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 March 31, 2016

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: 001-35403

Verastem, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**27-3269467**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
117 Kendrick Street, Suite 500 Needham, MA	
(Address of principal executive offices)	**02494 (Zip Code)**

(781) 292-4200
(Registrant's telephone number, including area code)

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.

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 ☒

As of May 2, 2016 there were 36,992,418 shares of Common Stock, $0.0001 par value per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements related to present facts or current conditions or historical facts, contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management, are forward looking statements. Such statements relate to, among other things, the development of our product candidates, including VS-6063, VS-4718 and VS-5584, and our FAK, PI3K/mTOR, and diagnostics programs generally, the timeline for clinical development and regulatory approval of our product candidates, the expected timing for the reporting of data from on-going trials, the structure of our planned or pending clinical trials, additional planned studies, our rights to develop or commercialize our product candidates and our ability to finance contemplated development activities and fund operations for a specified period. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Forward-looking statements are not guarantees of future performance and our actual results could differ materially from the results discussed in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, our ability to raise additional capital to support our clinical development program and other operations, our ability to develop products of commercial value and to identify, discover and obtain rights to additional product candidates, our ability to protect and maintain our intellectual property and the ability of our licensors to obtain and maintain patent protection for the technology or products that we license from them, the fact that the preclinical and clinical testing of our product candidates and preliminary data from clinical trials may not be predictive of the success of ongoing or later clinical trials, that data may not be available when we expect it to be, that enrollment of clinical trials may take longer than expected, that our product candidates may cause unexpected safety events, that we will be unable to successfully initiate or complete the clinical development of our product candidates, including VS-6063, VS-4718 and VS-5584, that development of our product candidates will take longer or cost more than planned, our reliance on third-parties, competitive developments, the effect of current and future legislation and regulation and regulatory actions, as well as other risks described in our Annual Report on Form 10-K and other filings with the Securities and Exchange Commission (SEC).

As a result of these and other factors, we may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited).

Verastem, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands, except per share amounts)

	March 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 15,147	$ 24,870
Short-term investments	84,388	85,388
Prepaid expenses and other current assets	1,002	585
Total current assets	100,537	110,843
Property and equipment, net	1,865	2,048
Restricted cash	162	203
Total assets	$ 102,564	$ 113,094
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 2,595	$ 3,942
Accrued expenses	3,529	6,098
Liability classified stock-based compensation awards	—	69
Total current liabilities	6,124	10,109
Other liabilities	472	516
Stockholders' equity:		
Convertible preferred stock, $0.0001 par value; 5,000 shares authorized, no shares issued and outstanding	—	—
Common stock, $0.0001 par value; 100,000 shares authorized, 36,992 and 36,941 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	4	4
Additional paid-in capital	303,006	301,305
Accumulated other comprehensive income	135	43
Accumulated deficit	(207,177)	(198,883)
Deficit accumulated during the development stage		
Total stockholders' equity	95,968	102,469
Total liabilities and stockholders' equity	$ 102,564	$ 113,094

See accompanying notes.

Verastem, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(in thousands, except per share amounts)

	Three months ended March 31,	
	2016	2015
Operating expenses:		
Research and development	$ 4,179	$ 10,528
General and administrative	4,255	4,714
Total operating expenses	8,434	15,242
Loss from operations	(8,434)	(15,242)
Interest income	140	62
Net loss	$ (8,294)	$ (15,180)
Net loss per share—basic and diluted	$ (0.22)	$ (0.46)
Weighted-average number of common shares used in net loss per share—basic and diluted	36,975	33,323
Net loss	$ (8,294)	$ (15,180)
Unrealized gains on available-for-sale securities	92	28
Comprehensive loss	$ (8,202)	$ (15,152)

See accompanying notes.

Verastem, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Three months ended March 31,	
	2016	2015
Operating activities		
Net loss	$ (8,294)	$ (15,180)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	183	188
Stock-based compensation expense	1,706	3,134
Amortization of premiums and discounts on available-for-sale marketable securities	(12)	58
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(376)	(250)
Accounts payable	(1,347)	891
Accrued expenses and other liabilities	(2,613)	(355)
Liability classified stock-based compensation awards	(69)	(213)
Net cash used in operating activities	(10,822)	(11,727)
Investing activities		
Purchases of property and equipment	—	(196)
Purchases of investments	(36,346)	(78,326)
Maturities of investments	37,450	31,123
Net cash provided by (used in) investing activities	1,104	(47,399)
Financing activities		
Proceeds from the exercise of stock options	—	7
Net proceeds from the issuance of common stock and restricted common stock	—	55,566
Cash used to settle restricted stock liability	(5)	(223)
Net cash (used in) provided by financing activities	(5)	55,350
Decrease in cash and cash equivalents	(9,723)	(3,776)
Cash and cash equivalents at beginning of period	24,870	33,901
Cash and cash equivalents at end of period	$ 15,147	$ 30,125
Supplemental disclosure of non-cash investing and financing activities		
Proceeds from the issuance of common stock included in prepaid expenses and other current assets	$ —	$ 1,972
Public offering costs in accounts payable and accrued expenses and other liabilities	$ —	$ 55
Purchases of property and equipment in accounts payable	$ —	$ 8

See accompanying notes.

