for Collaboration Products, including the FDA, the EMA and any corresponding national or regional regulatory authorities.

1.107 "**Regulatory Exclusivity**" means any exclusive marketing rights or data exclusivity rights conferred by any Regulatory Authority with respect to a pharmaceutical product other than patents, including, without limitation, orphan drug exclusivity, new chemical entity exclusivity, data exclusivity, pediatric exclusivity, rights conferred in the United States under the Hatch-Waxman Act or the FDA Modernization Act of 1997, or rights similar thereto outside the United States.

1.108 "**Regulatory Materials**" means any regulatory application, submission, notification, communication, correspondence, registration and other filings made to, received from or otherwise conducted with a Regulatory Authority in order to Research a Compound and/or Develop, Manufacture, or Commercialize a Compound or Collaboration Product in the Field in a particular country or jurisdiction. "Regulatory Materials" includes any IND, MAA and Marketing Approval.

1.109 "**Research**" means all research activities conducted by or on behalf of either Party or the Parties jointly pursuant the Research Plan during the Research Term to discover, identify, characterize and optimize the Compounds.

1.110 "**Research Budget**" is defined in Section 4.3.

1.111 "**Research Plan**" is defined in Section 4.3.

1.112 "**Research Plan Costs**" is defined in Section 4.6.

1.113 "**Research Term**" is defined in Section 4.2.

1.114 "**Retained Indications**" means Indications that are not Licensed Indications. Retained Indications include the Indications listed in **Exhibit D**.

1.115 "**Royalty Term**" is defined in Section 10.7(b).

[*] = 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.

1.116 "[*] **Compounds**" means (a) Tirasemtiv, (b) any compositions of matter (i) falling within the scope of any of the generic formulas disclosed in the Patent Rights listed in **Exhibit E** (the "[*] **Patent Rights**") and/or (ii) specifically disclosed in the [*] Patent Rights; and (c) any [*] in subclause (a) or (b) above.

1.117 "[*] **Activator**" means (a) any small molecule compound that (i) is [*], (ii) has a specified level of stimulatory activity against any [*], as set forth in the applicable Compound Criteria, and (iii) the [*] and (b) any [*] in subclause (a) above.

1.118 "**Term**" is defined in Section 13.1.

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

1.120 "**Tirasemtiv**" means Cytokinetics' proprietary compound formerly known as CK-2017357.

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

1.122 "**Valid Claim**" means a claim of an issued and unexpired patent (as may be extended through supplementary protection certificate or patent term extension) or a pending patent application included within [*], which claim has not been revoked, held invalid or unenforceable by a patent office, court or other governmental agency of competent jurisdiction in a final and non-appealable judgment (or judgment from which no appeal was taken within the allowable time period) and has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, re-examination or disclaimer or otherwise.

1.123 Interpretation. In this Agreement, unless otherwise expressly specified:

(a) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(b) words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders;

(c) words such as "herein", "hereof", and "hereunder" refer to this Agreement as a whole and not merely to the particular provision in which such words appear;

(d) "days" means calendar days; and

(e) the Exhibits and other attachments form part of the operative provision of this Agreement and references to "this Agreement" shall include references to the Exhibits and attachments.

[*] = 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.

ARTICLE 2
GOVERNANCE

2.1 Alliance Managers. Each Party hereby appoints the person listed on **Exhibit F** to act as its alliance manager under this Agreement as of the Effective Date (the "**Alliance Manager**"). The Alliance Managers shall: (a) serve as the primary contact points between the Parties for the purpose of providing the other Party with information on the progress of such Party's activities under this Agreement; (b) be primarily responsible for facilitating the flow of information and otherwise promoting communication, coordination and collaboration between the Parties; (c) act as advocates for the Collaboration as a whole; (d) have regular telephone calls; (e) use Diligent Efforts to facilitate the prompt resolution of any disputes; (f) attend as appropriate JRC, JDC, JMC, JCC and JMAC meetings; and (g) have the right to attend all other Committee and subcommittee meetings, all as non-voting members. An Alliance Manager may also bring any matter to the attention of any Committee if such Alliance Manager reasonably believes that such matter warrants such attention. Each Party may replace its Alliance Manager at any time upon written notice to the other Party.

2.2 Joint Steering Committee. The Parties shall establish a joint steering committee (the "**Joint Steering Committee**" or the "**JSC**"), composed of [*] of each Party, including the [*] under this Agreement and [*] under this Agreement. All JSC representatives will have sufficient authority within the applicable Party to make decisions [*] arising within the scope of the JSC's responsibilities. Either Party may request that its own or the other Party's personnel with expertise on a particular matter attend a JSC meeting where such matter will be discussed. The JSC shall in particular:

(a) oversee and provide strategic direction to the Collaboration;

(b) oversee the integration and coordination of the Research, Development, Manufacture (as applicable), Commercialization and Medical Affairs Activities of the Compounds and Collaboration Products within the JSC member's company;

(c) provide a forum for discussion of the Research, Development, Manufacture, Commercialization and Medical Affairs Activities of the Compounds and Collaboration Products;

(d) review the Parties' progress against the Research Plan, Development Plan, Commercialization Plan and Medical Affairs Plan;

(e) oversee the operation of the JRC, JDC, JMC, JCC, JMAC and JPC, including resolving any disputed matter of the JRC, JDC, JMC, JCC, JMAC and JPC; and

(f) perform such other duties as are expressly assigned to the JSC in this Agreement, and such other functions as appropriate to further the purposes of this Agreement as may be allocated to it by the Parties' written 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.

2.3 Joint Research Committee. The Parties shall establish a joint research committee (the "**Joint Research Committee**" or the "**JRC**"), composed of [*] of each Party that have [*] in the research of compounds similar to the Compounds, to monitor and coordinate the Research of Compounds under the Collaboration. The JRC shall exist during the Research Term. All JRC representatives will have sufficient authority within the applicable Party to make decisions [*] arising within the scope of the JRC's responsibilities. The JRC shall in particular:

(a) coordinate the activities of the Parties under the Research Plan and oversee the implementation of the Research Plan;

(b) prepare and approve annual or interim amendments to the Research Plan (including the Research Budget);

(c) provide a forum for and facilitate communications between the Parties with respect to the Research of Compounds;

(d) establish joint subcommittees, as appropriate, to carry out its functions; and

(e) perform such other functions as may be appropriate to further the purposes of this Agreement with respect to the Research of Compounds.

2.4 Joint Development Committee. The Parties shall establish a joint development committee (the "**Joint Development Committee**" or the "**JDC**"), composed of [*] of each Party that have [*] in the development of products similar to the Compounds and Collaboration Products, to monitor and coordinate the Development of the Compounds and Collaboration Products under the Collaboration. All JDC representatives will have sufficient authority within the applicable Party to make decisions [*] arising with the scope of the JDC's responsibilities. The JDC shall in particular:

(a) coordinate the activities of the Parties under the Development Plan and oversee the implementation of the Development Plan;

(b) establish the protocol and statistic analysis plan for each human clinical trial conducted under the Development Plan;

(c) prepare and approve annual or interim amendments to the Development Plan (including the Cytokinetics Development Budget);

(d) provide a forum for and facilitate communications between the Parties with respect to the Development of the Compounds and Collaboration Products;

(e) review the data and results of [*] therefor;

(f) monitor and coordinate all regulatory actions, communications and submissions for the Compounds and Collaboration Products under the Development Plan, including allocating related medical affairs responsibilities between the Parties;

(g) until formation of the JMAC, oversee medical education activities and establish a joint review process for medical affairs materials, including disease state awareness, medical education and other non-promotional materials;

(h) establish joint subcommittees, as appropriate, to carry out its functions; and

(i) perform such other functions as may be appropriate to further the purposes of this Agreement with respect to the Development of the Compounds and Collaboration Products.

2.5 Joint Manufacturing Committee. The Parties shall establish a joint manufacturing committee (the "**Joint Manufacturing Committee**" or "**JMC**"), composed of [*] of each Party that have [*] in the manufacture of compounds and products similar to the Compounds and Collaboration Products, to monitor and oversee the CMC Activities and other activities related to the Manufacture of the Compounds and Collaboration Products for use under the Collaboration. All JMC representatives will have sufficient authority within the applicable Party to make decisions [*] arising within the scope of the JMC's responsibilities. The JMC shall in particular:

(a) discuss, approve and oversee implementation of and progress against the Development Plan and Commercialization Plan as they relate to CMC Activities;

(b) coordinate and facilitate cooperation and flow of information between the Parties with respect to the Manufacture and supply of the Compounds and Collaboration Products for Development and Commercialization use in accordance with Article 7;

(c) coordinate and facilitate the transfer of Manufacturing Know-How as and to the extent provided in Article 7;

(d) establish joint subcommittees, as appropriate, to carry out its functions; and

(e) perform such other functions as may be appropriate to further the purposes of this Agreement with respect to the Manufacture of Compounds and Collaboration Products, as directed by the JDC or JCC (as applicable).

2.6 Joint Commercialization Committee. Unless otherwise agreed upon between the Parties, within [*], the Parties shall form and establish a joint commercialization committee (the "**Joint Commercialization Committee**" or "**JCC**"), composed of [*] of each Party that have [*] in the commercialization of products similar to the Collaboration Products, to monitor and oversee the Commercialization activities of the Collaboration Products under the Collaboration. All JCC representatives will have sufficient authority within the applicable Party to make decisions [*] arising within the scope of the JCC's responsibilities. The JCC shall in particular:

(a) coordinate the activities of the Parties under the Commercialization Plan and oversee the implementation of the Commercialization Plan;

(b) prepare and approve annual or interim amendments to the Commercialization Plan;

(c) provide a forum for and facilitate communications between the Parties with respect to the Commercialization of the Collaboration Products;

(d) establish joint subcommittees, as appropriate, to carry out its functions; and

(e) perform such other functions as may be appropriate to further the purposes of this Agreement with respect to the Commercialization of the Collaboration Products.

2.7 Joint Medical Affairs Committee. Unless otherwise agreed upon between the Parties, within [*] the Parties may agree upon, the Parties shall form and establish a joint medical affairs committee (the "**Joint Medical Affairs Committee**" or "**JMAC**"), composed of [*] of each Party that have [*] in Medical Affairs Activities of products similar to the Collaboration Products, to monitor and oversee the Medical Affairs Activities for the Compounds and Collaboration Products under the Collaboration. All JMAC representatives will have sufficient authority within the applicable Party to make decisions [*] arising within the scope of the JMAC's responsibilities. The JMAC shall in particular:

(a) coordinate the activities of the Parties under the Medical Affairs Plan and oversee the implementation of the Medical Affairs Plan;

(b) prepare and approve annual or interim amendments to the Medical Affairs Plan;

(c) prepare and approve the protocol and statistic analysis plan for each human clinical trial to be conducted under the Medical Affairs Plan;

(d) provide a forum for and facilitate communications between the Parties with respect to the Medical Affairs Activities for the Compounds and Collaboration Products;

(e) establish a joint review process for medical affairs materials, including disease state awareness, medical education and other non-promotional materials;

(f) establish joint subcommittees, as appropriate, to carry out its functions; and

(g) perform such other functions as may be appropriate to further the purposes of this Agreement with respect to the Medical Affairs Activities for the Compounds and Collaboration Products.

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2.8 Joint Patent Committee. The Parties shall establish a joint patent committee (the "**Joint Patent Committee**" or "**JPC**"), composed of [*] representing each Party, to coordinate the prosecution and enforcement of Collaboration Patents under Article 11. Such patent counsel shall have sufficient authority within or on behalf of the applicable Party to make decisions (subject to such Party's internal decision making procedures) arising within the scope of the JPC's responsibilities. The JPC shall in particular:

(a) coordinate and facilitate the prosecution and enforcement of the Collaboration Patents, and make periodic reports of the same to the JSC and other Committees upon request;

(b) discuss and develop patent strategy for Collaboration Patents, including making key decisions on drafting, filing, prosecution, maintenance, enforcement and defense of Collaboration Patents, as well as providing a forum for the Parties to discuss material issues and provide input to each other regarding Collaboration Patents;

(c) determine which Patents are to be considered Collaboration Patents, and oversee the determination of inventorship of Collaboration Intellectual Property;

(d) confer regarding patent term extensions and listings in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (known as the "Orange Book") and its foreign counterparts; and

(e) perform such other functions as may be appropriate to further the purposes of this Agreement with respect to the patent prosecution and enforcement activities under this Agreement.

2.9 Limitation of Committee Authority . Each Committee shall only have the powers expressly assigned to in this Article 2 and elsewhere in this Agreement and shall not have the authority to: (a) modify or amend the terms and conditions of this Agreement; (b) waive either Party's compliance with the terms and conditions of under this Agreement; or (c) determine any such issue in a manner that would conflict with the express terms and conditions of this Agreement.

2.10 Committee Membership and Meetings.

(a) Committee Members. The initial members of each Party on the JSC, JRC, JDC and JPC as of the Effective Date are set forth in **Exhibit F**. Each Party may replace its representatives on any Committee by written notice to the other Party. Each Party shall appoint one (1) of its representatives on each Committee to act as a co-chairperson of such Committee. The co-chairpersons shall jointly prepare and circulate agendas and reasonably detailed minutes for each Committee meeting within thirty (30) days of such meeting.

(b) Meetings. Each Committee shall hold meetings at such times as it elects to do so, but no less frequently than once every [*] for (i) the JRC; (ii) the JDC; (iii) the JMC [*]; and (iv) the JCC [*]. In all other circumstances, each Committee shall hold regular meetings no less frequently than once every [*], and more frequently as needed upon written request of either Party and consent of the other Party, which consent shall not be unreasonably withheld or delayed. Meetings of each Committee shall be held via teleconference, via videoconference or in person, provided that at least [*] per year for the [*], and [*] per year for the [*] shall be held in person (unless the Parties otherwise agree) at locations to be alternately selected by each Party. Each Party shall be responsible for all of its own expenses of participating in any Committee. No action taken at any meeting of a Committee shall be effective unless a representative of each Party is participating.

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(c) Non-Member Attendance. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend the Committee meetings in a non-voting capacity; provided that if either Party intends to have any Third Party (including any consultant) attend such a meeting, such Party shall provide prior written notice to the other Party and shall ensure that such Third Party is bound by confidentiality and non-use obligations consistent with the terms of this Agreement.

2.11 Continuity of Representation. Notwithstanding the Parties' respective right to replace its Alliance Manager and members of Committees by written notification to the other Party, each Party shall strive to maintain continuity in the representation of such Alliance Manager and Committee members. If a particular Committee ceases to exist but certain activities that have been overseen by such Committee are still ongoing, then the Parties shall by mutual written agreement allocate the responsibility for overseeing such activities to another then-operating Committee that is competent and suitable in authority and expertise.

2.12 Decision-Making. All decisions of each Committee shall be made by [*]. If after reasonable discussion and good faith consideration of each Party's view on a particular matter before a Committee, the representatives of the Parties cannot reach an agreement as to such matter within [*] after such matter was brought to such Committee for resolution or after such matter has been referred to such Committee, such disagreement shall be referred to the JSC (in the case of disagreement of the JRC, JDC, JMC, JCC, JMAC, JPC or other joint subcommittees) for resolution. If the JSC cannot resolve such matter within [*] after such matter has been referred to them, then:

(a) if the matter pertains to [*] as to whether to [*]; and

(b) for all matters other than the issues set forth in subsections (i) and (ii) below [*]:

(i) [*]; and

(ii) any other decision [*] under this Agreement.

[*]

2.13 Discontinuation of Participation on a Committee. The activities to be performed by each Committee shall solely relate to governance under this Agreement, and are not intended to be or involve the delivery of services. Each Committee shall continue to exist until the first to occur of: (a) the Parties mutually agreeing to disband the Committee; or (b) Cytokinetics providing written notice to Astellas of its intention to disband and no longer participate in such Committee. Once the Parties mutually agree or Cytokinetics has provided written notice to disband such Committee, such Committee shall have no further obligations under this Agreement and, thereafter, the Alliance Managers shall be the contact persons for the exchange of information under this Agreement and decisions of such Committee shall be decisions as between the Parties, subject to the other terms and conditions of this Agreement.

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2.14 Budgets and Fiscal Years. The Parties acknowledge that Astellas' fiscal year runs from April 1 through March 31, while Cytokinetics' fiscal year runs from January 1 through December 31. Accordingly, [*] relating to the Research, Development, Medical Affairs and Commercialization of the Compounds and Collaboration Products [*].

ARTICLE 3
LICENSES

3.1 License to Astellas. Subject to the terms and conditions of this Agreement, Cytokinetics hereby grants to Astellas the following royalty-bearing worldwide licenses [*] under the Cytokinetics Technology and Cytokinetics' interest in the Collaboration Intellectual Property:

(a) to Research (i) [*] Activators in the Licensed Indications and (ii) [*] in the Field, in each case pursuant to the Research Plan during the Research Term, [*] as set forth in Section [*];

(b) to Develop (i) [*] Activators in the Licensed Indications and (ii) [*] Activators in the Field, in each case pursuant to the Development Plan, [*] as set forth in Section [*];

(c) to use [*] Activators and Collaboration Products containing [*] Activators in the Licensed Indications and to make, have made, offer for sale, sell and otherwise Commercialize [*] Activators and Collaboration Products containing [*] Activators for use in the Licensed Indications, [*], except as provided in Sections [*] below;

(d) to use [*] Activators and Collaboration Products containing [*] Activators in the Field and to make, have made, offer for sale, sell and otherwise Commercialize [*] Activators and Collaboration Products containing [*] Activators for use in the Field, [*], except as provided in Sections [*] below; and

(e) to perform Medical Affairs Activities for the Compounds and Collaboration Products pursuant to the Medical Affairs Plan, which license [*], except as provided in Sections [*] below.

Subject to Section [*], the licenses granted by Cytokinetics to Astellas under this Agreement [*] to develop, make, have made, use, sell, offer for sale or otherwise commercialize [*] (whether or not such [*]) that is [*] with a Compound.

3.2 Astellas Sublicense Rights. Subject to the terms and conditions of this Agreement:

(a) Further subject to Section [*] below, Astellas may exercise its rights and perform its obligations under this Agreement by itself or through the engagement of any of its Affiliates [*] in the performance of this Agreement.

(b) Astellas may sublicense the rights granted to it under [*] to one (1) or more Third Parties, provided, however, that Astellas shall: (i) [*], and (ii) [*]. Subject to Sections [*] the Research, Development, Manufacture, Commercialization and Medical Affairs Activities of any Compound or Collaboration Product [*].