Verastem, Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Summary of significant accounting policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) for interim financial reporting and as required by Regulation S-X, Rule 10-01. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (including those which are normal and recurring) considered necessary for a fair presentation of the interim financial information have been included. When preparing financial statements in conformity with GAAP, the Company must make estimates and assumptions that affect the reported amounts and related disclosures at the date of the financial statements. Actual results could differ from those estimates. Additionally, operating results for the three months ended March 31, 2016 are not necessarily indicative of the results that may be expected for any other interim period or for the fiscal year ending December 31, 2016. For further information, refer to the financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 as filed with the SEC on March 3, 2016.

Recent accounting pronouncements

Employee share-based payments

In March 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-09, *Improvements to Employee Share-Based Payment Accounting*. The standard will revise accounting for share-based compensation arrangements, including the income tax impact and classification on the statement of cash flows. The standard is effective for annual and interim periods beginning after December 15, 2016. Early adoption is permitted. We are currently evaluating the impact the adoption of this standard will have on our consolidated financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The ASU requires lessees to put most leases on their balance sheets as a liability for the obligation to make lease payments and as a right-of-use asset, but recognize expenses on the income statements in a manner similar to today's accounting. The guidance also eliminates the current real estate-specific provisions for all entities. For calendar-year public entities, the guidance becomes effective in 2019 and interim periods within that year. Early adoption is permitted for all entities. The Company has not chosen early adoption for this ASU and is currently evaluating its effect on the Company's consolidated financial statements.

Going concern

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements - Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (Subtopic 205-40). ASU 2014-15 requires management to assess an entity's ability to continue as a going concern every reporting period, and provide certain disclosures if management has substantial doubt about the entity's ability to operate as a going concern, or an express statement if not, by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. ASU 2014-15 is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company has evaluated the impact of the adoption of ASU 2014-15 on its three months ended March 31, 2016 consolidated financial statements and determined that there is not substantial doubt about the Company's ability to continue as a going concern for at least one year from the issuance of the three months ended March 31, 2016 consolidated financial statements.

There have been no changes to the Company's significant accounting policies included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 as filed with the SEC on March 3, 2016.

2. Fair value of financial instruments

The Company is required to disclose information on all assets and liabilities reported at fair value that enables an assessment of the inputs used in determining the reported fair values. The fair value hierarchy prioritizes valuation inputs based on the observable nature of those inputs. The fair value hierarchy applies only to the valuation inputs used in determining the reported fair value of the investments and is not a measure of the investment credit quality. The hierarchy defines three levels of valuation inputs:

Level 1 inputs	Quoted prices in active markets for identical assets or liabilities
Level 2 inputs	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 inputs	Unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability

The following table presents information about the Company's financial assets and liabilities that have been measured at fair value at March 31, 2016 and indicates the fair value hierarchy of the valuation inputs utilized to determine such fair value (in thousands):

Description	Total	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets				
Cash equivalents	$ 13,176	$ 13,176	$ —	$ —
Short-term investments	84,388	—	84,388	—
Total financial assets	**$ 97,564**	**$ 13,176**	**$ 84,388**	**$ —**

The following table presents information about the Company's financial assets and liabilities that have been measured at fair value at December 31, 2015 and indicates the fair value hierarchy of the valuation inputs utilized to determine such fair value (in thousands):

Description	Total	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets				
Cash equivalents	$ 23,036	$ 11,464	$ 11,572	$ —
Short-term investments	85,388	—	85,388	—
Total financial assets	**$ 108,424**	**$ 11,464**	**$ 96,960**	**$ —**
Financial liabilities				
Liability classified stock-based compensation awards	$ 69	$ 69	$ —	$ —
Total financial liabilities	**$ 69**	**$ 69**	**$ —**	**$ —**

The Company's cash equivalents and investments are comprised of United States Treasury money market accounts, United States Treasury securities, government-sponsored enterprise securities, and corporate bonds and commercial paper. These investments have been initially valued at the transaction price and subsequently valued, at the end of each reporting period, utilizing third party pricing services or other market observable data. The pricing services utilize industry standard valuation models, including both income and market based approaches and observable market inputs to determine value. These observable market inputs include reportable trades, benchmark yields, credit spreads, broker/dealer quotes, bids, offers, current spot rates and other industry and economic events. The Company validates the prices provided by third party pricing services by reviewing their pricing methods and matrices, obtaining market values

from other pricing sources, analyzing pricing data in certain instances and confirming that the relevant markets are active. After completing its validation procedures, the Company did not adjust or override any fair value measurements provided by the pricing services as of March 31, 2016 and December 31, 2015.

The Company's liability classified stock-based compensation awards are comprised of restricted stock units (RSUs) that allow for greater than minimum statutory tax withholdings. These awards are valued based on the fair value of the Company's common stock underlying the awards, which is traded on an active market. During the first quarter of 2013, the Company amended the terms of certain RSUs to allow for cash tax withholdings greater than the minimum required statutory withholding amount. As a result of this change in the terms of the awards, the outstanding RSUs are considered to be liability instruments. As a result of this modification, the Company records a liability for the fair value of the awards as of each reporting date with the change in fair value recorded through the statement of operations. The Company will record stock-based compensation expense equal to the greater of the original grant date fair value of the awards or the settlement date fair value. During the three months ended March 31, 2016 and 2015, the Company made approximate deposits to the taxing authorities of $5,000 and $223,000, respectively, to settle the tax liability for awards that settled during such periods.

3. Investments

The Company's investments are classified as available-for-sale pursuant to the accounting standards for investments in debt and equity securities. The Company classifies investments available to fund current operations as current assets on its balance sheets. Investments are classified as long-term assets on the balance sheets if (i) the Company has the intent and ability to hold the investments for a period of at least one year and (ii) the contractual maturity date of the investments is greater than one year.

Investments are carried at fair value with unrealized gains and losses included as a component of accumulated other comprehensive (loss) income, until such gains and losses are realized. If a decline in the fair value is considered other-than-temporary, based on available evidence, the unrealized loss is transferred from other comprehensive loss to the statement of operations. There were no charges taken for other-than-temporary declines in fair value of short-term or long-term investments during the three months ended March 31, 2016 and 2015. The Company recorded approximate unrealized gains of $92,000 and $28,000 during the three months ended March 31, 2016 and 2015, respectively. Realized gains and losses are included in interest income in the statement of operations. There were no realized gains or losses recognized during the three months ended March 31, 2016 or 2015. The Company utilizes the specific identification method as a basis to determine the cost of securities sold.

The Company reviews investments for other-than-temporary impairment whenever the fair value of an investment is less than the amortized cost and evidence indicates that an investment's carrying amount is not recoverable within a reasonable period of time. To determine whether an impairment is other-than-temporary, the Company considers the intent to sell, or whether it is more likely than not that the Company will be required to sell, the investment before recovery of the investment's amortized cost basis. Evidence considered in this assessment includes reasons for the impairment, compliance with the Company's investment policy, the severity and the duration of the impairment and changes in value subsequent to year end. As of March 31, 2016, there were no investments with a fair value that was significantly lower than the amortized cost basis or any investments that had been in an unrealized loss position for a significant period.

Cash, cash equivalents and investments at March 31, 2016 and December 31, 2015 consist of the following (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash and money market accounts	$ 15,147	$ —	$ —	$ 15,147
Total cash and cash equivalents	$ 15,147	$ —	$ —	$ 15,147
Investments:				
Government-sponsored enterprise securities (due within 1 year)	$ 11,944	$ 4	$ —	$ 11,948
Treasury securities (due within 1 year)	1,002	—	—	1,002
Corporate bonds and commercial paper (due within 1 year)	71,307	131	—	71,438
Total investments	$ 84,253	$ 135	$ —	$ 84,388
Total cash, cash equivalents, and investments	**$ 99,400**	**$ 135**	**$ —**	**$ 99,535**

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash and money market accounts	$ 13,298	$ —	$ —	$ 13,298
Government-sponsored enterprise securities (original maturities within 90 days)	2,000	—	—	2,000
Corporate bonds and commercial paper (original maturities within 90 days)	9,572	—	—	9,572
Total cash and cash equivalents	$ 24,870	$ —	$ —	$ 24,870
Investments:				
Government-sponsored enterprise securities (due within 1 year)	$ 11,932	$ 5	$ —	$ 11,937
Treasury securities (due within 1 year)	1,005	—	—	1,005
Corporate bonds and commercial paper (due within 1 year)	72,408	57	(19)	72,446
Total investments	$ 85,345	$ 62	$ (19)	$ 85,388
Total cash, cash equivalents, and investments	**$ 110,215**	**$ 62**	**$ (19)**	**$ 110,258**

4. Accrued expenses

Accrued expenses consist of the following (in thousands):

	March 31, 2016	December 31, 2015
Contract research organization costs	$ 2,083	$ 3,782
Compensation and related benefits	771	1,802
Professional fees	412	260
Deferred rent	164	160
Other	99	94
	$ 3,529	$ 6,098

5. Net loss per share

Basic and diluted net loss per common share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. The Company's potentially dilutive shares, which include outstanding stock options, restricted stock units and unvested restricted stock and the warrant issued in 2014 are considered to be common stock equivalents and are only included in the calculation of diluted net loss per share when their effect is dilutive.

The following potentially dilutive securities were excluded from the calculation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

	Three months ended March 31,	
	2016	2015
Outstanding stock options	5,473,372	5,370,567
Outstanding warrants	142,857	142,857
Unvested restricted stock units	—	191,527
	5,616,229	5,704,951

6. Stock-based compensation

In December 2011, the Company adopted the 2012 Incentive Plan (the 2012 Plan). The 2012 Plan became effective upon the closing of the Company's IPO in February 2012. The 2012 Plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units and other stock-based and cash awards. Upon effectiveness, the number of shares of common stock that are reserved under the 2012 Plan is the sum of 3,428,571 shares plus the number of shares available under the Company's prior 2010 Plan. The number of shares reserved under the 2012 Plan is increased by the number of shares of common stock (up to a maximum of 571,242 shares) subject to outstanding awards under the 2010 Plan that expire, terminate or are otherwise surrendered, cancelled, forfeited or repurchased. The 2012 Plan includes an "evergreen provision" that allows for an annual increase in the number of shares of common stock available for issuance under the 2012 Plan. The annual increase will be added on the first day of each year beginning in 2013 and each subsequent anniversary until the expiration of the 2012 Plan, equal to the lowest of 1,285,714 shares of common stock, 4.0% of the number of shares of common stock outstanding and an amount determined by the board of directors. On January 1, 2016 and 2015, the shares available under the 2012 Plan increased by 1,285,714 and 1,081,045 shares of common stock, respectively.