(c) Astellas shall remain directly responsible for all of its obligations under this Agreement that have been delegated, subcontracted or sublicensed to any of its Affiliates, sublicensees or subcontractors and shall ensure that such Affiliates, sublicensees and subcontractors comply with the terms and conditions of this Agreement.

3.3 Cytokinetics' Retained Rights. Cytokinetics and its Affiliates hereby retain:

(a) the rights to practice the Cytokinetics Technology and Cytokinetics' interest in the Collaboration Intellectual Property to exercise its and their rights and perform its and their obligations under this Agreement, whether directly or through one or more licensees; and

(b) subject to Section [*], the exclusive rights to otherwise practice and license the Cytokinetics Technology and Cytokinetics' interest in the Collaboration Intellectual Property outside the scope of the licenses granted to Astellas under Section 3.1, including researching, developing, manufacturing, having manufactured and commercializing [*] in the Retained Indications.

3.4 License to Cytokinetics.

(a) Subject to the terms and conditions of this Agreement, Astellas hereby grants to Cytokinetics the following fully paid-up licenses:

(i) under the Astellas Technology and Astellas' interest in the Collaboration Intellectual Property to Research (i) [*] Activators in the Licensed Indications and (ii) [*] Activators in the Field, in each case pursuant to the Research Plan during the Research Term, [*];

(ii) under the Astellas Technology and Astellas' interest in the Collaboration Intellectual Property to Develop the Compounds and Collaboration Products pursuant to the Development Plan, [*];

(iii) under the Astellas Technology and Astellas' interest in the Collaboration Intellectual Property to manufacture and have manufactured the Compounds and Collaboration Products pursuant to the Development Plan or Commercialization Plan as appropriate, [*];

(iv) under the Astellas Technology and Astellas' interest in the Collaboration Intellectual Property to Co-Promote the Collaboration Products in the Co-Promotion Territory pursuant to the Commercialization Plan upon Cytokinetics' exercise of the Co-Promotion option, [*];

[*] = 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.

(v) further subject to Section [*], under Astellas' interest in the Collaboration Intellectual Property to research, develop, manufacture, have manufactured and commercialize [*] for uses in the Retained Indications worldwide, [*]; and

(vi) under the Astellas Technology and Astellas' interest in the Collaboration Intellectual Property to perform Medical Affairs Activities for the Compounds and Collaboration Products in the Co-Promotion Territory pursuant to the Medical Affairs Plan, [*].

(b) Subject to Section [*] the Research, Development, Manufacture, Commercialization and Medical Affairs Activities of any Compound or Collaboration Product [*].

3.5 No Implied Licenses; Negative Covenant. Except as set forth herein, neither Party shall acquire any license or other intellectual property interest, by implication or otherwise, under or to any trademarks, Patents Rights, Know-How, or other intellectual properties owned or Controlled by the other Party. For clarity, the license granted to each Party under any particular Patent Rights or Know-How Controlled by the other Party shall confer exclusivity to the Party obtaining such license only to the extent the Party granting such license Controls the exclusive rights to such Patent Rights or Know-How. Neither Party shall, nor shall permit any of its Affiliates or sublicensees to, practice any Patent Rights or Know-How licensed to it by the other Party outside the scope of the license granted to it under this Agreement.

3.6 [*]

(a) Except as set forth in Section [*] and subject to Sections [*] below, [*]:

(i) [*] Activators for use in the [*] pursuant to this Agreement;

(ii) [*] Activators for use in the [*]; or

(iii) [*] for use in the [*] pursuant to this Agreement or the Collaboration.

(b) Notwithstanding the foregoing, [*] will not be deemed to be [*] pursuant to this Agreement or the Collaboration.

(c) [*] shall use Diligent Efforts to [*] Activator that is [*] the Licensed Indications, including by [*] any Collaboration Product containing a [*] the Licensed Indications, or [*] any Collaboration Product containing a [*]. So long as [*] set forth in this subsection (c), the [*] Collaboration Products containing [*] shall not, by itself, be deemed [*] under Section [*] of its obligations under this Section 3.6.

(d) [*] shall use Diligent Efforts to [*] the Licensed Indications, including by [*] the Licensed Indications, or [*] the Licensed Indications. So long as [*] set forth in this subsection (d), the [*] shall not, by itself, be deemed [*] under Section [*] of its obligations under this Section 3.6.

(e) If either Party [*] and if such [*], as of the [*] such Party would [*] set forth in Section [*], then such Party shall [*] either (i) [*] of this Agreement, in which event [*] a Compound and/or Collaboration Product under this Agreement and subject to the terms and conditions hereunder and any [*] the Research, Development, Manufacture or Commercialization of [*], or (ii) [*]. Such Party's [*] shall not be deemed [*] set forth in this Section 3.6; provided that such Party [*] under this Agreement and [*] in connection with [*] the other Party [*] as used in this Section 3.6(e), means [*].

(f) If [*] with respect only to any of the [*] pursuant to Section [*] apply with respect to [*].

3.7 Subcontractors. Each Party shall have the right to engage subcontractors for purposes of conducting activities assigned to it under this Agreement, provided that any such subcontractor is bound by written obligations of confidentiality and non-use consistent with this Agreement [*] and has agreed to [*] that relate to any Compounds or Collaboration Products or their use, manufacture or sale, which [*] as appropriate. Each Party shall remain directly responsible for any obligations under this Agreement that have been delegated or subcontracted to any subcontractor, and shall be directly responsible for the performance of its subcontractors.

3.8 365(n) Rights. All rights and licenses granted under or pursuant to any section of this Agreement, including the licenses granted under this Article 3 and Section 13.3, are and will otherwise be deemed to be for purposes of Section 365(n) of the United States Bankruptcy Code (Title 11, U.S. Code), as amended (the "**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined in Section 101(35A) of the Bankruptcy Code. Each Party will retain and may fully exercise all of its respective rights and elections under the Bankruptcy Code. Each Party agrees that the other Party, as licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the Bankruptcy Code or any other provisions of applicable Law outside the United States that provide similar protection for "intellectual property." Each Party further agrees that, in the event of the commencement of a bankruptcy proceeding by or against such Party under the Bankruptcy Code or analogous provisions of applicable Law outside the United States, to the extent permitted by Law, [*] the Research and/or Development of the Compounds and/or Collaboration Products under this Agreement pursuant to the Research Plan and/or Development Plan, as appropriate, which, [*]. Additionally, upon request by the other Party, the bankruptcy Party shall [*]

ARTICLE 4
RESEARCH

4.1 General. The Parties will conduct a research collaboration to discover, identify, characterize and optimize [*] Activators in the Licensed Indications and [*] Activators in the Field pursuant to the Research Plan (the "**Research Program**").

4.2 Research Term. The term of such Research Program (the "**Research Term**") shall commence on the Effective Date and end on the second anniversary of the Effective Date. The Research Term may be extended by the Parties' mutual written 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.

4.3 Research Plan. All Research activities under this Agreement shall be conducted pursuant to a comprehensive written Research plan for Astellas' fiscal year during the Research Term (the "**Research Plan**"). The Research Plan shall allocate Research responsibilities between the Parties and shall set forth the objectives, activities and criteria for evaluation for such Research, as well as the timeline related thereto. The Research Plan shall also set forth the detailed budget for such Research activities, including [*] Cytokinetics FTEs that Astellas shall support annually during the initial [*] of the Research Term (the "**Cytokinetics Research FTEs**"), the number of Astellas FTEs committed by Astellas during the Research Term and outsourced costs (the " **Research Budget**"). As of the Effective Date, the Parties have agreed upon an initial Research Plan (including the Research Budget) pertaining to the Research activities to be conducted by the Parties during the first [*] after the Effective Date, attached to this Agreement as **Exhibit G**, which plan and budget will be deemed to have been approved by the JRC. Thereafter, from time to time during the Research Term, the JRC shall prepare updates and amendments, as appropriate, to the then-current Research Plan (including the Research Budget). In any event, the Research Plan for the forthcoming Astellas' fiscal year shall be approved by [*] of the preceding year, provided that by [*] of each calendar year, the JRC shall agree upon a proposed budget for the following Astellas fiscal year with respect to costs other than for the Cytokinetics Research FTEs, and Astellas shall use good faith efforts to obtain internal approval for such proposed budget to become effective by [*]. The JRC shall have the right to approve updates and amendments to the Research Plan (including the Research Budget), provided that no amendment to the Research Plan (including the Research Budget) shall decrease the number of Cytokinetics Research FTEs supported by Astellas without Cytokinetics' consent. Once approved by the JRC, such revised Research Plan shall replace the prior Research Plan. If the terms of the Research Plan contradict, or create inconsistencies or ambiguities with, the terms of this Agreement, then the terms of this Agreement shall govern.

4.4 Conduct of Research. Each Party shall use Diligent Efforts to carry out the Research activities assigned to it in the Research Plan and shall conduct such activities in good scientific manner, and in compliance with all applicable Laws. Each Party shall keep the other Party reasonably informed as to its progress in the conduct of the Research Plan through meetings of the JRC. At least [*] Business Days before each JRC meeting, each Party shall submit to the JRC a written summary of its Research activities since its prior report. All [*] under the Research Plan will be [*], provided that neither Party will be required to [*] where it reasonably believes that [*].

4.5 Research Records. Each Party shall maintain complete, current and accurate records of all Research activities conducted by it hereunder, and all data and other information resulting from such activities. Such records shall fully and properly reflect all work done and results achieved in the performance of the Research activities in good scientific manner [*] to the extent [*]. After the Effective Date, upon reasonable request of [*] be mutually agreed by the Parties, [*] that pertain to the Compounds and/or Collaboration Products or otherwise relate to the Research performed pursuant to the Research Plan [*] as described in [*] shall be deemed Confidential Information [*].

[*] = 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.

4.6 Research Plan Costs. Subject to this Section 4.6, Astellas shall be responsible for all the costs and expenses incurred by both Parties in performing the Research in accordance with the Research Plan (the " **Research Plan Costs**") and shall reimburse Cytokinetics for the Research Plan Costs incurred by or on account of Cytokinetics in accordance with the Research Budget pursuant to Section 10.2. Research Plan Costs that are incurred by Cytokinetics and subject to reimbursement by Astellas shall include the costs of [*] set forth in the Research Plan, and [*]. During any given Astellas fiscal year, Astellas shall not be responsible for reimbursement of (i) any [*]; or (ii) any [*] the applicable Research Budget.

4.7 [*]. Notwithstanding anything to the contrary in this Agreement, the Parties may conduct Research of [*], but only to the extent agreed in writing by the Parties and set forth in the Research Plan as part of the Research Program governed by this Article 4. Any [*] shall be subject to the mutual written agreement of the Parties, [*]. Neither Party shall be obligated to agree to the conduct of any such Research [*].

4.8 Other [*]. Each Party shall have the right to [*] the Research Plan solely for the purpose of [*], provided that such activities shall [*], and neither Party shall have the right to [*] the other Party or [*] the other Party in connection therewith.

4.9 Research Project Team. The Parties will establish a research project team (the "Research Project Team") that will be responsible for managing, reviewing and implementing the performance of the day to day activities of both Parties for all stages of the Research Program, including review and decision making regarding lead optimization, safety evaluation, structural biology, computational chemistry and pharmacology. Each Party will have representation on the Research Project Team throughout the Research Program. The Research Project Team shall be subordinate to and governed by the JRC.

ARTICLE 5
DEVELOPMENT

5.1 General. Subject to the terms and conditions of this Agreement, the Parties will collaborate with respect to the Development of the Compounds and Collaboration Products in the Licensed Indications (for [*] Activators) or the Field (for [*] Activators) for Regulatory Approval under the direction of the JDC and pursuant to the Development Plan, as set forth in more details below. The Parties intend to pursue Development of the Lead Compound and other Compounds and Collaboration Products broadly across an array of Indications.

5.2 Development Plan.

(a) The Development of the Compounds and Collaboration Products under this Agreement (the " **Development Program**") shall be conducted pursuant to a comprehensive written Development plan (the " **Development Plan**"). The Development Plan for each Compound and corresponding Collaboration Products shall set forth the timeline and details of: (i) all preclinical and clinical Development activities to be conducted by the Parties as necessary to generate data sufficient to meet the requirements for Marketing Approval of such Compound and corresponding Collaboration Products for each of the Indications as agreed by the Parties and set

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forth in the Development Plan; (ii) the protocol synopsis for each clinical trial included in such Development Plan; (iii) a Manufacturing plan; and (iv) any other Development activities that the Parties agree to pursue in collaboration for such Compound and corresponding Collaboration Products. Except for the initial Development Plan attached as **Exhibit H**, (A) the Development Plan will contain detailed plans for at least [*] covered by the Development Plan, and summary plans for periods thereafter, and (B) the budget associated with such Development Plan shall be subject to the approval process set forth in Section 5.2(b). The Development Plan shall include a coordinated development and regulatory strategy, including the Parties' respective roles in the development of each Collaboration Product and the countries in which Development of Collaboration Product will occur. The Development Plan shall also set forth the detailed budget of the Development activities to be [*]. Upon [*] Development activities under the Development Plan. The [*] shall be included in the Development Plan and shall be subject to JDC approval. The initial focus of the Development Program shall be the conduct of Phase 1 Clinical Trials and Phase 2 readiness activities for the Lead Compound in 2013, with the [*] the Lead Compound [*]. As of the Effective Date, the Parties have agreed upon an initial Development Plan and [*] for the Lead Compound for the period starting from the Effective Date and ending on [*], which are attached to this Agreement as **Exhibit H**, which will be deemed to have been approved by the JDC.

(b) The JDC shall update the Development Plan (including [*]) at least annually, with such annual update to be finally approved no later than [*] of the preceding Astellas' fiscal year. By [*] of each calendar year starting on [*] the updated Development Plan, the JDC shall agree upon a proposed [*] for the following Astellas fiscal year beyond [*]. Astellas shall use good faith efforts to [*]. From time to time during the Term, the JDC shall prepare amendments, as appropriate, to the then-current Development Plan (including [*]), including adding additional Compounds and Collaboration Products. The JDC shall have the right to approve updates and amendments to the Development Plan (including [*]). Once approved by the JDC, such revised Development Plan shall replace the prior Development Plan.

(c) If the terms of the Development Plan contradict, or create inconsistencies or ambiguities with, the terms of this Agreement, then the terms of this Agreement shall govern.

5.3 Allocation of Development Responsibilities. The Development Plan shall allocate Development responsibilities of the Compounds and Collaboration Products between the Parties as follows:

(a) Astellas Responsibilities. Subject to Sections 5.3(b) and 5.3(c) below, Astellas shall be primarily responsible for the Development of (i) [*] Activators and corresponding Collaboration Products in the Licensed Indications throughout the world and (ii) [*] Activators and corresponding Collaboration Products in the Field throughout the world, in each case pursuant to the Development Plan. While it is contemplated that Cytokinetics shall be responsible for the Phase 1 Work as described in subsection (b) below, the JDC may allocate to Astellas specific clinical and non-clinical activities to be conducted in parallel with the Phase 1 Work [*].

(b) Cytokinetics Responsibilities. Notwithstanding Section 5.3(a), Cytokinetics shall be responsible for (i) the conduct of the Phase 1 Clinical Trials of the Lead Compound and Phase 2 readiness activities (including [*], but excluding any activities allocated to

Astellas pursuant to subsection (a) above) pursuant to the Development Plan through the initiation of the first Phase 2 Clinical Trial for the Lead Compound (the "**Phase 1 Work**"), and (ii) other Development activities under the Development Plan [*].

(c) Development [*].

(i) Notwithstanding Section [*] shall have the right, but not the obligation, to [*] Compounds and Collaboration Products [*] as set forth in this Section 5.3(c) ("[*]").

(ii) [*] and shall not be subject to the [*] set forth in Section [*] shall have the right, but not the obligation, to [*] Compounds and Collaboration Products [*] pursuant to subsections (iv) through (vi) below.

(iii) In addition to [*] as set forth in subsection (ii) above, if the [*] one or more Collaboration Products [*] in the Development Plan [*] in accordance with the Development Plan, then [*] may request that [*]. Upon such request, [*], provided that, in [*] under the Development Plan will [*] the Development and/or Commercialization of Compound and Collaboration Product [*] pursuant to the Development Plan and/or Commercialization Plan.

(iv) [*] shall submit a reasonably [*] in the Development Plan and such [*] pursuant to such plan.

(v) [*] as part of the regular JDC reporting cycle. Following the [*] for a Compound and corresponding Collaboration Product [*] as well as the [*] such Collaboration Product [*] as well as the [*] such Compound or Collaboration Product [*].

(vi) [*] Development work, then (A) [*] as set forth in Section [*]; (B) [*] such Compound and Collaboration Product [*] as set forth in Section [*]; and (C) all such [*] shall be subject to the [*] under this Agreement applicable to the Development for [*] the Development Plan and [*] Development work in such [*] Development work (i.e., the Parties' respective [*]).

(vii) [*] such Development work, then such Compound and Collaboration Product will [*]; provided if the [*] such Compound or Collaboration Product [*] or otherwise by the Parties, then Section [*] shall apply.

5.4 Development Costs.

(a) General. Except as set forth in Section 5.4(b) below, Astellas shall be solely responsible for all Development Costs incurred by or on behalf of either Party in performing Development activities under the Development Plan, and shall reimburse Cytokinetics for Development Costs incurred by Cytokinetics as set forth in Section 10.3, to the extent [*].

(b) Development Costs [*]. Cytokinetics shall be responsible for the Development Costs incurred by or on behalf of Cytokinetics in [*]; provided that if [*] any Compound or Collaboration Product [*], then Astellas shall reimburse Cytokinetics as set forth in Section [*]. The Development Costs incurred by either Party in the [*] shall be [*] as set forth in Section [*].

5.5 Diligence.

(a) Each Party shall use Diligent Efforts to conduct the Development activities assigned to it under the Development Plan. Without limiting the foregoing, [*]:

(i) [*] set forth in the Development Plan; and

(ii) [*] (i.e., a [*] Activator or [*] Activator) and [*] (i.e., a [*] Activator) (each of [*]). If [*] for a particular [*] at any time after the [*] immediately following the [*] will be deemed to [*] pursuant to Section [*] with respect to Compounds and Collaboration Products [*], provided that [*]. In such event, Section [*] shall apply with respect to [*] shall no longer apply with respect to [*].

(b) [*] Compound or Collaboration Product if: (i) [*] such Compound or Collaboration Product are [*] Development Plan in a [*] such Compound or Collaboration Product, and [*] in accordance with the Development Plan; or (ii) [*] such Collaboration Product.