In December 2014, the Company established an inducement award program (in accordance with NASDAQ Listing Rule 5635(c)(4)) under which it may grant non-statutory stock options to purchase up to an aggregate of 750,000 shares of common stock to new employees as inducement for prospective employees to enter into employment with the Company. The program is governed by the terms of the 2012 Plan but the shares are not issued pursuant to the 2012 Plan. The Company has granted 210,000 options to purchase shares under this program as of March 31, 2016 and 2015. There have been 75,000 shares returned to this program due to cancellations as of March 31, 2016. No shares had been cancelled and returned to the program as of March 31, 2015.

Restricted common stock

No restricted common stock was granted during the three months ended March 31, 2016 and 2015. The total fair value of shares vested during the three months ended March 31, 2015 was approximately $59,000. All issued awards were fully vested as of December 31, 2015.

Restricted stock units

A summary of the Company's restricted stock units (RSUs) activity and related information is as follows:

	Shares	Weighted-average grant date fair value per share
Unvested at December 31, 2015	53,751	$ 11.00
Vested	(53,751)	$ 11.00
Forfeited	—	$ —
Unvested at March 31, 2016	—	$ —

No RSUs were granted during the three months ended March 31, 2016 and 2015. The approximate total fair value of RSUs vested during the three months ended March 31, 2016 and 2015 was $65,000 and $873,000, respectively. As of March 31, 2016, there was no unrecognized stock-based compensation expense related to unvested RSUs granted under the 2012 Plan.

During the first quarter of 2013, the Company amended the terms of certain RSUs related to a total of 697,060 shares of common stock to allow for tax withholdings greater than the minimum required statutory withholding amount, of which there are no remaining outstanding as of March 31, 2016. As a result of this change in the terms of the awards, the outstanding RSUs were considered to be liability instruments. As a result of this modification, the Company recorded a liability for the fair value of the awards as of each reporting date with the change in fair value recorded through the statement of operations. The Company recorded stock-based compensation expense equal to the greater of the original grant date fair value of the awards or the settlement date fair value. As of March 31, 2016, all RSUs were fully vested. During the three months ended March 31, 2016 and 2015, the Company made approximate deposits with the taxing authorities of $5,000 and $223,000, respectively, in respect of the tax liability for awards that settled during such periods.

Stock options

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

	Shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (years)	Aggregate intrinsic value (in thousands)
Outstanding at December 31, 2015	5,390,130	$ 8.71	8.1	$ 175
Granted	461,280	$ 1.85		
Exercised	(1,605)	$ 0.28		
Forfeited	(376,433)	$ 9.34		
Outstanding at March 31, 2016	5,473,372	$ 8.09	8.1	$ 144
Vested at March 31, 2016	2,800,146	$ 9.93	7.2	$ 141
Vested and expected to vest at March 31, 2016(1)	5,292,001	$ 8.17	8.0	$ 143

(1)This represents the number of vested options as of December 31, 2015, plus the number of unvested options expected to vest as of December 31, 2015, based on the unvested options at December 31, 2015, adjusted for the estimated forfeiture rate.

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

	Three Months Ended March 31,	
	2016	2015
Risk-free interest rate	1.90 %	1.60 %
Volatility	73 %	72 %
Dividend yield	—	—
Expected term (years)	5.8	6.1

7. Equity offerings

In January 2015, the Company closed a public offering in which it sold 8,337,500 shares of its common stock to the public at a price of $6.50 per share, including 1,087,500 shares issued pursuant to the exercise of the underwriters' option to purchase additional shares. The offering was completed under the shelf registration statement that was filed on Form S-3 and declared effective by the SEC on January 8, 2014. The net proceeds from this offering were approximately $50.9 million, after deducting underwriting discounts and commissions.

In December 2013, the Company established an at-the-market equity offering program pursuant to which it is able to offer and sell up to $35.0 million of its common stock at then current market prices from time to time through

Cantor Fitzgerald & Co., as sales agent. In November 2014, the Company commenced sales under this program. Through December 31, 2015, the Company sold 2,536,155 shares under this program for net proceeds of approximately $22.5 million (after deducting commissions and other offering expenses), of which 470,309 shares were sold in the three months ending March 31, 2015 for net proceeds of $4.4 million (after deducting commissions and other offering expenses). Of the cumulative net proceeds through December 31, 2015, $9.6 million was received in 2014, $4.6 million was received in the three months ended March 31, 2015 and $8.3 million was received subsequent to March 31, 2015. No additional sales of our common stock were made under this program and no proceeds were received during the three months ended March 31, 2016.

8. Reduction in force

In October 2015, the Company announced a reduction of workforce by approximately 50% to 20 full time employees. All affected employees will receive severance pay and outplacement assistance. As a result of the reduction in force and associated costs, the Company estimates one-time severance and related costs of $1.1 million. Of these one-time severance and related costs, approximately $349,000 was paid through December 31, 2015, approximately $521,000 was paid in the three months ended March 31, 2016, and approximately $192,000 will be paid in the 2016 fiscal year subsequent to March 31, 2016. The remaining liability is recorded within accrued expenses on the condensed consolidated balance sheets.

9. Subsequent events

The Company reviews all activity subsequent to quarter end but prior to issuance of the condensed consolidated financial statements for events that could require disclosure or that could impact the carrying value of assets or liabilities as of the balance sheet date.

On April 18, 2016, the Company announced that Gregory I. Berk, M.D. had been appointed as its Chief Medical Officer, effective as of April 15, 2016, and entered into an employment agreement with Dr. Berk, effective as of April 15, 2016, governing the terms of Dr. Berk's employment for an indefinite term.

On April 18, 2016, the Company announced that John "Jack" Green had resigned as Chief Financial Officer of the Company, effective as of April 15, 2016. Mr. Green will become a consultant to the Company pursuant to the terms of a consulting agreement he entered into with the Company on April 15, 2016.

On April 18, 2016, the Company appointed Joe Chiapponi, Vice President of Finance, as its Treasurer, principal financial officer and principal accounting officer, effective as of April 18, 2016.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of certain events could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those discussed below and elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for our fiscal year ended December 31, 2015. Please also refer to the sections under headings "Forward-Looking Statements" and "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for our fiscal year ended December 31, 2015.

OVERVIEW

We are a biopharmaceutical company focused on discovering and developing drugs to improve outcomes for patients with cancer. Our product candidates utilize a multi-faceted approach to treat cancer by reducing cancer stem cells, enhancing anti-tumor immunity, and modulating the local tumor microenvironment. Our most advanced product candidates are VS-6063, VS-4718, and VS-5584. We are currently evaluating these compounds in both preclinical and clinical studies as potential therapies for certain cancers, including lung, ovarian, lymphoma, and pancreatic. We believe that these compounds may be especially beneficial as therapeutics when used in combination with immuno-oncology agents or other current and emerging standard of care treatments in aggressive cancers that have a poorer prognosis and lower overall survival rates when compared to other types of cancer.

Our most advanced programs target the Focal Adhesion Kinase, or FAK, and the PI3K/mTOR signaling pathways. FAK is a non-receptor tyrosine kinase encoded by the *PTK-2* gene that is involved in cellular adhesion and, in cancer, metastatic capability. VS-6063, which has been assigned the United States Adopted Name defactinib, and VS-4718 are orally available compounds designed to target cancers through the potent inhibition of FAK. The PI3K/mTOR signaling pathway plays a central role in cancer proliferation and survival. VS-5584 is an orally available compound that has demonstrated in preclinical studies potent and highly selective activity against class 1 PI3K enzymes (pan PI3K inhibition) and dual inhibitory actions against mTORC1 and mTORC2.

VS-6063 is currently being evaluated in a Phase 1 study in combination with Merck & Co.'s PD-1 inhibitor pembrolizumab and gemcitabine in patients with advanced pancreatic cancer, a Phase 1/1b clinical collaboration with Pfizer Inc. and Merck KGaA to evaluate VS-6063 in combination with avelumab, an anti-PD-L1 antibody, in patients with ovarian cancer, a Phase 1/1b trial in combination with weekly paclitaxel for patients with ovarian cancer, a Phase 2 study in patients with non-small cell lung cancer, and a Phase 2 trial preceding surgery in mesothelioma. VS-6063 has received orphan drug designation for use in mesothelioma and ovarian cancer in the United States, the European Union and Australia. In addition to VS-6063, both our FAK inhibitor VS-4718 and our dual mTORC1/2 and PI3K inhibitor VS-5584 are in Phase 1 clinical trials in patients with advanced cancers either as single agents or in combination with other anti-cancer treatments.

Our operations to date have been organizing and staffing our company, business planning, raising capital, acquiring and developing our technology, identifying potential product candidates and undertaking preclinical studies and clinical trials for our product candidates. To date, we have not generated any revenues and have financed our operations with net proceeds from the private placement of our preferred stock, our initial public offering in February 2012, our follow-on offerings in July 2013 and January 2015 and sales of our common stock under our at-the-market equity offering program.

As of March 31, 2016, we had an accumulated deficit of $207.2 million. Our net loss was $8.3 million and $15.2 million for the three months ended March 31, 2016 and 2015, respectively. We expect to incur significant expenses and operating losses for the foreseeable future. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development and clinical trials of, and seek marketing approval for, our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we

expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. Adequate additional financing may not be available to us on acceptable terms, or at all. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts. We will need to generate significant revenues to achieve profitability, and we may never do so.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGMENTS AND ESTIMATES

We believe that several accounting policies are important to understanding our historical and future performance. We refer to these policies as "critical" because these specific areas generally require us to make judgments and estimates about matters that are uncertain at the time we make the estimate, and different estimates—which also would have been reasonable—could have been used, which would have resulted in different financial results.

The critical accounting policies we identified in our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2015 related to accrued research and development expenses and stock-based compensation. There were no changes to these critical accounting policies in the three months ended March 31, 2016. It is important that the discussion of our operating results that follows be read in conjunction with the critical accounting policies disclosed in our Annual Report on Form 10-K, as filed with the SEC on March 3, 2016.

The Company has elected to follow the extended transition period guidance provided for in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards. The Company will disclose the date on which adoption of such standards is required for non-emerging growth companies and the date on which the Company will adopt the recently issued accounting standards.