(c) In the event of [*] Compound or Collaboration Product [*], the Parties shall [*]. In the event the [*] shall be subject to [*] as follows. The Parties shall agree on [*] both Parties and all of [*] relating to [*], each Party shall [*] and the other Party [*] with any relevant [*] thereof. Within [*] after the delivery of the [*], each Party may [*] the other Party's [*] and may also [*] days after the Parties have [*], at which time each Party shall [*] to the Parties as [*], provided that the [*]. Neither Party shall have any [*] of the other Party. Within [*] after [*] as to whether [*] Compound or Collaboration Product [*] the Parties. The [*] by the Party [*].

5.6 Lead Compound Development; [*]

(a) Cytokinetics will be the Party responsible for continuing to conduct the Phase 1 Work as described in Section 5.3(b). In connection therewith, Cytokinetics will continue to: (i) [*]; (ii) [*] the Lead Compound and the Lead Product; and (iii) [*] the Lead Compound and the Lead Product [*]. Cytokinetics shall provide the JDC with the data and results from the Phase 1 Work on an ongoing basis.

(b) Concurrently with Cytokinetics' conduct of the Phase 1 Work, the Parties, through the JDC, shall jointly [*] the Lead Compound by [*], which is expected to be [*].

(c) [*] the Phase 1 Work (including [*] the Development Plan) by [*] Phase 1 Work (including [*] the Development Plan), and in any event, [*] the Lead Compound [*], the JDC will [*] the Lead Compound [*] (currently anticipated to [*]). [*] the Lead Compound in accordance with the Development Plan [*] the Lead Compound [*] in accordance with the Development Plan [*] (i.e., [*] as determined by the JDC) and [*] which are necessary for the [*] as determined by the JDC (e.g., [*]). "**Lead Compound [*]**" means the [*]: (i) [*] the Lead Compound [*]; and (ii) [*] from the other [*] (e.g., [*] from the applicable [*] if the JDC determines that such [*] as to whether [*] the Lead Compound [*], provided that [*] described in the initial Development Plan.

(i) If the JDC [*] the Lead Compound [*], then (A) [*] (x) the Lead Compound [*] pursuant to Section [*] and (y) the Lead Compound [*]; and (B) the Parties shall [*] the Lead Compound and Lead Products pursuant to Section [*].

(ii) If the JDC [*] the Lead Compound [*] (or if the JDC [*] the Lead Compound [*], then [*] will be deemed [*] pursuant to Section [*] with respect to the Lead Compound and Lead Products, provided that [*]. In such event, Section [*] shall apply with respect to [*] and Section [*] shall no longer apply with respect to [*], provided that [*] the Lead Compound or Lead Products [*].

5.7 Development Records. Each Party shall maintain complete, current and accurate records of all Development activities conducted by it hereunder, and all data and other information resulting from such activities. Such records shall fully and properly reflect all work done and results achieved in the performance of the Development activities in good scientific manner [*]. Each Party shall document all non-clinical studies and clinical trials in formal written study reports according to applicable Laws and national and international guidelines (e.g., ICH, GCP, GLP, and GMP). Each Party shall have the right to review and copy such records maintained by the other Party at reasonable times and to obtain access to the original [*].

5.8 Data Exchange and Development Reports. In addition to adverse event and safety data reporting obligations pursuant to Section 6.5, each Party shall promptly provide the other Party with copies of all data and results generated by or on behalf of such Party in the course of performing the Development hereunder (including final reports), and including, in each case of data arising from clinical trials, [*] as the JDC may agree from time to time. Each Party shall provide the JDC with regular reports detailing its Development for the Collaboration Products, and the results of such Development at each regularly scheduled JDC meeting. The Parties shall discuss the status, progress and results of each Party's Development at such JDC meetings.

5.9 Advisory Panels; Medical Education Activities. The Development Plan may also provide for advisory panels with key opinion leaders with respect to the Development of Collaboration Products to be held by one or both Parties. The Party organizing the advisory panel shall give the other Party written notice at least [*] in advance of any such advisory panel meetings, and the other Party shall have the right to attend such meetings. If the Parties agree to conduct non-promotional medical education activities (which shall be [*]) and the JMAC has not been established at that time, the Parties shall conduct non-promotional medical education activities [*] as part of the Development Activities under the Development Plan and under the oversight of the JDC, and [*] in connection therewith shall [*], provided that, if for any Collaboration Product, [*] such medical education activities [*] medical education activities for such Collaboration Product, then [*] shall have the right to conduct such medical education activities for such Collaboration Product under the JDC's oversight, and, [*] such medical education activities shall be: (a) [*] medical education activities for such Collaboration Product under the Development Plan and (b) [*] such activities. If the non-promotional medical education activities [*] Compounds, the Parties shall discuss in good faith an appropriate [*] each Party. Nothing in this Section will [*] scientific and/or medical conferences, or [*] continuing medical eduction activities [*] in connection with its [*] Compounds, in each case [*].

[*] = 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.

5.10 Development Project Team. The Parties will establish a project team for each Compound (the "**Development Project Team**") that will be responsible for managing, reviewing and implementing the performance of the day to day activities of both Parties for all stages of the Development Program for such Compound, including review and decision making regarding CMC, toxicology, clinical trial designs and regulatory filings and strategy. Each Party will have representation on the Development Project Team throughout the Development Program. The Development Project Team shall be subordinate to and governed by the JDC (except with respect to CMC issues, with respect to which the Development Project Team will be subordinate to and governed by the JMC).

ARTICLE 6
REGULATORY

6.1 Regulatory Responsibilities.

(a) The Development Plan shall set forth the regulatory strategy for seeking Marketing Approval for the Compounds and Collaboration Products by the FDA, EMA and other Regulatory Authorities in [*] as agreed upon by the Parties. [*] Development under the Development Plan (including [*] Development), [*] necessary to obtain and maintain Regulatory Approval of the Compounds and Collaboration Products in the Licensed Indications (for [*] Activators) or the Field (for [*] Activators) throughout the world, which activities shall be conducted using Diligent Efforts and in accordance with the regulatory strategy set forth in the Development Plan.

(b) [*] the Lead Compound [*] the Lead Compound [*] the JDC determines to [*] as set forth in Section [*]. In addition, [*] regulatory activities related to [*] Development (including [*] applicable Regulatory Authorities) [*] the Development of such [*] under Section [*]. [*] in connection with [*] under this Section 6.1(b) will be [*], as applicable. [*] the right to [*] Regulatory Materials Controlled by or on behalf of [*] for use in [*] Development and [*] the right to [*] Compounds and/or Collaboration Products and other Regulatory Materials Controlled by or on behalf of [*] for use in the Development by [*].

(c) [*] Regulatory Materials related to [*] the Lead Compound and [*] Development and otherwise agreed in writing by the Parties, [*] the preparation and submission of any and all Regulatory Materials for the Collaboration Products throughout the world and [*] such Regulatory Materials.

6.2 Cooperation. Each Party shall cooperate reasonably with the other Party with respect to key regulatory activities relating to the Compounds and Collaboration Products, shall provide such other Party with all reasonable assistance in the preparation and filing of Regulatory Materials relating to the Compounds and Collaboration Products, and shall keep such other Party reasonably and timely informed of its preparation and submission of all Regulatory Materials relating to the Compounds and Collaboration Products and the Regulatory Authorities' review of such Regulatory Materials. Without limiting the foregoing, each Party:

(a) shall consult with the other Party through the JDC or JCC, as applicable, regarding regulatory matters pertaining to [*] Regulatory Materials [*] relating to the Compounds and Collaboration Products, including plans, strategies, filings, reports, updates and supplements in connection therewith. As used herein, "[*] Regulatory Materials" means IND and MAA filings, [*] or materials that: (i) are [*] a Regulatory Authority; (ii) contain [*] such Regulatory Authority; (iii) contain [*] such Regulatory Authority; or (iv) [*] the relevant Compound or Collaboration Product or its Development or Commercialization;

(b) shall provide the other Party with drafts of any [*] Regulatory Materials for the Compounds and Collaboration Products to be submitted by such Party to the Regulatory Authority [*] days prior to submission for review and comment (or if [*] such as in the event of [*] by Regulatory Authority that [*] but in no event in a manner that would [*] such reporting or response), and shall consider in good faith any comments received from the other Party;

(c) shall provide the other Party with copies of [*] Regulatory Materials ([*] (as defined below)) submitted to the Regulatory Authority [*] for each calendar month as well as copies of [*] correspondence ([*]) received from the Regulatory Authority [*] pertaining to the Compounds and Collaboration Products for [*]. "[*]" means [*] a Regulatory Authority that: (i) is [*] from a Regulatory Authority or is [*] from a Regulatory Authority; (ii) contains [*] provided to such Regulatory Authority; (iii) contains [*] to such Regulatory Authority; (iv) [*] the receiving Regulatory Authority [*] the relevant Compound or Collaboration Product or its Development or Commercialization; and (v) is required by law or regulation to be periodically filed to an existing IND or MAA. [*] includes correspondence such as [*] but excludes all [*]; and

(d) shall provide the other Party written minutes or other records of any oral key discussions (such as Type A, Type B and Type C meetings in the U.S. and foreign similar or equivalent meetings) with the Regulatory Authority [*] pertaining to the Compounds and Collaboration Products promptly after any such discussion.

For purpose of Section 6.2, the Parties shall establish a direct line of contact between the persons responsible for the overall regulatory strategies and activities for the Collaboration Products within each Party.

If any [*] to be provided under Section [*] was originally [*], the providing Party shall provide [*] to the receiving Party at the [*] except the case where such Party reasonably believes [*] such as in the event of [*] by Regulatory Authority that [*].

6.3 Meetings with Regulatory Authorities . Each Party shall provide the other Party with at least [*] advance notification of [*] in-person meeting or teleconference (such as [*] in the U.S. and foreign similar or equivalent meetings) with the Regulatory Authorities [*] that relates to the Development of the Compounds and Collaboration Products under the Development Plan. Such other Party shall have the right, but not the obligation, to have its representatives attend (but, unless otherwise requested by the Party responsible for such meeting, not participate in) such meetings.

[*] = 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.

6.4 Product Complaints. Each Party shall be responsible for handling product complaints (except for those covered by Section 6.5 below) arising pursuant to its Development of the Compounds and Collaboration Products in compliance with all applicable Laws. Each Party shall promptly provide the other Party with written notice of any such product complaint received by such Party and arising pursuant to its Development. Upon request of either Party, the Parties shall convene a meeting to discuss such product complaint and collaborate to resolve any such product complaint. Astellas shall be responsible for handling product complaints (except for those covered by Section 6.5 below) relating to marketed Collaboration Products in compliance with all applicable Laws.

6.5 Adverse Events Reporting. At least [*] prior to the [*] Development or earlier as may be required to satisfy regulatory requirements, the Parties shall enter into a pharmacovigilance and adverse event reporting agreement setting forth the worldwide pharmacovigilance procedures for the Parties with respect to the Collaboration Products, such as safety data sharing, adverse events reporting and prescription events monitoring (the " **Pharmacovigilance Agreement**"). Such procedures shall be in accordance with, and enable the Parties to fulfill, local and national regulatory reporting obligations under applicable Laws. Astellas shall establish, at its own cost and prior to the Initiation of the first Pivotal Registration Study for the applicable Collaboration Product, the global safety database for the Collaboration Products, and shall maintain such global safety database for so long as such Collaboration Product is under Development and/or Commercialization hereunder. Astellas shall hold the primary responsibility for reporting quality complaints, adverse events and safety data related to the Collaboration Products to such database and to the applicable Regulatory Authorities, as well as responding to safety issues and to all requests of Regulatory Authorities related to the Collaboration Products, in each case at its own cost and to the extent required by the applicable Law. Each Party agrees to comply with its respective obligations under the Pharmacovigilance Agreement and to cause its Affiliates, licensees and sublicensees to comply with such obligations.

6.6 Notification of Threatened Action. Each Party shall immediately notify the other Party of any information it receives regarding any threatened or pending action, inspection or communication by any Regulatory Authority, which may affect the safety or efficacy claims of any Collaboration Product or the continued marketing of any Collaboration Product. Upon receipt of such information, the Parties shall promptly consult with each other in an effort to arrive at a mutually acceptable procedure for taking appropriate action.

6.7 Remedial Actions. Each Party shall notify the other immediately, and promptly confirm such notice in writing, if it obtains information indicating that any Collaboration Product may be subject to any recall, corrective action or other regulatory action with respect to the Collaboration Product taken by virtue of applicable Law (a "**Remedial Action**"). The Parties shall fully assist each other in gathering and evaluating such information as is necessary to determine the necessity of conducting a Remedial Action. Each Party shall (and, in case of Astellas, shall ensure that its Affiliates and sublicensees shall) maintain adequate records to permit the Parties to trace the Manufacture, distribution and use of the Collaboration Products. Astellas shall have sole

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discretion with respect to any matters relating to any Remedial Action, including the decision to commence such Remedial Action and the control over such Remedial Action, at its cost and expense.

ARTICLE 7
MANUFACTURING AND SUPPLY

7.1 General. The Manufacture of the Compounds and Collaboration Products, including all process and formulation development in connection therewith, including CMC Activities, shall be overseen and coordinated by the JMC and conducted pursuant to the Manufacturing plan included in the Development Plan and the Commercialization Plan. At each regularly scheduled JMC meeting, each Party shall provide the JMC with reports summarizing its Manufacturing activities and the results of such activities. The Parties acknowledge that it is in the Collaboration's interest that, for each Collaboration Product under Development, the clinical trial materials for Development be made with the same process under the JMC's oversight.

7.2 Transfer of Manufacturing Know-How.

(a) Technology Transfer. The Parties intend that [*] the Manufacture of the Compounds and Collaboration Products (including the [*]). To this end, promptly following the [*] and provided that the [*] in accordance with Section [*], the JMC shall establish the procedures for Cytokinetics to effect the transfer to Astellas of the Cytokinetics Know-How that is then being used by Cytokinetics or its Third Party manufacturer in the Manufacture of the Lead Compound and Lead Products, to the extent such Cytokinetics Know-How is not already in Astellas' possession. Cytokinetics shall conduct such technology transfer as soon as practicable in accordance with such procedures, [*].

(b) Assistance. In connection with the transfer of Know-How under this Section 7.2, Cytokinetics shall provide reasonable technical assistance at Astellas' request [*]. Such technical assistance shall be included as an element of the Development Plan [*].

7.3 [*] Supply. Subject to Sections [*], [*] shall be responsible, itself and/or through Affiliates or Third Party contract manufacturers, for the Manufacture and supply of [*] Compounds and Collaboration Products for use [*] in the Development and Commercialization under this Agreement, [*].

7.4 [*] Supply.

(a) Notwithstanding Section [*], (i) [*] shall Manufacture and supply the [*] under the Development Plan and [*] associated therewith will be [*], and (ii) [*] shall have the right, but not the obligation, to Manufacture and supply the Compounds and Collaboration Products to [*] Development as set forth in [*].

(b) With respect to [*] Development, [*] shall have the right to elect to either (i) [*] the applicable Compounds and Collaboration Products [*] for use [*] Development if [*] Manufacturing such Compounds and Collaboration Products for [*] under the Development Plan,

to be provided [*]; or (ii) [*] such Compound and/or Collaboration Products [*], in which event, [*] then being used by [*] the Manufacture of the Compounds and Collaboration Products to the extent necessary or useful for [*] Manufacture such Compounds and Collaboration Products. Promptly following [*] Development and provided that (x) the JDC has determined [*] in accordance with Section [*] and (y) [*] Manufactures or has Manufactured such Compound and/or Collaboration Products [*] such Development work, the JMC shall [*] that is then being used [*] such Compound and such Collaboration Product, to the extent [*] is not already [*] as soon as practicable in accordance with [*]. In connection with the transfer of Know-How under this Section 7.4, Cytokinetics shall provide reasonable technical assistance at Astellas' request and expense. Such technical assistance shall be included as an element of the Development Plan [*].

7.5 Manufacturing Records. Each Party shall promptly provide the other Party, upon its reasonable request for the purpose of this Agreement, copies of the Manufacturing records (including specifications, protocols, batch records, master batch records and other CMC Information) maintained by the first Party, its Affiliates or Third Party contractors pertaining to Compounds and Collaboration Products for such other Party's use in connection with the Manufacture of the Compounds and/or Collaboration Products under this Agreement (and in the case of [*]). Each Party hereby grants the other Party the right to reference (and have referenced by its contract manufacturer) the Drug Master Files, if any, maintained by the first Party, its Affiliates or Third Party contractors pertaining to Compounds and Collaboration Products for such other Party's use in connection with the Manufacture of the Compounds and/or Collaboration Products under this Agreement (and in the case of [*]). For as long as [*] Manufacture any Collaboration Product pursuant to Section [*] shall have the right to [*] such Collaboration Product [*] (it being understood such [*] the Collaboration Product so long as [*]), upon reasonable request by [*] mutually agreed upon by Astellas and Cytokinetics, provided that [*] have the right to [*]. As between the Parties, all [*] shall be deemed [*].

7.6 Manufactured Products. Each Party represents and warrants that all Compounds and Collaboration Products Manufactured and supplied by such Party for clinical trial and/or commercial use under this Agreement shall: (a) meet the applicable specifications; (b) be Manufactured in accordance with current Good Manufacturing Practices; and (c) be Manufactured in accordance with all applicable Laws, including any Governmental Authority requirements then in effect.

ARTICLE 8
COMMERCIALIZATION

8.1 General. Subject to Cytokinetics' right to Co-Promote one or more Collaboration Product(s) in the Co-Promotion Territory and other terms and conditions of this Article 8, Astellas shall have the primary responsibility, at its own expense, for all aspects of the Commercialization of the Collaboration Products in the Licensed Indication (for [*] Activators) or the Field (for [*] Activators) throughout the world.

8.2 Commercial Diligence.

(a) Astellas shall use Diligent Efforts to Commercialize each Collaboration Product [*]. Without limiting the foregoing, and subject to subsection (b) below, Astellas shall [*] Collaboration Product [*] such Collaboration Product [*] in order to [*] such Collaboration Product, solely to the extent [*] such Collaboration Product [*] and provided that [*] to do so (the [*]).

(b) If [*] a Collaboration Product [*], it shall give written notice to [*], together with [*] with respect to the Commercialization of such Collaboration Product [*]. The Parties shall meet and confer in good faith [*] and seek to agree on (i) [*] such Collaboration Product [*], or (ii) whether [*] such Collaboration Product [*] in accordance with Section [*]. If the Parties [*], then either Party may [*] under Section [*] such Collaboration Product [*] such Collaboration Product [*] that it would have been [*] such Collaboration Product [*] within the applicable time period. If [*] will be deemed [*] pursuant to Section [*] with respect to such Collaboration Product [*], provided that [*] that would be directly [*] within the applicable time period. If [*] will continue to [*] such Collaboration Product [*].