RESULTS OF OPERATIONS

Comparison of the three months ended March 31, 2016 and March 31, 2015

Research and development expense. Research and development expense for the three months ended March 31, 2016 (2016 Quarter) was $4.2 million compared to $10.5 million for the three months ended March 31, 2015 (2015 Quarter). The $6.3 million decrease from the 2015 Quarter to the 2016 Quarter was primarily related to a decrease of $4.2 million in contract research organization (CRO) expense for outsourced biology, chemistry, development and clinical services, which includes our clinical trial costs, a decrease in personnel related costs of $1.4 million due to lower headcount related to our reduction in force in Q4 2015, a decrease of approximately $550,000 in stock-based compensation, a decrease in lab supplies of approximately $144,000, a decrease in travel and entertainment of approximately $139,000, and a decrease of approximately $158,000 in facility and other costs. These decreases were partially offset by an increase of approximately $276,000 in consulting fees.

The table below summarizes our allocation of research and development expenses to our clinical programs for VS-6063, VS-4718 and VS-5584 for the 2016 Quarter and the 2015 Quarter. Our project costing methodology does not allocate personnel and other indirect costs to specific clinical programs. These unallocated research and development expenses are summarized in the table below and include approximate personnel related costs of $611,000 and $2.0 million for the 2016 Quarter and the 2015 Quarter, respectively.

	Three months ended March 31,	
	2016	2015
	(in thousands)	(in thousands)
VS-6063	$ 1,498	$ 5,163
VS-4718	460	537
VS-5584	372	850
Unallocated research and development expense	1,562	3,142
Unallocated stock-based compensation expense	287	836
Total research and development expense	$ 4,179	$ 10,528

Due to the uncertainty in drug development and the stage of development of our clinical programs, we are unable to predict the requirements, specific timing and estimated costs to complete the development of our product candidates or the timing of when material cash inflows may commence, if ever.

General and administrative expense. General and administrative expense for the 2016 Quarter was $4.3 million compared to $4.7 million for the 2015 Quarter. The decrease of approximately $400,000 from the 2015 Quarter to the 2016 Quarter primarily resulted from a decrease in stock-based compensation expense of approximately $734,000 and a decrease in personnel costs of approximately $148,000. These decreases were partially offset by increases in consulting fees of approximately $288,000 and an increase in professional fees of approximately $123,000.

Interest income. Interest income increased to approximately $140,000 for the 2016 Quarter from approximately $62,000 for the 2015 Quarter. This increase was primarily due to higher interest rates on investments.

LIQUIDITY AND CAPITAL RESOURCES

Sources of liquidity

To date, we have not generated any revenues. We have financed our operations to date through private placements of preferred stock, our initial public offering in February 2012, our follow-on offerings in July 2013 and January 2015 and sales of common stock under our at-the market equity offering program. As of March 31, 2016, we had received $68.1 million in net proceeds from the issuance of preferred stock and $190.1 million in net proceeds from our public offerings of common stock. As of March 31, 2016, we had $99.5 million in cash, cash equivalents and investments. We primarily invest our cash, cash equivalents and investments in a U.S. Treasury money market fund, government-sponsored enterprise securities, U.S. Treasury securities, and corporate bonds and commercial paper.

Cash flows

Operating activities. The use of cash in all periods resulted primarily from our net losses adjusted for non-cash charges and changes in the components of working capital. The approximately $905,000 decrease in cash used in operating activities for the 2016 Quarter compared to the 2015 Quarter is primarily due to a decrease in research and development expenses related to our ongoing clinical trials, including the closeout of our COMMAND trial, and development of our lead product candidates.

In October 2015, we announced a reduction of workforce by approximately 50% to 20 full time employees. All affected employees will receive severance pay and outplacement assistance. As a result of the reduction in force and associated costs, we estimate annual savings of approximately $5.1 million in cash operating expenses on a going forward basis, with estimated one-time severance and related costs of $1.1 million. Of these one-time severance and related costs, approximately $349,000 was paid through December 31, 2015, approximately $521,000 was paid in the 2016 Quarter and approximately $192,000 will be paid subsequent to the 2016 Quarter.

Investing activities. The cash provided by investing activities for the 2016 Quarter primarily reflects the net maturities of investments of $1.1 million. The cash used in investing activities for the 2015 Quarter reflects the net purchases of investments of $47.2 million.

Financing activities. The cash used in financing activities for the 2016 Quarter primarily represents approximately $5,000 used to satisfy the tax withholding obligations on certain restricted stock units that were net settled by employees. The cash provided by financing activities in the 2015 Quarter primarily represent net proceeds of $55.6 million from the sale of shares of our common stock in our January 2015 public offering and our at-the-market equity offering program, offset in part by approximately $223,000 used to satisfy the tax withholding obligations on certain restricted stock units that were net settled by employees

In December 2013, we established an at-the-market equity offering program pursuant to which we are able to offer and sell up to $35.0 million of our common stock at then current market prices from time to time through Cantor Fitzgerald & Co., as sales agent. In November 2014, we commenced sales under this program. Through December 31, 2015, we sold 2,536,155 shares under this program for net proceeds of approximately $22.5 million (after deducting

commissions and other offering expenses), of which 470,309 shares were sold in the 2015 Quarter for net proceeds of $4.4 million (after deducting commissions and other offering expenses). Of the cumulative net proceeds through December 31, 2015, $9.6 million was received in 2014, $4.6 million was received in the 2015 Quarter and $8.3 million was received subsequent to March 31, 2015. No proceeds were received and no additional sales of our common stock were made under this program during the 2016 Quarter.