8.3 Commercialization Plan. No later than [*], Astellas shall prepare and provide to the JCC for review and discussion a written plan for the Commercialization of such Collaboration Product in an Astellas' fiscal year (the "**Commercialization Plan**"). The Commercialization Plan shall include a reasonably detailed description of and anticipated timeline for Astellas', its Affiliates' and sublicensees' Commercialization activities with respect to such Collaboration Product, including, without limitation pre-launch plans, launch plans, market analytics, product forecasts, pricing assumptions and competitive intelligence. If Cytokinetics exercises its Co-Promotion option for a Collaboration Product, the Commercialization Plan shall also include a reasonably detailed description of and anticipated timeline for Cytokinetics' Co-Promotion activities as well as a budget therefor, which shall be consistent with Section 8.6 below. Astellas shall periodically (at least on an annual basis) prepare updates and amendments to its Commercialization Plan to reflect changes in its plans, including in response to changes in the marketplaces and related product forecasts, relative success of the Collaboration Products and other relevant factors influencing such plans and activities. Astellas shall submit all updates and amendments to its Commercialization Plan to the JCC for review and discussion. The Commercialization Plan for any Collaboration Product [*] must be agreed by the Parties. Astellas shall be solely responsible for all costs incurred by or on behalf of either Party in performing their respective obligations under the Commercialization Plan and, if Cytokinetics exercises its Co-Promotion option, shall pay Cytokinetics [*] determined by the JCC) for its Co-Promotion activities as set forth in the Co-Promotion Agreement.

8.4 Patent Marking. Astellas shall mark all Collaboration Products with patent information in each country in accordance with the applicable Law and to the extent customary in such country, and shall require all of its Affiliates and sublicensees to do the same. To the extent permitted by applicable Law and customary, Astellas shall indicate on Collaboration Product packaging, advertisement and promotional materials that such Collaboration Product is licensed from Cytokinetics.

8.5 Reports. Astellas (and Cytokinetics, if it exercises its Co-Promotion option) shall update the JCC at each regularly scheduled JCC meeting regarding its Commercialization of the

Collaboration Products. Each such update shall be in a form to be agreed by the JCC and shall summarize its, its Affiliates' and its sublicensees' significant Commercialization activities with respect to the Collaboration Products throughout the world. The update by Astellas will be at a level of detail reasonably requested by Cytokinetics and sufficient to enable Cytokinetics to determine Astellas' compliance with its diligence obligations pursuant to Section 8.2.

8.6 Co-Promotion. Cytokinetics shall have the right to elect to Co-Promote each Collaboration Product in the Co-Promotion Territory as set forth in this Section 8.6.

(a) On a Collaboration Product-by-Collaboration Product, Indication-by-Indication, and country-by-country basis, at least [*] prior to the [*] such Collaboration Product in such Indication in such country as set forth in the then-current Development Plan (the "[*] **Date**"), Astellas shall provide Cytokinetics with a written notification setting forth the following: (i) the [*]; (ii) [*] for such Collaboration Product for such Indication in such country [*]; and (iii) [*] Astellas and Cytokinetics for such Collaboration Product for such Indication in such country [*] (the " **Astellas Co-Promotion Notice**"). Within [*] after receiving such Astellas Co-Promotion Notice, Cytokinetics shall have the right to exercise its option to Co-Promote such Collaboration Product for such Indication in such country by written notice to Astellas. If Cytokinetics fails to provide such written notice within such [*] period, then Cytokinetics shall be deemed to have elected not to exercise its Co-Promotion option for such Collaboration Product for such Indication in such country. In the event [*] determines that there is a reasonable likelihood that [*] for such Collaboration Product for such Indication in such country [*] shall promptly notify [*] in writing after such determination together with [*] therefor, and the [*] obligation to provide the [*] (and the period during which [*]) shall be extended accordingly based on such [*].

(b) If Cytokinetics exercises its Co-Promotion option for a Collaboration Product for a particular Indication in a particular country of the Co-Promotion Territory, unless Cytokinetics terminates the Co-Promotion in accordance with Section 8.6(c) below, its Co-Promotion efforts for such Collaboration Product (the "**Cytokinetics Co-Promotion Effort**") shall be determined by the JCC on a Collaboration Product-by-Collaboration Product, Indication-by-Indication and country-by-country basis, but in any event shall be [*] particular Collaboration Products for a particular Indication and in a particular country of the Co-Promotion Territory, unless otherwise agreed in writing by the Parties. It is the Parties' understanding that Cytokinetics Co-Promotion Effort for the first Indication approved for any Collaboration Product in the Co-Promotion Territory as a whole shall not be required to [*].

(c) If Cytokinetics exercises its Co-Promotion option for a Collaboration Product for a particular Indication in a particular country of the Co-Promotion Territory, it shall have the right to continue to Co-Promote such Collaboration Product for as long as the Collaboration Product is being sold for such Indication in such country. Cytokinetics shall have the right to relinquish its Co-Promotion rights for such Collaboration Product for such Indication in such country with [*] written notification to Astellas, in which case the Parties shall reasonably cooperate to transition to Astellas all of Cytokinetics' Co-Promotion activities with respect to such Collaboration Product for such Indication in such country, so as to minimize disruption to sales activity. In such event, Cytokinetics shall withdraw its sales representatives from such

Co-Promotion activities in a professional manner. If Cytokinetics does not exercise its Co-Promotion option for a Collaboration Product for the first Indication for which Marketing Approval is obtained or in the first country such Marketing Approval is obtained, but such Collaboration Product is later approved for a separate Indication and/or in another country, then Cytokinetics shall have the right to exercise its Co-Promotion option solely with respect to such other Indication and/or in such other country for which Marketing Approval may be obtained for such Collaboration Product.

(d) If Cytokinetics exercises its Co-Promotion option for a Collaboration Product, Astellas shall [*] in the Co-Promotion Territory based on the Cytokinetics Co-Promotion Efforts. However, if [*] for a particular Indication and/or in a particular country, [*] shall so notify [*] in the applicable [*], and the Parties will discuss in good faith through the JCC [*] Cytokinetics' exercise of its Co-Promotion option applicable to such Collaboration Product for such Indication in such country. In addition, Astellas shall [*] sales force, such as [*], in each case [*].

(e) Promptly after Cytokinetics exercises its Co-Promotion option for a Collaboration Product in a particular country of the Co-Promotion Territory, the Parties shall commence negotiations in good faith and enter into a co-promotion agreement (the " **Co-Promotion Agreement**") in accordance with the terms and conditions set forth in **Exhibit I** attached hereto for such Collaboration Product in such country, allowing for any future exercise by Cytokinetics of its Co-Promotion option for the same Collaboration Product in other Indications in the same country subject to different allocation of Cytokinetics Co-Promotion efforts as applicable. The Parties shall use Diligent Efforts to enter into and execute the applicable Co-Promotion Agreement within [*] following Cytokinetics' exercise of its Co-Promotion option.

8.7 Commercial Operating Team. The JCC will establish an operating team for each Collaboration Product (the " **Commercial Operating Team**") in each country in which Cytokinetics exercises its Co-Promotion option, which will be responsible for managing, reviewing, and implementing the performance of the day to day responsibilities of both Parties for all stages of the commercialization program for such Collaboration Product in such country, including review and decision making regarding plans for manufacture, promotion, marketing, sale, and distribution. Each Party will have representation on the Commercial Operating Team for such Collaboration Product in such country throughout the commercialization of such Collaboration Product in such country under this Agreement. The Commercial Operating Team shall be subordinate to and governed by the JCC.

ARTICLE 9
MEDICAL AFFAIRS ACTIVITIES

9.1 General. Subject to Cytokinetics' right to field medical science liaisons (" **MSLs**") for one or more Collaboration Product(s) in the Co-Promotion Territory and other terms and conditions of this Article 9, Astellas shall have the primary responsibility, at its own expense, for all aspects of the Medical Affairs Activities of the Collaboration Products in the Licensed Indication (for [*] Activators) or the Field (for [*] Activators) throughout the world.

9.2 Diligence. During the Pivotal Registration Study and thereafter, Astellas shall use Diligent Efforts to perform Medical Affairs Activities for each Collaboration Product [*] and to the extent appropriate [*].

9.3 Medical Affairs Plan. No later than [*], Astellas shall prepare and provide to the JMAC for review and discussion a written plan for the Medical Affairs Activities for such Collaboration Product (the "**Medical Affairs Plan**"). The Medical Affairs Plan shall include a reasonably detailed description of and anticipated timeline for Astellas', its Affiliates' and sublicensees' Medical Affairs Activities with respect to such Collaboration Product. The Medical Affairs Plan shall also include a reasonably detailed description of and anticipated timeline for Cytokinetics' MSLs' activities during such Pivotal Registration Study and any subsequent Pivotal Registration Study for such Collaboration Product (and thereafter if Cytokinetics exercises its Co-Promotion option for such Collaboration Product), as well as a budget therefor, which shall be consistent with Section 9.5 below. Astellas shall periodically (at least on an annual basis) prepare updates and amendments to its Medical Affairs Plan to reflect changes in its plans. Astellas shall submit all updates and amendments to its Medical Affairs Plan to the JMAC for review and discussion. Astellas shall be solely responsible for all costs incurred by or on behalf of either Party in performing their respective obligations under the Medical Affairs Plan and shall [*] as set forth in the Medical Affairs Plan.

9.4 Reports. Astellas (and Cytokinetics, if it exercises the right to field its own MSLs in the Co-Promotion Territory pursuant to Section 9.5) shall update the JMAC at each regularly scheduled JMAC meeting regarding its Medical Affairs Activities of the Collaboration Products. Each such update shall be in a form to be agreed by the JMAC and shall summarize its, its Affiliates' and its sublicensees' significant Medical Affairs Activities with respect to the Collaboration Products throughout the world. The update by Astellas will be at a level of detail reasonably requested by Cytokinetics and sufficient to enable Cytokinetics to determine Astellas' compliance with its diligence obligations pursuant to Section 9.2.

9.5 Medical Scientific Liaisons. At any time after [*], Cytokinetics shall have the right to field its own MSLs in the Co-Promotion Territory in connection with [*] to be agreed upon by the Parties, but in any event [*]. If Cytokinetics exercises the option to Co-Promote pursuant to Section 8.6, Cytokinetics shall have the right to field MSLs [*], unless the Parties otherwise agree. Such MSLs of Cytokinetics shall perform certain Medical Affairs Activities allocated to them under the Medical Affairs Plan. Astellas shall reimburse the costs and expenses incurred by Cytokinetics in fielding the MSLs, which shall be calculated at a rate equal to [*] to account for the [*].

[*] = 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.

ARTICLE 10
FINANCIAL PROVISIONS

10.1 Upfront Payment. Astellas shall pay to Cytokinetics a one-time, non-refundable, non-creditable upfront payment of sixteen million Dollars ($16,000,000) within thirty (30) days after the Effective Date.

10.2 Reimbursement of Research Plan Costs.

(a) Advance Payment. Within [*] days of the Effective Date, Astellas shall pay to Cytokinetics an amount equal to Cytokinetics' estimated Research Plan Costs (as set forth in the initial Research Budget) for the then-current calendar quarter. Thereafter, during the Research Term, Astellas shall pay to Cytokinetics an amount equal to Cytokinetics' estimated Research Plan Costs based on the then-current Research Budget for the upcoming calendar quarter, no later than [*] days before the first day of such calendar quarter.

(b) True-Up. Within [*] days after the end of each calendar quarter during the Research Term, Cytokinetics shall submit to Astellas a reasonably detailed report setting forth the actual Research Plan Costs incurred by or on account of Cytokinetics in such calendar quarter. If the estimated Research Plan Costs paid by Astellas pursuant to Section 10.2(a) above for such calendar quarter is less than Cytokinetics' actual Research Plan Costs for such quarter, subject to Section 4.6, Astellas shall pay the deficit to Cytokinetics within [*] days after the receipt of such report. If the estimated Research Plan Costs paid by Astellas pursuant to Section 10.2(a) above for such calendar quarter is more than Cytokinetics' actual Research Plan Costs for such quarter, the excess shall be credited towards Astellas' next advance payment for Research Plan Costs (except where such report is the final such report to be provided by Cytokinetics, in which case the excess shall be refunded by Cytokinetics to Astellas within [*] days after the delivery of such report).

10.3 Reimbursements of Development Costs.

(a) Advance Payment. Within [*] days of the Effective Date, Astellas shall pay to Cytokinetics an amount equal to Cytokinetics' estimated Development Costs (as set forth in the initial Cytokinetics Development Budget) for the then-current calendar quarter. Thereafter, for each upcoming calendar quarter in which Cytokinetics is anticipated to conduct Development activities under the Development Plan (other than [*]), Astellas shall pay to Cytokinetics an amount equal to Cytokinetics' estimated Development Costs based on the then-current Cytokinetics Development Budget for the upcoming calendar quarter, no later than [*] days before the first day of such calendar quarter.

(b) True-Up. Within [*] days after the end of each calendar quarter in which Cytokinetics has conducted Development activities under the Development Plan, Cytokinetics shall submit to Astellas a reasonably detailed report setting forth the actual Development Costs incurred by or on account of Cytokinetics in such calendar quarter. If the estimated Development Costs paid by Astellas pursuant to Section 10.3(a) above for such calendar quarter is less than Cytokinetics' actual Development Costs for such quarter, then Astellas shall pay the deficit to Cytokinetics to the extent [*] within [*] days after the receipt of such report. If the estimated

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Development Costs paid by Astellas pursuant to Section 10.3(a) above for such calendar quarter is more than Cytokinetics' actual Development Costs for such quarter, the excess shall be credited toward the advance payment for Development Costs for the next upcoming calendar quarter (except where such report is the final such report to be provided by Cytokinetics, in which case the excess shall be refunded by Cytokinetics to Astellas within [*] days after the delivery of such report).

10.4 Reimbursement of [*]. Astellas shall, within [*] days after the receipt of [*] pursuant to Section [*], pay to Cytokinetics an amount equal to [*], which shall be [*] pursuant to Section [*].

10.5 Research and Development Milestone Payments.

(a) Research Milestones. Astellas shall pay to Cytokinetics the non-refundable, non-creditable payment set forth in the table below upon [*] achievement of each milestone event for each Compound in accordance with Section 10.5(d):

Milestone Event	Milestone Payment
[*]	[*]
[*]	[*]

[*] = 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.

(b) Development Milestones. Subject to Section 10.5(c), Astellas shall pay to Cytokinetics the non-refundable, non-creditable payment set forth in the table below upon [*] achievement of each milestone event (whether by or on behalf of Astellas or its Affiliates or sublicensees, or by or on behalf of Cytokinetics or its Affiliates) in accordance with Section 10.5(d):

	Milestone Payment			
	[*] Activator		[*] Activator	
Milestone Event	Lead Compound/ Lead Product	Collaboration Product containing a [*] Activator (other than the Lead Compound)	Collaboration Product containing a [*] Activator	Collaboration Product containing a [*] Activator
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]
Total	[*]	[*]	[*]	[*]

Milestone events marked as *1 shall be referred to as **"Earlier Milestone Events"** and milestone events marked as *2 shall be referred to as **"Later Milestone Events"**.

(c) Interpretations of Section 10.5(b):

(i) [*] means the [*] as set forth in the Development Plan. For clarity, the [*] the Development Plan will be deemed to be [*] in the Development Plan.

(ii) [*] means any [*] as reflected in the Development Plan.

(iii) For determination of Astellas' payment obligations set forth in Section 10.5(b), it is confirmed that, if a particular milestone for the [*] for a particular Collaboration Product, then [*] such milestone. For clarity, [*] refers to the [*] in the table above, e.g., [*].

[*] = 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.

(iv) Notwithstanding the foregoing, the [*] Collaboration Products, regardless of [*], subject to Section [*].

(v) The milestone payment obligation set forth in Section 10.5(b) shall be [*]. Accordingly, and subject to Section [*], [*] payments described in Section [*] Collaboration Product [*] Collaboration Products [*].

(d) Notice and Payment. Each Party shall notify the other Party in writing within [*] days after the achievement of any milestone set forth in this Section 10.5 by such Party, its Affiliates or its sublicensees. Astellas shall pay to Cytokinetics the applicable milestone payments within [*] days after the receipt of such notice from Cytokinetics (for milestones achieved by Cytokinetics) or achievement of such milestone by Astellas or its Affiliates or sublicensees.

(e) [*] If the JDC decides to [*] a Collaboration Product [*], then Astellas shall pay to Cytokinetics:

(i) [*] set forth in the [*] upon the achievement of [*] such Collaboration Product [*] such achievement is [*] achievement of such [*] the Collaboration Product, as well as [*] achievement of the same [*] Collaboration Product [*] other than the [*]; or

(ii) [*] set forth in the [*] upon the achievement of [*] such Collaboration Product [*] achieved in [*] other than the [*] the Collaboration Product.

(iii) It is confirmed that:

(A) [*] under Section [*] in Section [*] under Section [*] in Section [*] under Section [*] in Section [*];

(B) the achievement of the [*] by the Collaboration Products in a [*] set forth in Section [*];

(C) upon the [*] achievement of the [*] by the Collaboration Products [*] (irrespective of whether such [*] the achievement of the [*] Collaboration Product [*]), Astellas shall make to Cytokinetics the milestone payment for the [*] of each such [*] such Collaboration Product [*] other than the [*]; and

(D) achievement of a [*] a Collaboration Product [*] be deemed to have [*] and shall [*].

10.6 Commercial Milestones.

(a) Commercial Milestones. Astellas shall, in accordance with Section 10.6(b), pay to Cytokinetics the one-time, non-refundable, non-creditable payments set forth in the table below when the aggregated annual (based on Astellas' fiscal year) worldwide Net Sales of all Collaboration Products first reach the values indicated below. For clarity, the milestone payments in this Section 10.6 shall [*] specified below is [*] for all such [*].

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Annual worldwide Net Sales of all Collaboration Products	Milestone Payments
Equal or exceed [*]	[*]
Equal or exceed [*]	[*]
Equal or exceed [*]	[*]
Equal or exceed [*]	[*]

(b) Notice and Payment. Astellas shall notify Cytokinetics in writing within [*] days after the end of the calendar quarter during which the aggregated annual worldwide Net Sales of all Collaboration Products first reach the values set forth in Section 10.6(a) above, and shall pay to Cytokinetics the applicable milestone payments concurrent with such notice.