In January 2015, we completed a follow-on offering in which we sold 8,337,500 shares of our common stock to the public at a price of $6.50 per share, including 1,087,500 shares issued pursuant to the exercise of the underwriters' option to purchase additional shares. The net proceeds from this offering were $50.9 million, after deducting underwriting discounts and commissions.

Reduction in force. In October 2015, we announced a reduction of workforce by approximately 50% to 20 full time employees. All affected employees will receive severance pay and outplacement assistance. As a result of the reduction in force and associated costs, we estimate annual savings of approximately $5.1 million in cash operating expenses on a going forward basis, with estimated one-time severance and related costs of $1.1 million. Of these one-time severance and related costs, approximately $349,000 was paid through December 31, 2015, approximately $521,000 was paid in the 2016 Quarter and approximately $192,000 will be paid subsequent to the 2016 Quarter.

Funding requirements

We currently have three product candidates in clinical trials. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate that our expenses and operating losses will increase substantially if and as we:

- continue our ongoing clinical trials with VS-6063, VS-5584 and VS-4718;
- initiate additional clinical trials for our product candidates;
- maintain, expand and protect our intellectual property portfolio;
- acquire or in-license other products and technologies;
- hire additional clinical, development and scientific personnel; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts.
- ultimately establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;

We expect our existing cash, cash equivalents and investments will enable us to fund our current operating plan and capital expenditure requirements into 2018. We have based this estimate on assumptions that may prove to be wrong and we could use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates, and the extent to which we may enter into collaborations with third parties for development and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenses associated with completing the development of our current product candidates. Our future capital requirements will depend on many factors, including:

- the rate and size of enrollment, results and cost of completing our ongoing clinical trials;
- the scope, progress and results of our ongoing and potential future clinical trials;
- the extent to which we acquire or in-license other products and technologies;

- the costs, timing and outcome of regulatory review of our product candidates and the costs of future commercialization activities for such product candidates, for which we receive marketing approval;

- revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval;

- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and

- our ability to establish collaborations on favorable terms, if at all.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our existing stockholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

OFF-BALANCE SHEET ARRANGEMENTS

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We had cash, cash equivalents and investments of $99.5 million as of March 31, 2016, consisting of cash, U.S. Treasury money market funds, government-sponsored enterprise securities, U.S. Treasury securities, and corporate bonds and commercial paper. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because most of our investments are interest-bearing. Our available-for-sale securities are subject to interest rate risk and will fall in value if market interest rates increase. Due to the short-term duration of most of our investment portfolio and the low risk profile of our investments, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our portfolio.

We contract with CROs and contract manufacturers globally. We may be subject to fluctuations in foreign currency rates in connection with these agreements. Transactions denominated in currencies other than our functional currency are recorded based on exchange rates at the time such transactions arise. As of March 31, 2016, approximately $812,000 of our total liabilities were denominated in currencies other than our functional currency. At this time, an immediate 10% change in currency exchange rates would not have a material effect on our financial position, results of operations or cash flows.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

Our management, with the participation of our Chief Executive Officer and Vice President, Finance, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2016. The term “disclosure controls and

procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934 (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of March 31, 2016, our Chief Executive Officer and Vice President, Finance concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in internal control over financial reporting

No change in our internal control over financial reporting occurred during the fiscal quarter ended March 31, 2016 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

You should carefully review and consider the information regarding certain factors that could materially affect our business, financial condition or future results set forth under Item 1A. (Risk Factors) in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015. There have been no material changes from the factors disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, although we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

RECENT SALES OF UNREGISTERED SECURITIES

None.

PURCHASE OF EQUITY SECURITIES

We did not purchase any of our equity securities during the period covered by this Quarterly Report on Form 10-Q.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

The following disclosure is provided in accordance with and in satisfaction of the requirements of Item 2.02 "*Results of Operations and Financial Condition*" of Form 8-K:

On May 9, 2016, Verastem, Inc. announced its financial results for the quarter ended March 31, 2016 and commented on certain corporate accomplishments and plans. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 hereto.

The information furnished in Item 5 (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 6. Exhibits.

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index, which Exhibit Index is incorporated herein by reference.

SIGNATURES

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

VERASTEM, INC.

Date: May 9, 2016

By: /s/ ROBERT FORRESTER

Robert Forrester
President and Chief Executive Officer
(Principal executive officer)

Date: May 9, 2016

By: /s/ JOSEPH CHIAPPONI

Joseph Chiapponi
Vice President, Finance
(Principal financial and accounting officer)

EXHIBIT INDEX

10.1 *	Consulting Agreement between the Registrant and John "Jack" B. Green, dated April 15, 2016 and effective April 15, 2016.
10.2 *	Employment Agreement between the Registrant and Gregory Berk, M.D., dated April 15, 2016 and effective April 15, 2016.
31.1 *	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 *	Certification of Vice President, Finance pursuant to Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of Vice President, Finance pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
99.1	Press Release issued by Verastem, Inc. on May 9, 2016 (furnished herewith).
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document

* Filed herewith

CONSULTANT: ■ John B. Green.
VERASTEM, INC. CONTACT: ■ Robert Forrester
EFFECTIVE DATE: ■ April 15, 2016

CONSULTING AGREEMENT

This Consulting Agreement (together with its attachments, this "Agreement") made as of the date written above (the "Effective Date") is between **Verastem, Inc**. a Delaware corporation having an address at 117 Kendrick Street, Suite 500, Needham, MA 02494 (the "Company"), and John B. Green ("Consultant"). The Company desires to have the benefit of Consultant's knowledge and experience, and Consultant desires to provide Consulting Services (defined below) to the Company, all as provided in this Agreement.