10.7 Royalty Payments for Products.

(a) Royalty Rates. Subject to the other terms of this Section 10.7, during the Royalty Term, Astellas shall make quarterly non-refundable, non-creditable royalty payments to Cytokinetics on the Net Sales of each Collaboration Product at the applicable royalty rate set forth below.

	Royalty Rate for Net Sales in such Astellas' fiscal year		
Worldwide Net Sales of each Collaboration Product in an Astellas' fiscal year	Lead Product	Collaboration Product containing [*] Activator (other than the Lead Compound)	Collaboration Product containing [*] Activator
[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]

(b) Royalty Term. Astellas' royalty payment obligations under this Agreement shall commence upon the First Commercial Sale of the first Collaboration Product

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anywhere in the world by Astellas, its Affiliates or its sublicensees, and shall continue, on a Collaboration Product-by-Collaboration Product and country-by-country basis, until the latest of (i) the expiration of the last to expire Valid Claim [*] such Collaboration Product in such country; (ii) the expiration of the last to expire Valid Claim [*] Collaboration Product, provided that [*] with respect to such Collaboration Product [*]; (iii) [*] with respect to such Collaboration Product in such country; and (iv) [*] years after the First Commercial Sale of such Collaboration Product in such country (the " **Royalty Term**").

(c) [*]

(i) If a Collaboration Product is [*] in a country during the applicable Royalty Term [*] with respect to such Collaboration Product [*], and (i) such [*] in such country [*] or (ii) such [*] in such country and such [*] such Collaboration Product in such country [*] in such country, then the [*] such Collaboration Product in such country [*] the amount of the [*] so long as the [*] with respect to such Collaboration Product [*] in such country with [*].

(ii) If, for a particular Collaboration Product in a particular country, [*] the First Commercial Sale of such Collaboration Product in such country: (A) there is [*] such Collaboration Product [*]; and (B) the Royalty Term set forth in Section 10.7(b) [*] such Collaboration Product [*] such Collaboration Product [*], then the applicable [*] such Collaboration Product [*] so long as the [*] in this Section 10.7(c)(ii) [*]. This Section 10.7(c)(ii) shall not operate to [*] in Section [*].

(d) Basis for Royalty. This Section 10.7 is intended to provide for payments to Cytokinetics equal to the percentages of Net Sales set forth in this Section 10.7 for the duration of the Royalty Term. In establishing this payment structure, the Parties recognize, and Astellas acknowledges, the substantial value of the various actions and investments undertaken by Cytokinetics prior to the Effective Date and that Cytokinetics will undertake under this Agreement, and that the value of the Cytokinetics Technology licensed to Astellas hereunder resides substantially in Cytokinetics Know-How. As a result, the Parties attribute such value to Cytokinetics' leading proprietary knowledge in the subject matter, including trade secrets, preclinical and clinical data pertaining to the Compounds and Collaboration Products, and regulatory filings made by Cytokinetics prior to the Effective Date, in each case created or generated by Cytokinetics through the expenditure of significant resources and as a result of Cytokinetics' unique innovative capabilities. The Parties agree that because Cytokinetics is not separately compensated under this Agreement for such additional benefits, the royalties set forth above are appropriate for the duration of the Royalty Term. The Parties have agreed to the payment structure set forth herein as a convenient and fair mechanism for both Parties in order to compensate Cytokinetics for these additional benefits as part of the overall consideration for Cytokinetics to enter into this Agreement.

(e) Royalty Reports and Payment. Within [*] days after each calendar quarter, commencing with the calendar quarter during which the First Commercial Sale of the first Collaboration Product is made anywhere in the world, Astellas shall provide Cytokinetics with a report that contains the following information for the applicable calendar quarter, on a

Collaboration Product-by-Collaboration Product and country-by-country basis: (i) the amount of gross sales of the Collaboration Products, (ii) an itemized calculation of Net Sales showing deductions provided for in the definition of "Net Sales", (iii) a calculation of the royalty payment due on such sales, including any [*] in accordance with Section [*], and (iv) the exchange rate for such country. Within [*] days after each calendar quarter, Astellas shall pay in Dollars all royalties due to Cytokinetics with respect to Net Sales by Astellas, its Affiliates and their respective sublicensees for such calendar quarter.

10.8 Currency; Exchange Rate. All payments to be made by a Party to the other Party under this Agreement shall be made in Dollars by bank wire transfer in immediately available funds to a bank account designated by written notice from the Party that receives the payment. The rate of exchange to be used in computing the amount of currency equivalent in Dollars for calculating Net Sales shall be made at the average quarterly rate as published by Bloomberg (based on 20:00 Tokyo time) for the applicable quarterly reporting period for which the payment is due, or such other source as the Parties may agree in writing. Astellas shall provide Cytokinetics with written documentation of the applicable average quarterly rate, in English, along with the applicable royalty report under Section 10.7(e).

10.9 Late Payments. If Cytokinetics does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to Cytokinetics from the due date until the date of payment at a [*] or the [*].

10.10 Taxes.

(a) Taxes on Income. Each Party shall be solely responsible for the payment of all taxes imposed on its share of income arising directly or indirectly from the activities of the Parties under this Agreement.

(b) Tax Cooperation. The Parties agree to cooperate with one another and use reasonable efforts to avoid or reduce tax withholding or similar obligations in respect of royalties, milestone payments, and other payments made by Astellas to Cytokinetics under this Agreement. To the extent Astellas is required to deduct and withhold taxes on any payment to Cytokinetics, Astellas shall pay the amounts of such taxes to the proper Governmental Authority in a timely manner, and the sum payable to Cytokinetics shall be increased to the extent necessary to ensure that Cytokinetics receives a sum equal to the sum which it would have received had there been no such withholding tax. Notwithstanding the foregoing, if Astellas is obliged to pay withholding taxes and Cytokinetics reasonably foresees that it will be able to utilize as a tax credit any amounts withheld or deducted by Astellas, Cytokinetics shall immediately so notify and, upon such notice, with respect to the amount in question, Astellas will be released from the obligation to increase the amount pursuant to this Section 10.10. Cytokinetics shall provide Astellas any tax forms that may be reasonably necessary in order for Astellas to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty, to the extent legally able to do so. Cytokinetics shall use reasonable efforts to provide any such tax forms to Astellas in advance of the due date. Each Party shall provide the other with reasonable assistance (i) to enable the recovery, as permitted by Law, of withholding taxes or similar obligations resulting from payments made under this Agreement and (ii) in connection with any audit by any tax authority

relating to this Agreement. In the event Astellas increased the amount of its payment to Cytokinetics to account for any withholding tax, and Cytokinetics later utilizes any such amount withheld by Astellas to achieve any tax saving for the benefit of Cytokinetics in the form of a tax deduction, Cytokinetics shall notify Astellas in writing of the amount of such tax saving and Astellas shall have the right to credit such amount of tax saving against its future payment obligations to Cytokinetics.

10.11 Records and Audit Rights. Each Party shall maintain complete and accurate records in sufficient detail to permit the other Party to confirm the accuracy of the amount of Research Plan Costs, Development Costs, [*] to be reimbursed, achievement of sales milestones, royalty payments and other amounts payable under this Agreement. Upon reasonable prior notice, such records shall be open during regular business hours for a period of [*] years from the creation of individual records for examination by an independent certified public accountant selected by the auditing Party and reasonably acceptable to the audited Party for the sole purpose of verifying for the auditing Party the accuracy of the financial reports furnished by the audited Party pursuant to this Agreement or of any payments made, or required to be made, by or to the audited Party pursuant to this Agreement. Such audits not occur more often than once each calendar year. Such auditor shall not disclose the audited Party's Confidential Information to the auditing Party, except to the extent such disclosure is necessary to verify the accuracy of the financial reports furnished by the audited Party or the amount of payments to or by the audited Party under this Agreement. Any amounts shown to be owed but unpaid shall be paid within [*] days after the accountant's report, plus interest (as set forth in Section 10.9) from the original due date. The auditing Party shall bear the full cost of such audit unless such audit reveals an overpayment to, or an underpayment by, the audited Party that resulted from a discrepancy in the financial report provided by the audited Party for the audited period, which underpayment or overpayment was more than [*] of the amount set forth in such report, in which case the audited Party shall reimburse the auditing Party for the costs for such audit. If any such overpayment exceeds such [*] amount, then the auditing Party will refund such amount to the audited Party within [*] days after the accountant's report. On the other hand, if any such overpayment does not exceed such [*] amount, the auditing Party shall have the right to credit the amount of such overpayment against its future payment obligations to the audited Party, provided that such future payments are expected.

ARTICLE 11
INTELLECTUAL PROPERTY RIGHTS

11.1 Ownership of Collaboration Intellectual Property.

(a) All Collaboration Intellectual Property shall be [*]. Each Party shall [*] in any Collaboration Intellectual Property [*] the other Party, subject to [*]. To the extent any Collaboration Intellectual Property is [*] a Party, such Party shall, [*] such Collaboration Intellectual Property to the extent [*] the other Party [*]. To the extent any Patent Right [*] any Collaboration Intellectual Property [*] such Patent Right to [*].

(b) The Parties shall cooperate with respect to the filing, prosecution, maintenance and enforcement of Collaboration Patents through the JPC. This Agreement shall be

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deemed a joint research agreement under 35 U.S.C. §102(c) or §103(c), as applicable. and any foreign counterparts entered into for the purpose of researching, identifying and developing Compounds and Collaboration Products under the terms set forth herein.

11.2 Disclosure of Collaboration Intellectual Property. Each Party shall promptly disclose to the other Party all Collaboration Intellectual Property, including all invention disclosures or other similar documents submitted to such Party by its, or its Affiliates', directors, officers, employees, agents or independent contractors relating to such Collaboration Intellectual Property, and shall also respond promptly to reasonable requests from the other Party for additional information relating to such Collaboration Intellectual Property. Notwithstanding the foregoing, the Parties may [*] in connection with the Research Plan.

11.3 Patent Prosecution.

(a) Cytokinetics Sole Patents.

(i) Cytokinetics shall be responsible for filing, prosecuting and maintaining the Cytokinetics Patents, [*]. Cytokinetics shall consult with Astellas and keep Astellas reasonably informed of the status of the Cytokinetics Patents and shall promptly provide Astellas with copies of material correspondence received from any patent authorities in connection therewith. In addition, Cytokinetics shall promptly provide Astellas with drafts of all proposed material filings and correspondences to any patent authorities with respect to the Cytokinetics Patents for Astellas' review and comment prior to the submission of such proposed filings and correspondences. Cytokinetics shall confer with Astellas and reasonably consider Astellas' comments prior to submitting such filings and correspondences, provided that Astellas shall provide such comments within [*] days of receiving the draft filings and correspondences from Cytokinetics. If Astellas does not provide comments within such period of time, then Astellas shall be deemed to have no comment to such proposed filings or correspondences. In case of disagreement between the Parties with respect to the filing, prosecution and maintenance of such Cytokinetics Patents, the final decision shall be made by Cytokinetics, subject to subsection (ii) below. For the purpose of this Article 11, "prosecution" shall include any post-grant proceeding including supplemental examination, post-grant review proceeding, inter parties review proceeding, patent interference proceeding, opposition proceeding, reexamination, patent term restoration (under but not limited to the U.S. Drug Price Competition and Patent Term Restoration Act), supplemental protection certificates or their equivalents, and patent term extensions.

(ii) Cytokinetics shall notify Astellas in writing of any decision to cease prosecution and/or maintenance of, any Cytokinetics Patents in any country. Cytokinetics shall provide such notice at least [*] days prior to any filing or payment due date, or any other due date that requires action in order to avoid loss of rights, in connection with such Cytokinetics Patent. Upon request by Astellas, Cytokinetics shall permit Astellas, at Astellas' discretion and expense, to continue prosecution or maintenance of such Cytokinetics Patent in such country, and for as long as Astellas assumes such prosecution and maintenance at its own costs, such Cytokinetics Patent shall be [*].

(b) Collaboration Patents.

(i) Astellas shall be responsible for filing, prosecuting and maintaining any Collaboration Patents, [*]. Astellas shall consult with Cytokinetics and keep Cytokinetics reasonably informed of the status of the Collaboration Patents and shall promptly provide Cytokinetics with copies of material correspondence received from any patent authorities in connection therewith. In addition, Astellas shall promptly provide Cytokinetics with drafts of all proposed material filings and correspondences to any patent authorities with respect to the Collaboration Patents for Cytokinetics' review and comment prior to the submission of such proposed filings and correspondences. Astellas shall confer with Cytokinetics and reasonably consider Cytokinetics' comments prior to submitting such filings and correspondences, provided that Cytokinetics shall provide such comments within [*] days of receiving the draft filings and correspondences from Astellas. If Cytokinetics does not provide comments within such period of time, then Cytokinetics shall be deemed to have no comment to such proposed filings or correspondences. In case of disagreement between the Parties with respect to the filing, prosecution and maintenance of such Collaboration Patents, the final decision shall be made by Astellas, subject to subsection (ii) below.

(ii) Astellas shall notify Cytokinetics in writing of any decision to cease prosecution and/or maintenance of, any Collaboration Patents in any country. Astellas shall provide such notice at least [*] days prior to any filing or payment due date, or any other due date that requires action in order to avoid loss of rights, in connection with such Collaboration Patent. In such event, Astellas shall permit Cytokinetics, at its discretion and expense, to continue prosecution or maintenance of such Collaboration Patent in such country, and for as long as Cytokinetics assumes such prosecution and maintenance at its own costs, such Collaboration Patent shall be [*].

(c) Astellas Patents.

(i) Astellas shall be responsible for filing, prosecuting and maintaining the Astellas Patents[*]. Astellas shall keep Cytokinetics reasonably informed of the status of the Astellas Patents.

(ii) Astellas shall notify Cytokinetics in writing of any decision to cease prosecution and/or maintenance of, any Astellas Patents in any country. Astellas shall provide such notice at least [*] days prior to any filing or payment due date, or any other due date that requires action in order to avoid loss of rights, in connection with such Astellas Patent. In such event, Astellas shall permit Cytokinetics, at its discretion and expense, to continue prosecution or maintenance of such Astellas Patent in such country and, after such notice by Astellas, such Astellas Patent shall be [*].

(d) Collaboration. When a Party assumes the responsibilities for the prosecution and maintenance of a Patent under Section 11.3(a)(ii), 11.3(b)(ii), 11.3(c)(ii) or 13.3(c), the other Party shall promptly transfer to such Party the patent prosecution files for such Patent and provide reasonable assistance in the transfer of the prosecution responsibilities. The Party assuming such prosecution and maintenance responsibilities shall have the right to engage its own counsel to do so.

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11.4 Patent Enforcement.

(a) Each Party shall notify the other within [*] of becoming aware of any alleged or threatened infringement by a Third Party of any of the Cytokinetics Patents, Astellas Patents or Collaboration Patents, which infringement adversely affects or is expected to adversely affect the Development or Commercialization of any Collaboration Product, including any "patent certification" filed in the United States under 21 U.S.C. §355(b)(2) or 21 U.S.C. §355(j)(2) or similar provisions in other jurisdictions and of any declaratory judgment, opposition, or similar action alleging the invalidity, unenforceability or non-infringement of any of the Cytokinetics Patents, Astellas Patents or Collaboration Patents (collectively "Product Infringement").

(b) Astellas shall have the first right to bring and control any legal action in connection with any Product Infringement at its own expense as it reasonably determines appropriate, and Cytokinetics shall have the right to be represented in any such action by counsel of its choice. Astellas shall provide Cytokinetics and its counsel with copies all court filings and material supporting documentation, and, at the request of Cytokinetics, reasonable access to Astellas' counsel for consultation, provided that, unless Cytokinetics is joined as a party to such action, any counsel retained by Cytokinetics shall not act as attorney of record for any such action, or conduct any legal proceedings as part of such action, unless specifically requested by Astellas and at Astellas' expense. If Astellas decides not to bring such legal action, it shall so notify Cytokinetics promptly in writing and Cytokinetics shall have the right to bring and control any legal action in connection with such Product Infringement at its own expense as it reasonably determines appropriate after consultation with Astellas.

(c) Cytokinetics shall have the exclusive right to enforce the Cytokinetics Patents for any infringement that is not a Product Infringement at its own expense as it reasonably determines appropriate. Astellas shall have the exclusive right to enforce the Astellas Patents for any infringement that is not a Product Infringement at its own expense as it reasonably determines appropriate. Each Party shall have the right to enforce the Collaboration Patents for any infringement that is not a Product Infringement at its own expense as it reasonably determines appropriate.

(d) At the request of the Party bringing the action, the other Party shall provide reasonable assistance in connection therewith, including by executing reasonably appropriate documents, cooperating in discovery and joining as a party to the action if required.

(e) In connection with any such proceeding, the Party bringing the action shall not enter into any settlement admitting the invalidity of, or otherwise impairing the other Party's rights in, the Cytokinetics Patents, Astellas Patents or Collaboration Patents without the prior written consent of the other Party.

(f) Any recoveries resulting from enforcement action relating to a claim of Product Infringement shall be first applied against payment of each Party's costs and expenses in

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connection therewith. Any such recoveries in excess of such costs and expenses (the " **Remainder**") shall be [*], provided that, if [*], then such Remainder shall be [*] in accordance with Section [*].

11.5 Trademarks. Astellas shall have the right to brand the Collaboration Products using any trademarks and trade names it determines appropriate for the Collaboration Products, which may vary by country or within a country (" **Product Marks**"). Astellas shall own all rights in the Product Marks and shall register and maintain the Product Marks in the countries and regions that it determines reasonably necessary, at Astellas' cost and expense. If Cytokinetics exercises its Co-Promotion option for a Collaboration Product, Astellas shall mark such Collaboration Product in the Co-Promotion Territory with logos of both Astellas and Cytokinetics in equal prominence.

ARTICLE 12
CONFIDENTIALITY; PUBLICATION

12.1 Duty of Confidence. Subject to the other provisions of this Article 12:

(a) all Confidential Information of a Party (the "Disclosing Party") shall be maintained in confidence and otherwise safeguarded by the other Party (the "Receiving Party") and its Affiliates, using Diligent Efforts, but in any event no less than in the same manner and with the same protections as the Receiving Party maintains its own confidential information;

(b) the Receiving Party may only use any such Confidential Information for the purposes of performing its obligations or exercising its rights under this Agreement; and

(c) the Receiving Party may disclose Confidential Information of the other Party to: (i) its Affiliates and sublicensees; and (ii) officers, employees, directors, agents, contractors, consultants and advisers of the Receiving Party and its Affiliates and sublicensees, in each case to the extent reasonably necessary for the purposes of, and for those matters undertaken pursuant to, this Agreement; provided that such Persons are bound by legally enforceable obligations to maintain the confidentiality of the Confidential Information in a manner consistent with the confidentiality provisions of this Agreement.

12.2 Exceptions. The foregoing obligations as to particular Confidential Information of a Disclosing Party shall not apply to the extent that the Receiving Party can demonstrate through competent evidence that such Confidential Information:

(a) is known by the Receiving Party at the time of its receipt without an obligation of confidentiality, and not through a prior disclosure by the Disclosing Party, as documented by the Receiving Party's business records;

(b) is in the public domain before its receipt from the Disclosing Party, or thereafter enters the public domain through no fault of the Receiving Party;

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(c) is subsequently disclosed to the Receiving Party by a Third Party who may lawfully do so and is not under an obligation of confidentiality to the Disclosing Party; or

(d) is developed by the Receiving Party independently and without use of or reference to any Confidential Information received from the Disclosing Party, as documented by the Receiving Party's business records.

No combination of features or disclosures shall be deemed to fall within the foregoing exclusions merely because individual features are published or available to the general public or in the rightful possession of the Receiving Party, unless the combination itself and principle of operation are published or available to the general public or in the rightful possession of the Receiving Party.

12.3 Authorized Disclosures. Notwithstanding the obligations set forth in Sections 12.1 and 12.5, a Party may disclose the other Party's Confidential Information (including this Agreement and the terms herein) to the extent:

(a) such disclosure: (i) is reasonably necessary for the filing or prosecuting Patent Rights as contemplated by this Agreement; (ii) is reasonably necessary in connection with regulatory filings for Collaboration Products; (iii) is reasonably necessary for the prosecuting or defending litigation as contemplated by this Agreement; or (iv) is made to any Third Party bound by written obligation of confidentiality and non-use substantially consistent with to those set forth under this Article 12 (subject to subsection (b) below with respect to [*]), to the extent otherwise necessary or appropriate in connection with the exercise of its rights or the performance of its obligations hereunder;

(b) such disclosure is to [*], does not include the disclosure of Confidential Information relating to [*], and otherwise meets the requirements of subsection (a) above, in which case the Party [*] may agree with such [*] of no less than [*], and in any event no less than [*]. Notwithstanding the foregoing, the [*] Party may request that the other Party grant a waiver to such requirement, which waiver shall not be unreasonably withheld or delayed and may be provided by e-mail. Each Party agrees to use Diligent Efforts to respond to a request for such a waiver within [*] Business Days.

(c) such disclosure is reasonably necessary: (i) to such Party's directors, attorneys, independent accountants or financial advisors for the sole purpose of enabling such directors, attorneys, independent accountants or financial advisors to provide advice to such Party, provided that in each such case on the condition that such directors, attorneys, independent accountants and financial advisors are bound by confidentiality and non-use obligations substantially consistent with those contained in this Agreement; or (ii) to actual or potential investors, acquirors, (sub)licensees and other financial or commercial partners solely for the purpose of evaluating or carrying out an actual or potential investment, acquisition or collaboration; provided that in each such case on the condition that such Persons are bound by confidentiality and non-use obligations substantially consistent with those contained in the Agreement; or

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(d) such disclosure is required by judicial or administrative process, provided that in such event such Party shall promptly notify the other Party in writing of such required disclosure and provide the other Party an opportunity to challenge or limit the disclosure obligations. Confidential Information that is disclosed by judicial or administrative process shall remain otherwise subject to the confidentiality and non-use provisions of this Article 12, and the Party disclosing Confidential Information pursuant to law or court order shall take all steps reasonably necessary, including seeking of confidential treatment or a protective order, to ensure the continued confidential treatment of such Confidential Information.

12.4 Publications. The JMAC (and prior to the establishment of the JMAC, the JRC (for Research-related publications) or the JDC (for Development-related publications)) (each of the JRC, JDC and the JMAC, the " **Responsible Committee**") shall establish publication review and approval procedures for this Collaboration consistent with the publication policies of both Parties. The Parties shall review and approve any publication by either Party or its Affiliates or (sub)licensees relating to the Compounds or Collaboration Products, including scientific, health economic or pharmacoeconomic publications, in accordance with such procedures, considering Astellas' and Cytokinetics' interest in publishing the results of the work in the Research, Development, and Medical Affairs Activities in order to obtain recognition within the scientific or other applicable community and to advance the state of knowledge in the field, the need to protect Confidential Information and the Parties' mutual interest in obtaining valid patent protection, protecting reasonable business interests and trade secret information, and having an integrated approach to developing one or more Collaboration Products for one or more Indications. Consequently, except for disclosures permitted pursuant to Sections 12.3 and 12.5, each Party and their Affiliates, employee(s) and consultant(s) shall deliver to the Responsible Committee for review and comment a copy of any proposed publication or presentation that pertains to any Compound or Collaboration Product, pursuant to a procedure to be established by the Responsible Committee (but excluding general corporate publications and presentations), any such comments to be provided within [*] days of receipt. The Responsible Committee shall have the right to require modifications of the publication or presentation: (a) to protect each Parties' respective Confidential Information; (b) for trade secret reasons or business reasons; and/or (c) to delay such submission for an additional [*] days as may be reasonably necessary to seek patent protection for the information disclosed in such proposed submission.

12.5 Publicity; Use of Names.

(a) The Parties have agreed on language of a joint press release announcing this Agreement, which is attached hereto as **Exhibit J**, to be issued by the Parties promptly after the mutual execution of the Agreement. No other disclosure of the existence or the terms of this Agreement may be made by either Party or its Affiliates except as provided in Section 12.3 and this Section 12.5. No Party shall use the name, trademark, trade name or logo of the other Party, its Affiliates or their respective employees in any publicity, promotion, news release or disclosure relating to this Agreement or its subject matter, except as provided in this Section 12.5 or with the prior express written permission of the other Party, except as may be required by applicable Law.

(b) A Party may disclose this Agreement in securities filings with the Securities Exchange Commission (the "SEC") or equivalent foreign agency to the extent required by

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applicable Law. In such event, the Party seeking such disclosure shall prepare a proposed redacted version of this Agreement to request confidential treatment for this Agreement, and the other Party agrees to promptly (and in any event, no less than [*] Business Days after receipt of such proposed redactions) give its input in a reasonable manner in order to allow the Party seeking disclosure to file its request within the time lines prescribed by applicable Law. The Party seeking such disclosure shall reasonably consider any comments thereto provided by the other Party within such [*] Business Day period.

(c) Each Party acknowledges that the other Party may be legally required to make public disclosures (including in filings with the Governmental Authorities or by issuing a press release) of certain terms of or material developments or material information generated under this Agreement and agrees that each Party may make such disclosures as required by Law, provided that the Party seeking such disclosure first provides the other Party a copy of the proposed disclosure, and shall reasonably consider any comments thereto provided by the other Party within [*] days after the receipt of such proposed disclosure, provided that in no event shall the Party having such disclosure obligation be required to delay its disclosure in a manner that may cause such Party to violate any Law or incur any legal liability.

(d) Other than the press release set forth in **Exhibit J** and any press release issued pursuant to Section 12.5(c), the Parties agree that the portions of any other news release or other public announcement relating to this Agreement or the performance hereunder that would disclose information other than that already in the public domain, shall first be reviewed and approved by both Parties (with such approval not to be unreasonably withheld or delayed); provided, however, that notwithstanding the foregoing, Cytokinetics shall have the right to disclose publicly (including on its website): (i) the fact that it has entered into this Agreement; (ii) the commencement, progress, status, completion and key results of each clinical trials conducted by the Parties under this Agreement; (iii) the receipt of any milestone payments under this Agreement; (iv) Marketing Approval of any Collaboration Product; (v) the First Commercial Sale of any Collaboration Product; and (vi) royalties received from Astellas. For each such disclosure, unless Cytokinetics otherwise has the right to make such disclosure under this Article 12, Cytokinetics shall provide Astellas with a draft of such disclosure at least [*] Business Days prior to its intended release for Astellas' review and comment, and shall consider Astellas' comments in good faith. If Cytokinetics does not receive comments from Astellas within [*] Business Days, Cytokinetics shall have the right to make such disclosure without further delay. The Parties shall use reasonable efforts to coordinate the timing of such disclosures to be outside the trading hours of the NASDAQ and Tokyo stock markets, provided that neither Party shall be required to so delay such a disclosure where such delay would reasonably be expected to give rise to liability for or sanctions upon such Party in such Party's sole judgment.

(e) The Parties agree that after a disclosure pursuant to Section 12.5(b), a press release (including the initial press release) or other public announcement pursuant to Section 12.5(c) has been reviewed and approved by the other Party, either Party may make subsequent public disclosures reiterating such information without having to obtain the other Party's prior consent or approval.

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(f) Each Party agrees that the other Party shall have the right to use such first Party's name and logo in presentations, the company's website, collateral materials and corporate overviews to describe the collaboration relationship, as well as in taglines of press releases issued pursuant to this Section 12.5.

12.6 Attorney-Client Privilege. Neither Party is waiving, nor shall be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges or the like as a result of disclosing information pursuant to this Agreement, or any of its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party, regardless of whether the Disclosing Party has asserted, or is or may be entitled to assert, such privileges and protections. The Parties: (a) share a common legal and commercial interest in such disclosure that is subject to such privileges and protections; (b) are or may become joint defendants in proceedings to which the information covered by such protections and privileges relates; (c) intend that such privileges and protections remain intact should either Party become subject to any actual or threatened proceeding to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; and (d) intend that after the Effective Date both the Receiving Party and the Disclosing Party shall have the right to assert such protections and privileges.

ARTICLE 13
TERM AND TERMINATION

13.1 Term. The term of this Agreement shall commence upon the Effective Date and continue in full force and effect, on a Collaboration Product-by-Collaboration Product basis, until the expiration of the Royalty Term with respect to the applicable Collaboration Product, unless earlier terminated as set forth in Section 13.2 below (the "**Term**"). Upon expiration of the Royalty Term with respect to such Collaboration Product in such country, the license granted to Astellas under this Agreement with respect to such Collaboration Product in such country shall remain in effect on a perpetual, fully paid-up and royalty-free basis.

13.2 Termination.

(a) Termination by Astellas for Convenience. At any time after the expiration of the Research Term, Astellas may terminate this Agreement for convenience in its entirety or on a [*] basis by providing written notice of termination to Cytokinetics, which notice includes an effective date of termination at least one hundred eighty (180) days after the date of the notice. [*]

(b) Termination for Material Breach. If either Party believes that the other is in material breach of its obligations hereunder or material breach of any representation or warranty set forth in this Agreement, then the non-breaching Party may deliver notice of such breach to the other Party. For all breaches other than a failure to make a payment as set forth in this Agreement, the allegedly breaching Party shall have [*] days from such notice to dispute or cure such breach. For any breach arising from a failure to make a payment set forth in this Agreement, the allegedly breaching Party shall have [*] days from the receipt of the notice to dispute or cure such breach. If

the Party receiving notice of breach fails to cure, or fails to dispute, that breach within the applicable period set forth above, then the Party originally delivering the notice of breach may terminate this Agreement effective on written notice of termination to the other Party. If the allegedly breaching Party in good faith disputes such material breach or disputes the failure to cure or remedy such material breach and provides written notice of that dispute to the other Party within the applicable period set forth above, the matter shall be addressed under the dispute resolution provisions in Section 16.6, and the termination shall not become effective unless and until it has been determined under Section 16.6 that the allegedly breaching Party is in material breach of this Agreement. Notwithstanding the foregoing, if the material breach [*] and provided that such material breach [*] under this Section 13.2(b) shall [*] set forth in Section [*] with respect to such [*] except as provided in Section [*].

(c) Termination for Patent Challenge. Except to the extent the following is unenforceable under the laws of a particular jurisdiction, Cytokinetics may terminate this Agreement if Astellas or its Affiliates or sublicensees, individually or in association with any other person or entity, commences a legal action challenging the validity, enforceability or scope of any Cytokinetics Patents.

(d) Termination for Bankruptcy. Either Party may terminate this Agreement, if, at any time, the other Party files in any court or agency pursuant to any statute or regulation of any state, country or jurisdiction, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of such other Party or of its assets, or if the other Party proposes a written agreement of composition or extension of its debts, or if the other Party is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within [*] after the filing thereof, or if the other Party proposes or is a party to any dissolution or liquidation, or if the other Party makes an assignment for the benefit of its creditors.

13.3 Effect of Termination. Upon the termination (but not expiration) of this Agreement for any reason, all licenses and other rights granted to Astellas under the Cytokinetics Technology and Collaboration Intellectual Property shall terminate. In the case of a partial termination under Section 13.2(a) or 13.2(b), such licenses and rights will terminate solely with respect to [*]. In addition, the following consequences shall apply in the event of termination by Astellas pursuant to Section 13.2(a) or by Cytokinetics pursuant to Section 13.2(b), 13.2(c) or 13.2(d):

(a) [*] Products. Within [*] days after the effective date of termination, [*] Collaboration Products containing a [*] (the "[*] **Products**"). In addition, Astellas [*] Products in the [*].

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(b) [*] Products. [*]: (i) in the event this Agreement is terminated with respect to [*] (other than [*] Product), such [*] Product; and/or (ii) in the event [*] with respect to [*] Products containing such [*] (other than [*] Product(s)), in each case in [*] Products, such [*] the " **[*] Products**", and collectively with [*], the "**[*] Products**"). [*] such [*] Products (other than any [*] Product) as follows:

(i) if on the effective date of such termination, the Parties have [*] for such [*] Product [*];

(ii) if on the effective date of such termination, the Parties have [*] for such [*] Product but have [*] for such [*] Product [*];

(iii) if on the effective date of such termination, the Parties have [*] for such [*] Product but have [*] for such [*] Product [*];

(iv) if on the effective date of such termination, the Parties have [*] for such [*] Product but have [*]; and

(v) if on the effective date of such termination, the Parties have [*] for such [*] Product and have [*] for such [*] Product [*].

In such event, Sections [*] shall apply to [*] (adjusted for [*]), and Section [*] shall no longer apply to the [*] Products. Cytokinetics may [*] by written notice to Astellas.

(c) Patent Prosecution and Enforcement. After the effective date of termination, Astellas shall promptly transfer to Cytokinetics, and Cytokinetics shall thereafter be solely responsible for, the prosecution and maintenance of Collaboration Patents that are [*] under Section [*] under Section [*]. Cytokinetics shall have the first right to enforce at Cytokinetics' sole cost the Collaboration Patents that are [*] under Section [*] and the Collaboration Patents that are [*] under Section [*], in each case against any infringement that adversely affects or is expected to adversely affect any [*] Product.

(d) Regulatory Materials; Data. Within thirty (30) days of the effective date of such termination, Astellas shall transfer and assign to Cytokinetics, at no cost to Cytokinetics, all Regulatory Materials relating to any [*] Products, data from preclinical, non-clinical and clinical studies conducted by or on behalf of Astellas, its Affiliates or sublicensees relating to any [*] Products and all pharmacovigilance data (including all adverse event databases) relating to any [*] Products. At Cytokinetics' request, Astellas shall provide Cytokinetics with assistance with any inquiries and correspondence with Regulatory Authorities relating to any [*] Product for a period of [*] after such termination.

(e) Trademarks. Astellas shall transfer and assign, and shall ensure that its Affiliates transfer and assign, to Cytokinetics, at no cost to Cytokinetics, all Product Marks relating to any [*] Product and any applications therefor (excluding any such marks that include, in whole or part, any corporate name or logos of Astellas or its Affiliates or sublicensees). Cytokinetics and its Affiliates and licensees shall have the right to use other identifiers specific to such [*] Product (e.g., Astellas compound identifiers). Astellas shall also transfer to Cytokinetics any in-process applications for generic names for any [*] Product.

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(f) Transition Assistance. Astellas shall provide the following transitional assistance, at its own cost unless specifically set forth below.

(i) If this Agreement is terminated in its entirety, Astellas shall promptly return to Cytokinetics all Know-How, data, materials and other Confidential Information made available to Astellas by Cytokinetics under this Agreement.

(ii) Upon request by Cytokinetics after termination of this Agreement, Astellas shall promptly provide Cytokinetics with a copy of each license agreement, collaboration agreement and/or vendor agreement then effective between Astellas (or its Affiliates) and a Third Party with respect to any [*] Product, or the Development, Manufacture and Commercialization thereof. Upon Cytokinetics' request, Astellas shall use its Diligent Efforts to assign or sublicense, and shall ensure that its Affiliates assign or sublicense, to Cytokinetics any such agreement(s) and shall permit Cytokinetics access through any communication portal so established with such Third Party under any agreement so assigned to Cytokinetics.

(iii) Astellas shall, at Cytokinetics' request after termination of this Agreement, transfer (including when available, in electronic format) all Astellas Know-How and Collaboration Know-How relating to any [*] Products to Cytokinetics or its designee, including without limitation: study protocols, study results, analytical methodologies, CMC Information (including bulk and final product manufacturing processes, batch records, vendor information and validation documentation), expert opinions, analyses, in each case to the extent such materials pertain to any [*] Products, and shall provide Cytokinetics reasonable technical assistance in connection therewith. From and after such time, all such Know-How shall be deemed Confidential Information of Cytokinetics.

(iv) Astellas shall transfer to Cytokinetics or its designee any and all inventory of [*] Products (including all research materials, final product, bulk drug substance, intermediates, work-in-process, formulation materials, reference standards, drug product clinical reserve samples, packaged retention samples, and the like) then in the possession of Astellas, its Affiliates or sublicensees at Astellas' Manufacturing Costs. Astellas shall continue or have continued any ongoing stability studies pertaining to any materials so transferred if such studies will take less than [*] to complete. The Parties will agree on the procedures by which to transfer any longer stability studies to Cytokinetics or its designee in a manner that minimizes the disruption of such studies.

(v) If at the time of such termination, Cytokinetics or its Affiliates are not Manufacturing a particular [*] Product, then, at Cytokinetics' request, Astellas shall: (A) continue to Manufacture and supply Cytokinetics with such [*] Product at [*] for a period of [*] after such termination; (B) assign or transfer to Cytokinetics any Manufacturing agreement between Astellas and a Third Party contract manufacturer with respect to such [*] Product; and/or (C) transfer to Cytokinetics (or its designee) all Know-How and materials to enable Cytokinetics or such designee to assume the Manufacture and supply of such [*] Product and shall provide reasonable technical assistance in connection therewith;

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(vi) If at the time of such termination, Astellas or its Affiliates are conducting any clinical trials for a [*] Product, then, at Cytokinetics' election on a trial-by-trial basis: (A) Astellas shall fully cooperate, and shall ensure that its Affiliates fully cooperate, with Cytokinetics to transfer the conduct of all such clinical trials to Cytokinetics. [*] the conduct of such clinical trials after the effective date of such termination (except to the extent [*]); or (B) Astellas shall, [*], orderly wind-down the conduct of any such clinical trial which is not assumed by Cytokinetics under clause (A). In each case [*] in connection with the conduct or wind-down of all such clinical trials as of the effective date of such termination.

(vii) In addition to the foregoing, Astellas shall use its Diligent Efforts with respect to those activities for which it is responsible to ensure orderly transition and uninterrupted Development, Manufacturing, Commercialization and Medical Affairs Activities of [*] Products by Cytokinetics and to enable Cytokinetics to enter into an agreement with a Third Party to continue these activities with minimal disruption and delay.

(viii) Astellas shall transfer to Cytokinetics all rights to publications relating to any [*] Products (including data to be published, manuscript in preparation and pending publications).

(g) Termination Press Releases. In the event of termination of this Agreement for any reason and subject to the provisions of Section 12.5, the Parties shall cooperate in good faith to coordinate public disclosure of such termination and the reasons therefor, and shall not, except to the extent required by applicable Law, disclose such information without the prior approval of the other Party. The principles to be observed in such disclosures shall be accuracy, compliance with applicable Law and regulatory guidance documents, and reasonable sensitivity to potential negative investor reaction to such news.

13.4 Survival. Expiration or termination of this Agreement shall not relieve the Parties of any obligation accruing prior to such expiration or termination. Without limiting the foregoing, the provisions of Articles 1, 10 (solely with respect to payments accrued before the date of expiration or termination [*]), 15 (solely with respect to Claims arising from actions and/or omissions during the Term) and 16, and Sections 3.4(a)(v), 3.6(f), 3.8, 4.8, 7.6, 11.1(a), 11.1(b) (the second sentence only), 11.3(c), 11.3(d), 12.1, 12.2, 12.3, 12.6 13.3, 13.4, 13.5 and 14.5 shall survive the expiration or termination of this Agreement.

13.5 Termination Not Sole Remedy. Termination is not the sole remedy under this Agreement and, whether or not termination is effected and notwithstanding anything contained in this Agreement to the contrary, all other remedies shall remain available except as agreed to otherwise herein.

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ARTICLE 14
REPRESENTATIONS AND WARRANTIES

14.1 Representations and Warranties of Each Party. Each Party represents and warrants to the other Party as of the Effective Date that:

(a) it is duly organized and validly existing under the laws of its jurisdiction of incorporation or formation, and has full corporate or other power and authority to enter into this Agreement and to carry out the provisions hereof;

(b) it has the full right, power and authority to enter into this Agreement, to perform its obligations hereunder; and

(c) this Agreement has been duly executed by it and is legally binding upon it, enforceable in accordance with its terms, and does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.

14.2 Representations and Warranties by Cytokinetics. Cytokinetics represents and warrants to Astellas as of the Effective Date that:

(a) it has not previously assigned, transferred, conveyed or otherwise encumbered its right, title and interest in Cytokinetics Patents listed in Exhibit C in a manner that is inconsistent with the license granted to Astellas under Section 3.1;

(b) to Cytokinetics' knowledge, all Cytokinetics Patents are listed in **Exhibit C**;

(c) it has the right to grant the license and rights herein to Astellas and it has not granted any license, right or interest in, to or under the Cytokinetics Patents listed in **Exhibit C** to any Third Party that is inconsistent with the license granted to Astellas under Section 3.1;

(d) it has not received any written notice from any Third Party asserting or alleging that (i) the development of Cytokinetics Patents listed in **Exhibit C** prior to the Effective Date or (ii) the practice of any Cytokinetics Know-How that is contemplated to be utilized in the Research Plan as the Research Plan exists as of the Effective Date, infringed or misappropriated the intellectual property rights of such Third Party;

(e) to Cytokinetics' knowledge, (i) the practice of Cytokinetics Patents listed in **Exhibit C** prior to the Effective Date, and (ii) the practice of any Cytokinetics Know-How that is contemplated to be utilized in the Research Plan as the Research Plan exists as of the Effective Date, did not infringe any valid intellectual property rights owned or possessed by any Third Party and did not breach any obligation of confidentiality or non-use owed by Cytokinetics to a Third Party;

(f) there are no judgments or settlements against or owed by Cytokinetics, and to Cytokinetics' knowledge, there are no pending or threatened claims or litigation, in each case relating to Cytokinetics Patents listed in **Exhibit C**;

(g) up to and including the Effective Date, Cytokinetics has made available to Astellas the Lead Compound IND and [*]; and

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(h) Cytokinetics has sufficient legal and/or beneficial title and ownership in the Lead Compound IND to perform its rights and obligations under this Agreement; no Regulatory Authority has, to Cytokinetics' knowledge, commenced or threatened to initiate any action or proceeding to refuse to file, reject, not approve, or withdraw the Lead Compound IND, nor has Cytokinetics received any notice to such effect; and to Cytokinetics' knowledge, Cytokinetics is not in violation of any applicable Laws that could reasonably be expected to form the basis for such an action.

14.3 Representations and Warranties by Astellas. Astellas represents and warrants to Cytokinetics as of the Effective Date that:

(a) it has not previously assigned, transferred, conveyed or otherwise encumbered its right, title and interest in Astellas Patent listed in **Exhibit A** in a manner that is inconsistent with the license granted to Cytokinetics under Section 3.4;

(b) to Astellas' knowledge, all Astellas Patents are listed in **Exhibit A**;

(c) it has the right to grant the license and rights herein to Cytokinetics and it has not granted any license, right or interest in, to or under the Astellas Patents listed in **Exhibit A** to any Third Party that is inconsistent with the license granted to Cytokinetics under Section 3.4;

(d) it has not received any written notice from any Third Party asserting or alleging that: (i) the development of Astellas Patents listed in **Exhibit A** prior to the Effective Date, or (ii) the practice of any Astellas Know-How that is contemplated to be utilized in the Research Plan as the Research Plan exists as of the Effective Date, infringed or misappropriated the intellectual property rights of such Third Party;

(e) to Astellas' knowledge, there are no [*];

(f) to Astellas' knowledge, (i) the practice of Astellas Patents listed in **Exhibit A** prior to the Effective Date, and (ii) the practice of any Astellas Know-How that is contemplated to be utilized in the Research Plan as the Research Plan exists as of the Effective Date, did not infringe any valid intellectual property rights owned or possessed by any Third Party and did not breach any obligation of confidentiality or non-use owed by Astellas to a Third Party; and

(g) there are no judgments or settlements against or owed by Astellas, and to Astellas' knowledge, there are no pending or threatened claims or litigation, in each case relating to Astellas Patents listed in **Exhibit A**.

14.4 Mutual Covenants.

(a) No Debarment. In the course of the Research, Development, Manufacture and Commercialization of the Compounds and Collaboration Products, neither Party nor its Affiliates shall use any employee or consultant (including of any sublicensee), who has been debarred or disqualified by any Regulatory Authority, or, to such Party's or its Affiliates' knowledge, is the subject of debarment or disqualification proceedings by a Regulatory Authority.

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Each Party shall notify the other Party promptly upon becoming aware that any of its or its Affiliates' employees or consultants has been debarred or is the subject of debarment or disqualification proceedings by any Regulatory Authority.

(b) Compliance. Each Party and its Affiliates shall comply in all material respects with all applicable Laws (including all anti-bribery laws) in the Research, Development, Manufacture, Commercialization and Medical Affairs Activities of the Compounds and Collaboration Products and performance of its obligations under this Agreement.

14.5 No Other Warranties. EXCEPT AS EXPRESSLY STATED IN THIS ARTICLE 14, (A) NO REPRESENTATION, CONDITION OR WARRANTY WHATSOEVER IS MADE OR GIVEN BY OR ON BEHALF OF ASTELLAS OR CYTOKINETICS; AND (B) ALL OTHER CONDITIONS AND WARRANTIES WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE ARE HEREBY EXPRESSLY EXCLUDED, INCLUDING ANY CONDITIONS AND WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.

ARTICLE 15
INDEMNIFICATION; LIABILITY; INSURANCE

15.1 Indemnification by Cytokinetics. Cytokinetics shall indemnify and hold Astellas, its Affiliates and sublicensees and their respective officers, directors, agents and employees ("Astellas Indemnitees") harmless from and against any Claims against them to the extent arising or resulting from:

(a) the Research, Development, Manufacture, Co-Promotion or Medical Affairs Activities of the Compounds and/or Collaboration Products by Cytokinetics or any of its Affiliates, licensees, sublicensees, distributors or contractors; or

(b) the negligence, recklessness or willful misconduct of any of the Cytokinetics Indemnitees; or

(c) the breach of any of the warranties or representations made by Cytokinetics to Astellas under this Agreement; or

(d) the breach by Cytokinetics of its obligations pursuant to this Agreement;

except in each case, to the extent such Claims result from the breach by any Astellas Indemnitee of any covenant, representation, warranty or other agreement made by Astellas in this Agreement or the negligence, recklessness or willful misconduct of any Astellas Indemnitee.

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15.2 Indemnification by Astellas. Astellas shall indemnify and hold Cytokinetics, its Affiliates, and their respective officers, directors, agents and employees ("**Cytokinetics Indemnitees**") harmless from and against any Claims arising under or related to this Agreement against them to the extent arising or resulting from:

(a) the Research, Development, Manufacture, Commercialization or Medical Affairs Activities of the Compounds and/or Collaboration Products by Astellas or any of its Affiliates, licensees, sublicensees, distributors or contractors; or

(b) the negligence, recklessness or willful misconduct of any of the Astellas Indemnitees; or

(c) the breach of any of the warranties or representations made by Astellas to Cytokinetics under this Agreement; or

(d) any breach by Astellas of its obligations pursuant to this Agreement;

except in each case, to the extent such Claims result from the breach by any Cytokinetics Indemnitee of any covenant, representation, warranty or other agreement made by Cytokinetics in this Agreement or the negligence, recklessness or willful misconduct of any Cytokinetics Indemnitee.

15.3 Indemnification Procedure. If either Party is seeking indemnification under Sections 15.1 or 15.2 (the " **Indemnified Party**"), it shall inform the other Party (the "**Indemnifying Party**") of the Claim giving rise to the obligation to indemnify pursuant to such Section as soon as reasonably practicable after receiving notice of the Claim. The Indemnifying Party shall have the right to assume the defense of any such Claim for which it is obligated to indemnify the Indemnified Party. The Indemnified Party shall cooperate with the Indemnifying Party and the Indemnifying Party's insurer as the Indemnifying Party may reasonably request, and at the Indemnifying Party's cost and expense. The Indemnified Party shall have the right to participate, at its own expense and with counsel of its choice, in the defense of any Claim that has been assumed by the Indemnifying Party. Neither Party shall have the obligation to indemnify the other Party in connection with any settlement made without the Indemnifying Party's written consent, which consent shall not be unreasonably withheld or delayed. If the Parties cannot agree as to the application of Section 15.1 or 15.2 as to any Claim, pending resolution of the dispute pursuant to Section 16.6, the Parties may conduct separate defenses of such Claims, with each Party retaining the right to claim indemnification from the other Party in accordance with Section 15.1 or 15.2 upon resolution of the underlying Claim.

15.4 Mitigation of Loss. Each Indemnified Party shall take and shall procure that its Affiliates take all such reasonable steps and action as are reasonably necessary or as the Indemnifying Party may reasonably require in order to mitigate any Claims (or potential losses or damages) under this Article 15. Nothing in this Agreement shall or shall be deemed to relieve any Party of any common law or other duty to mitigate any losses incurred by it.

15.5 Limitation of Liability. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 15.5 IS INTENDED TO OR SHALL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR

OBLIGATIONS OF ANY PARTY UNDER SECTION 15.1 OR 15.2, OR DAMAGES AVAILABLE FOR A PARTY'S BREACH OF ITS OBLIGATIONS RELATING TO CONFIDENTIALITY OR INTELLECTUAL PROPERTY HEREUNDER.

15.6 Insurance. Each Party shall procure and maintain insurance, including product liability insurance, with respect to its activities hereunder and which is consistent with normal business practices of prudent companies similarly situated at all times during which any Collaboration Product is being clinically tested in human subjects or commercially distributed or sold. Each Party shall provide the other Party with evidence of such insurance upon request and shall provide the other Party with written notice at least [*] days prior to the cancellation, non-renewal or material changes in such insurance. Such insurance shall not be construed to create a limit of either Party's liability with respect to its indemnification obligations under this Article 15.

ARTICLE 16
GENERAL PROVISIONS

16.1 Force Majeure. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement to the extent such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, potentially including embargoes, war, acts of war (whether war be declared or not), acts of terrorism, insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, fire, floods, earthquakes or other acts of God, or acts, generally applicable action or inaction by any governmental authority (but excluding any government action or inaction that is specific to such Party, its Affiliates or sublicensees, such as revocation or non-renewal of such Party's license to conduct business), or omissions or delays in acting by the other Party, or unavailability of materials related to the Manufacture of Compounds or Collaboration Products. The affected Party shall notify the other Party in writing of such force majeure circumstances as soon as reasonably practical, and shall promptly undertake and continue diligently all reasonable efforts necessary to cure such force majeure circumstances or to perform its obligations in spite of the ongoing circumstances.

16.2 Assignment. This Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred, by either Party without the prior written consent of the other Party. Notwithstanding the foregoing, either Party may, without consent of the other Party, assign this Agreement and its rights and obligations hereunder in whole or in part to an Affiliate of such Party, or in whole to its successor-in-interest in connection with the sale of all or substantially all of its stock or its assets to which this Agreement relates, or in connection with a merger, acquisition or similar transaction. Any attempted assignment not in accordance with this Section 16.2 shall be null and void and of no legal effect. Any permitted assignee shall assume all assigned obligations of its assignor under this Agreement. The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respected successors and permitted assigns.

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16.3 Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

16.4 Notices. All notices which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Cytokinetics:

Cytokinetics, Inc.
280 East Grand Avenue
South San Francisco, CA 94080
USA
Attn: President
Fax: 650-624-3010
Copy to: General Counsel

with a copy to:

Cooley LLP
3175 Hanover Street
Palo Alto, CA 94304, USA
Attn: Robert L. Jones, Esq.
Fax: (650) 849-7400

If to Astellas:

Astellas Pharma Inc.
5-1, Nihonbashi-Honcho 2-chome
Chuo-ku, Tokyo 103-8411
Japan
Attn: Corporate Vice President, Legal & Compliance
Fax: [*]

or to such other address(es) as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice shall be deemed to have been given: (a) when delivered if personally delivered or sent by facsimile on a Business Day (or if delivered or sent on a non-Business Day, then on the next Business Day); (b) on the fifth (5th) Business Day after dispatch if sent by nationally-recognized overnight courier; or (c) on the tenth (10th) Business Day following the date of mailing, if sent by mail.

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16.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of [*] and the patent laws of the United States without reference to any rules of conflict of laws.

16.6 Dispute Resolution. The Parties shall negotiate in good faith and use reasonable efforts to settle any dispute, controversy or claim arising from or related to this Agreement or the breach thereof. If the Parties do not fully settle, and a Party wishes to pursue the matter, each such dispute, controversy or claim that is not a matter addressed in Section 2.12 shall be finally shall be settled by binding arbitration administered by [*] pursuant to its [*] then in effect (the "[*] Rules"), except as otherwise provided herein. The arbitration shall be governed by the United States Federal Arbitration Act, 9 U.S.C. §§ 1-16 (the "**Federal Arbitration Act**"), to the exclusion of any inconsistent state laws. The U.S. Federal Rules of Civil Procedure shall govern discovery and the U.S. Federal Rules of Evidence shall govern evidence for the arbitration. The arbitration will be conducted in San Francisco, California and the Parties consent to the personal jurisdiction of the United States federal courts, for any case arising out of or otherwise related to this arbitration, its conduct and its enforcement. Any situation not expressly covered by this Agreement shall be decided in accordance with the [*] Rules. The arbitrator shall be one (1) neutral, independent and impartial arbitrator selected from a pool of retired federal judges to be presented to the Parties by [*]. Failing the agreement of the Parties as to the selection of the arbitrator within [*] days, the arbitrator shall be appointed by [*] in accordance with the [*] Rules. Notwithstanding any other provision of this Section 16.6, either Party shall have the right to seek and be granted exigent, injunctive or temporary relief in any court of competent jurisdiction.

16.7 Foreign Corrupt Practices Act Compliance.

(a) Compliance with FCPA. The U.S. government imposes and enforces prohibitions on the payment or transfer of anything of value to governments, government officials, political parties or political party officials (or relatives or associates of such officials) (" **FCPA Covered Person**") for the purpose of illegally influencing them, whether directly or indirectly, to obtain or retain business. This U.S. law is referred to as the Foreign Corrupt Practices Act ("**FCPA**"), and it can have application to conduct of a U.S. corporation's foreign subsidiaries, employees, agents and distributors. A summary of the law and related information can be found at http://www.justice.gov/criminal/fraud/fcpa. By signing this Agreement, each Party warrants that:

(i) It is familiar with the provisions and restrictions contained in the OECD Convention and FCPA.

(ii) It shall comply with the FCPA in marketing, selling and/or servicing the Collaboration Products under this Agreement.

(iii) It shall not, in the course of its duties under the Agreement, offer, promise, give, demand, seek or accept, directly or indirectly, any gift or payment, consideration or benefit in kind to any FCPA Covered Person that would or could be construed as an illegal or corrupt practice.

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(iv) It is not an FCPA Covered Person or affiliated with any FCPA Covered Person.

(v) It shall immediately notify the other Party of any attempt by any FCPA Covered Person to directly or indirectly solicit, ask for, or attempt to extort anything of value from the first Party, and shall refuse any such solicitation, request or extortionate demand except a facilitating payment as expressly permitted under the FCPA.

(b) Compliance Certificate. From time to time upon request from one Party, the other Party shall submit a compliance certificate in the form set forth in **Exhibit K** stating that (i) it fully understands its obligations under this Section 16.7 and any other applicable laws and regulations mentioned herein or as may come into existence from time to time after the Effective Date; (ii) it has been complying with this Section 16.7 and any other applicable laws and regulations mentioned herein or as may come into existence from time to time after the Effective Date; and (iii) it will continue to comply with this Section 16.7 and any other applicable laws and regulations mentioned herein or as may come into existence from time to time after the Effective Date.

(c) No Action. In no event shall one Party be obligated under the Agreement to take any action or omit to take any action that such Party believes, in good faith, would cause it to be in violation of any applicable laws and regulations, including the anti-bribery laws referenced in this Section 16.7.

(d) Due Diligence. Each Party shall have the right to visit the offices of the other Party from time to time during the term of the Agreement on an "as needed" basis and conduct due diligence in relation to the other Party's business related to performance of its obligations under this Section 16.7 and may do so in the way it deems necessary, appropriate or desirable so as to ensure that the other Party complies with this Section 16.7 and any other applicable laws and regulations in its business operations. Each Party shall make every effort to cooperate fully with the other Party in any such due diligence.

(e) Audit. In the event that one Party has reason to believe that a breach of any obligation of the other Party under this Section 16.7 has occurred or may occur, the first Party shall have the right to select an independent third party to conduct an audit of the other Party and review relevant books and records of the other Party, to satisfy itself that no breach has occurred. Unless otherwise required under applicable laws and regulations or by order of a competent court or regulatory authority, the first Party shall ensure that the selected independent third party will keep confidential all audited matters and the results of the audit. The first Party does reserve the right to disclose to the U.S. or foreign government, its agencies and/or any other government or non-government party, information relating to a possible violation by the other Party of any applicable law, including a violation of the FCPA or any other applicable anti-bribery law.

16.8 Entire Agreement; Amendments. This Agreement, together with the Exhibits hereto, contains the entire understanding of the Parties with respect to the collaboration and the licenses granted hereunder. Any other express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, in respect to the collaboration and

the licenses granted hereunder are superseded by the terms of this Agreement. The Exhibits to this Agreement are incorporated herein by reference and shall be deemed a part of this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representative(s) of both Parties hereto. The Parties agree that, effective as of the Effective Date, that certain Non-Disclosure Agreement between the Parties dated as of September 4, 2012, as amended ("**Confidentiality Agreement**") shall be superseded by this Agreement, and that disclosures made prior to the Effective Date pursuant to the Confidentiality Agreement shall be subject to the confidentiality and non-use provisions of this Agreement.

16.9 Headings. The captions to the several Articles, Sections and subsections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Articles and Sections hereof.

16.10 Independent Contractors. Cytokinetics and Astellas are independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither Cytokinetics nor Astellas shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior written consent of the other Party.

16.11 Waiver. The waiver by either Party hereto of any right hereunder, or of any failure of the other Party to perform, or of any breach by the other Party, shall not be deemed a waiver of any other right hereunder or of any other breach by or failure of such other Party whether of a similar nature or otherwise.

16.12 Cumulative Remedies. No remedy referred to in this Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

16.13 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, no ambiguity in this Agreement shall be strictly construed against either Party.

16.14 Business Day Requirements. In the event that any notice or other action or omission is required to be taken by a Party under this Agreement on a day that is not a Business Day then such notice or other action or omission shall be deemed to be required to be taken on the next occurring Business Day.

16.15 Translations. This Agreement is in the English language only, which language shall be controlling in all respects, and all versions hereof in any other language shall be for accommodation only and shall not be binding upon the Parties. All communications and notices to be made or given pursuant to this Agreement, and any dispute proceeding related to or arising hereunder, shall be in the English language. If there is a discrepancy between any translation of this Agreement and this Agreement, this Agreement shall prevail.

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

16.17 Counterparts. This Agreement may be executed in two or more counterparts by original signature, facsimile or PDF files, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

Cytokinetics, Inc.	**Astellas Pharma Inc.**
By: /s/ Robert I. Blum	By: /s/ Yoshihiko Hatanaka
Name: Robert I. Blum	Name: Yoshihiko Hatanaka
Title: President and CEO	Title: President and CEO

<SIGNATURE PAGE OF THE LICENSE AND COLLABORATION AGREEMENT BY AND BETWEEN CYTOKINETICS, INC. AND ASTELLAS PHARMA INC.>

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LIST OF EXHIBITS

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Exhibit A
Existing Astellas Patents

[*]

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Exhibit B
Compound Criteria

[*]

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Exhibit C
Existing Cytokinetics Patents

Application Number	Country	Application Date
[*]	[*]	[*]

Patent Number	Country
[*]	[*]

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Exhibit D
Retained Indications

[*]

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Exhibit E
[*] Patent Rights

Application Number	Country	Application Date	Patent Number
[*]	[*]	[*]	[*]

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Exhibit F
Initial Alliance Managers and Committee Members

	Astellas	Cytokinetics
Joint Steering Committee	[*]	[*]
Joint Research Committee	[*]	[*]
Joint Development Committee	[*]	[*]
Joint Manufacturing Committee	[*]	[*]
Joint Patent Committee	[*]	[*]
Alliance Managers	[*]	[*]

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Exhibit G
Initial Research Plan

[*]

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Exhibit H
Initial Development Plan

[*]

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Exhibit I
Term sheet for Co-Promotion Agreement

This Exhibit sets forth material terms and conditions that, together with the terms of Section 8.6 of the Agreement, shall be incorporated into a Co-Promotion Agreement to be negotiated and entered into by the Parties for the Collaboration Product for which Cytokinetics exercises its option to Co-Promote in accordance with Section 8.6 of the Agreement (such Collaboration Product, the "**Co-Promotion Product**").

[*]

[*] = 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.

Exhibit J
Press Release

News Release

CYTOKINETICS AND ASTELLAS ANNOUNCE COLLABORATION IN THE FIELD OF SKELETAL MUSCLE ACTIVATION

Collaboration Will Focus on Expanding the New Frontier of Muscle Biology

Cytokinetics is Eligible to Receive Over $40 Million During the Initial Two Years in Addition to Over $450 Million in Potential Milestone Payments plus Royalties

South San Francisco, CA, and Tokyo, June 25, 2013 – Cytokinetics, Incorporated (NASDAQ:CYTK) and Astellas Pharma Inc. (Tokyo Stock Exchange: 4503, "Astellas") announced today a collaboration focused on the research, development and commercialization of skeletal muscle activators. The primary objective of the collaboration is to advance novel therapies for diseases and medical conditions associated with muscle weakness. The parties will jointly conduct research in the area of skeletal muscle activation. Astellas will have the exclusive rights to develop and commercialize drug candidates that may arise from these activities, subject to certain Cytokinetics' development and commercialization rights. In addition, Cytokinetics has granted Astellas an exclusive license to co-develop and commercialize Cytokinetics' drug candidate CK-2127107 in certain indications.

In this collaboration, Cytokinetics will combine its foremost position in the discovery and mechanistic biology of small molecule activators of skeletal muscle contractility with Astellas' advanced pharmaceutical discovery, development, and commercialization capabilities. During the two-year collaborative research term, the companies will focus on expanding emerging opportunities in skeletal muscle contractility and will together identify, characterize, and optimize fast skeletal troponin activators and other potential novel mechanism skeletal muscle activators. The joint research program is designed to leverage the two companies' cutting-edge capabilities in discovery technologies, medicinal chemistry, analytical chemistry, structural biology, computational chemistry, and the pharmacology of muscle contractility.

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"We are pleased to enter into this collaboration with Astellas, which will enable us to expand our research and development in the area of skeletal muscle activators," stated Cytokinetics' President and Chief Executive Officer, Robert I. Blum. "Through this collaboration, we intend to jointly investigate the potential role that CK-2127107 and follow-on skeletal muscle activators can play in providing functional improvements in patients with diseases characterized by muscle weakness and fatigue. We are impressed with Astellas' strategic vision and capabilities in the areas of novel mechanism biopharmaceutical research and development."

"We are excited to work with Cytokinetics to expand the new frontier of muscle biology related to the very innovative mechanism of action of skeletal muscle activation," stated Yoshihiko Hatanaka, Astellas' President and Chief Executive Officer. "This new collaboration illustrates Astellas' important commitment to enhance its abilities to generate innovative drugs by deploying cutting-edge science, accessing distinguished internal and external talent, and utilizing the optimal research environment."

Under the collaboration, Cytokinetics has exclusively licensed to Astellas the rights to co-develop and commercialize CK-2127107, a fast skeletal troponin activator drug candidate, for potential application in non-neuromuscular indications. CK-2127107, which is currently in Phase I clinical development, will be developed jointly by Cytokinetics and Astellas. Under the agreement, Cytokinetics will be primarily responsible for the conduct of Phase I clinical trials and certain Phase II readiness activities for CK-2127107 and Astellas will be primarily responsible for the conduct of subsequent development and commercialization activities for CK-2127107. Astellas will have exclusive rights to develop and commercialize other fast skeletal troponin activators in non-neuromuscular indications and to develop and commercialize other novel mechanism skeletal muscle activators in all indications, subject to certain Cytokinetics' development and commercialization rights. Outside the collaboration, Cytokinetics will continue to independently develop *tirasemtiv*, a fast skeletal troponin activator currently in Phase II clinical trials, for the potential treatment of amyotrophic lateral sclerosis and other neuromuscular disorders.

Cytokinetics is eligible to receive over $40 million in the form of an upfront payment and reimbursement of sponsored research and development activities during the initial two years of the collaboration. In addition, Cytokinetics is eligible to receive over $450 million in pre-commercialization and commercialization milestones plus royalties. The parties will jointly conduct research to identify next-generation skeletal muscle activators to be nominated as drug candidates. Astellas will be responsible for the activities and costs associated with the development of collaboration products. Cytokinetics retains an option to conduct early-stage development for certain agreed indications at its initial expense, subject to reimbursement if development continues under the collaboration. Astellas will have the exclusive right to commercialize collaboration products worldwide, subject to Cytokinetics' option to co-promote collaboration products in the United States and Canada. In connection with the co-promotion activities, Astellas will reimburse Cytokinetics for certain expenses associated with its promotion activities.

Cytokinetics Conference Call / Webcast

Cytokinetics will host a conference call on Tuesday, June 25, 2013 at 8:00 a.m. Eastern Time. The conference call will be simultaneously webcast and will be accessible in the Investor Relations section of

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Cytokinetics' Web site; for further information please go to www.cytokinetics.com. The live audio of the conference call is also accessible via telephone to investors, members of the news media and the general public by dialing either (866) 999-2985 (CYTK) (United States and Canada) or (706) 679-3078 (International) and typing in the passcode 97237344. An archived replay of the webcast will be available via Cytokinetics' Web site until July 25, 2013. The replay will also be available via telephone from June 25, 2013 at 11:00 a.m. Eastern Time until July 2, 2013 by dialing (855) 859-2056 (United States and Canada) or (404) 537-3406 (International) and typing in the passcode 97237344.

About Cytokinetics

Cytokinetics is a clinical-stage biopharmaceutical company focused on the discovery and development of novel small molecule therapeutics that modulate muscle function for the potential treatment of serious diseases and other medical conditions. Cytokinetics currently has three compounds in clinical development: *omecamtiv mecarbil* in Phase II for acute and chronic heart failure, *tirasemtiv* in Phase II for amyotrophic lateral sclerosis and CK-212107 in a Phase I study in healthy volunteers. All of the company's drug candidates have arisen from Cytokinetics' muscle biology focused research activities and are directed towards the cytoskeleton. The cytoskeleton is a complex biological infrastructure that plays a fundamental role within every human cell. Additional information about Cytokinetics can be obtained at http://www.cytokinetics.com.

About Astellas

Astellas Pharma Inc., located in Tokyo, Japan, is a pharmaceutical company dedicated to improving the health of people around the world through the provision of innovative and reliable pharmaceuticals. Astellas has approximately 17,000 employees worldwide. The organization is committed to becoming a global category leader in Urology, Immunology (including Transplantation) and Infectious diseases, Oncology, Neuroscience and DM Complications and Kidney diseases. For more information on Astellas Pharma Inc., please visit the company website at www.astellas.com/en.

Forward-Looking Statements: Cytokinetics

This press release contains forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995 (the "Act"). Cytokinetics disclaims any intent or obligation to update these forward-looking statements, and claims the protection of the Act's Safe Harbor for forward-looking statements. Examples of such statements include, but are not limited to, statements relating to Cytokinetics' and Astellas' planned research and development activities; potential milestone payments, royalties and other payments; the expected roles of Cytokinetics and Astellas under the collaboration and in developing or commercializing drug candidates or products subject to the collaboration; the utility and benefits of Cytokinetics' and Astellas' respective technical capabilities; the indications to be pursued under the collaboration; Cytokinetics' continued development of tirasemtiv; and the properties and potential benefits of Cytokinetics' skeletal muscle activators. Such statements are based on management's current expectations,

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but actual results may differ materially due to various risks and uncertainties, including, but not limited to: Cytokinetics anticipates that it will be required to conduct at least one confirmatory Phase III clinical trial of tirasemtiv in ALS patients which will require significant additional funding, and it may be unable to obtain such additional funding on acceptable terms, if at all; potential difficulties or delays in the development, testing, regulatory approvals for trial commencement, progression or product sale or manufacturing, or production of Cytokinetics' drug candidates that could slow or prevent clinical development or product approval, including risks that current and past results of clinical trials or preclinical studies may not be indicative of future clinical trials results, patient enrollment for or conduct of clinical trials may be difficult or delayed, Cytokinetics' drug candidates may have adverse side effects or inadequate therapeutic efficacy, the U.S. Food and Drug Administration or foreign regulatory agencies may delay or limit Cytokinetics' or its partners' ability to conduct clinical trials, and Cytokinetics may be unable to obtain or maintain patent or trade secret protection for its intellectual property; Amgen's decisions with respect to the design, initiation, conduct, timing and continuation of development activities for omecamtiv mecarbil; Cytokinetics may incur unanticipated research and development and other costs or be unable to obtain additional financing necessary to conduct development of its products; Cytokinetics may be unable to enter into future collaboration agreements for its drug candidates and programs on acceptable terms, if at all; standards of care may change, rendering Cytokinetics' drug candidates obsolete; competitive products or alternative therapies may be developed by others for the treatment of indications Cytokinetics' drug candidates and potential drug candidates may target; and risks and uncertainties relating to the timing and receipt of payments from its partners, including milestones and royalties on future potential product sales under Cytokinetics' collaboration agreements with such partners. For further information regarding these and other risks related to Cytokinetics' business, investors should consult Cytokinetics' filings with the Securities and Exchange Commission.

Forward-Looking Statements: Astellas

This press release includes forward-looking statements based on assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties. Forward-looking statements include all statements other than statements of historical fact, including plans, strategies and expectations for the future, statements regarding the expected timing of filings and approvals relating to the transaction, the expected timing of the completion of the transaction, the ability to complete the transaction or to satisfy the various closing conditions, future revenues and profitability from or growth or any assumptions underlying any of the foregoing. Statements made in the future tense, and words such as "anticipate," "expect," "project," "continue," "believe," "plan," "estimate," "pro forma," "intend," "potential," "target," "forecast," "guidance," "outlook," "seek," "assume," "will," "may," "should," and similar expressions are intended to qualify as forward-looking statements. Forward-looking statements are based on estimates and assumptions made by management that are believed to be reasonable, though they are inherently uncertain and difficult to predict. Investors and security holders are cautioned not to place undue reliance on these forward-looking statements.

Actual financial results may differ materially depending on a number of factors including adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in new product launch, pricing and product initiatives of competitors, the inability of the company to market existing and new products effectively, interruptions in production, infringements of the company's intellectual property rights and the adverse outcome of material litigation. This press release contains information on pharmaceuticals (including compounds under development), but this information is not intended to make any representations or advertisements regarding the efficacy or effectiveness of these pharmaceuticals nor provide medical advice of any kind.

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Contact:

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Corporate Communications

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Exhibit K
Form of Certificate of Compliance

I, [ ] of Astellas Pharma Inc., which is conducting business with Cytokinetics, Inc. per our License and Collaboration Agreement dated [ ].

I hereby acknowledge and certify that I am familiar and knowledgeable about the requirements of the FCPA and other applicable Anti-Corruption Laws and their requirements.

I certify that Astellas has not, and will not, take any action in furtherance of an unlawful offer, promise, or payment to a foreign official that would cause Cytokinetics, Inc. to be in violation of the FCPA, any other applicable Anti-Corruption Law. I further certify that Astellas has made no agreement or commitment, directly or indirectly, which, if carried out in the future, would cause Cytokinetics, Inc. to be in violation of the FCPA or any other applicable Anti-Corruption Law.

"**FCPA**" shall mean the U.S. Foreign Corrupt Practices Act (15 U.S.C. Section 78dd-1, et seq.) as amended.

"**Anti-Corruption Laws**" shall mean all applicable laws, regulations, orders, judicial decisions, conventions and international financial institution rules regarding corruption, bribery, ethical business conduct, money laundering, political contributions, gifts and gratuities, or lawful expenses to public officials and private persons, agency relationships, commissions, lobbying, books and records, and financial controls.

Signature: _____
Printed Name: _____
Title: _____
Company: Astellas Pharma Inc.
Dated: _____

[*] = 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.

Form of Certificate of Compliance

I, [ ] of Cytokinetics, Incorporated, which is conducting business with Astellas Pharma Inc. per our License and Collaboration Agreement dated [ ].

I hereby acknowledge and certify that I am familiar and knowledgeable about the requirements of the FCPA and other applicable Anti-Corruption Laws and their requirements.

I certify that Cytokinetics has not, and will not, take any action in furtherance of an unlawful offer, promise, or payment to a foreign official that would cause Astellas Pharma Inc. to be in violation of the FCPA, any other applicable Anti-Corruption Law. I further certify that Cytokinetics has made no agreement or commitment, directly or indirectly, which, if carried out in the future, would cause Astellas Pharma Inc. to be in violation of the FCPA or any other applicable Anti-Corruption Law.

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Signature: _____

Printed Name: _____

Title: _____

Company: Cytokinetics, Incorporated

Dated: _____

[*] = 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.

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 (a) OF THE SARBANES-OXLEY ACT OF 2002

I, Robert I. Blum, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cytokinetics, Incorporated;

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)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 that 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: August 7, 2013

By: /s/ Robert I. Blum
Robert I. Blum
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 (a) OF THE SARBANES-OXLEY ACT OF 2002

I, Sharon A. Barbari, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cytokinetics, Incorporated;

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)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 that 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: August 7, 2013

By: /s/ Sharon A. Barbari
Sharon A. Barbari
Executive Vice President, Finance and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18. U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Cytokinetics, Incorporated on Form 10-Q for the quarterly period ended June 30, 2013 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Cytokinetics, Incorporated.

Dated: August 7, 2013

/s/ Robert I. Blum

Robert I. Blum
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Sharon A. Barbari

Sharon A. Barbari
Executive Vice President, Finance and
Chief Financial Officer
(Principal Financial Officer)