1. Consulting Services. The Company hereby retains Consultant and Consultant agrees to provide Consulting Services to the Company (the "Consulting Services") as it may from time to time reasonably request and as specified in the Business Terms attached to this Agreement as Exhibit A ("Business Terms"). Any changes to the Consulting Services (and any related compensation adjustments) must be agreed upon in writing between Consultant and the Company prior to implementation of such changes.

1.1 Performance. Consultant agrees to render the Consulting Services to the Company, or to its designee, (a) at such reasonably convenient times and places as the Company may direct, (b) under the general supervision of the Company, and (c) on a best efforts basis. Consultant will comply with all rules, procedures and standards promulgated from time to time by the Company with regard to Consultant's access to and use of the Company's property, information, equipment and facilities. Consultant agrees to furnish the Company with written reports with respect to the Consulting Services if and when requested by the Company.

1.2 Third Party Confidential Information. Consultant agrees not to use or disclose any trade secrets or other confidential information of any other person, firm, corporation, institution or other entity in connection with any of the Consulting Services without such third party's express written consent.

1.3 Compliance with Policies. If Consultant is a faculty member at or employee of a university or hospital ("Institution") or of another company, Consultant represents and warrants that, pursuant to Institution's or company's policies concerning professional consulting and additional workload, Consultant is permitted to enter into this Agreement. If Consultant is required by Consultant's Institution to disclose to it any proposed agreements with industry, Consultant has made such disclosure. If Institution's prior approval of this Agreement is required by Institution policies, Consultant has obtained or will obtain and deliver to the Company, Institution's consent on the form attached to this Agreement prior to commencing the Consulting Services.

1.4 Consultant Personnel. In the event that others are, or may hereafter become, associated with Consultant or are used by Consultant in connection with the Consulting Services ("Consultant Personnel"), Consultant agrees to procure from them agreements containing obligations substantially identical in form and content to those contained in this Agreement, and Consultant agrees to cooperate with the Company in procuring execution by them of such assignments and other papers as may be required by the terms of this Agreement.

2. Compensation. In consideration for the Consulting Services rendered by Consultant to the Company, the Company agrees to pay Consultant the fees set forth in the Business Terms attached hereto. Unless otherwise specified in the Business Terms, undisputed payments will be made by the Company within thirty (30) days from the Company's receipt of Consultant's invoice. Invoices will contain such detail as the Company may reasonably require, and will be payable in U.S. Dollars in accordance with the terms and provisions of the Business Terms. The Company will reimburse Consultant for reasonable and pre-approved business expenses incurred by Consultant in the performance of the Consulting Services as specified in the Business Terms.

3. Inventions.

3.1 Definition. "Inventions" means all inventions, discoveries, improvements, ideas, designs, processes, products, computer programs, works of authorship, databases, gene sequences, cell lines, samples, chemical compounds, assays, biological materials, mask works, trade secrets, know-how, research and creations (whether or not patentable or subject to copyright or trade secret protection) that Consultant makes, conceives or reduces to practice, either alone or jointly with others, and that (a) result from the performance of the Consulting Services, and/or (b) result from use of facilities, equipment, supplies, Research Materials (defined below), or Confidential Information (defined below) of the Company.

3.2 Ownership. Consultant will promptly disclose all Inventions in confidence to the Company. Consultant agrees to irrevocably transfer and assign and hereby does irrevocably transfer and assign to the Company or its successors or designees the entire right, title and interest now existing or that may exist in the future in and to all right, title and interest in and to all Inventions and any and all related patents, patent applications, copyrights, copyright applications, trademarks, trade names, trade secrets and other proprietary and moral rights in the United States and throughout the world ("Work Product"). All Work Product will be the exclusive property of the Company. Consultant agrees to execute, at the Company's request and expense, all documents and other instruments necessary or desirable to confirm such assignment. In the event that Consultant does not, for any reason, execute such documents within a reasonable time of the Company's request, Consultant hereby irrevocably appoints the Company as Consultant's attorney-in-fact for the purpose of executing such documents on Consultant's behalf, which appointment is coupled with an interest. Consultant shall not attempt to register any works created by Consultant pursuant to this Agreement at the U.S. Copyright Office, the U.S. Patent & Trademark Office, or any foreign copyright, patent, or trademark registry. Consultant retains no rights in the Work Product and agrees not to challenge the Company's ownership of the rights embodied in the Work Product. Consultant further agrees to assist the Company in every proper way to enforce the Company's rights relating to the Work Product in any and all countries, including, but not limited to, executing, verifying and delivering such documents

and performing such other acts (including appearing as a witness) as the Company may reasonably request for use in obtaining, perfecting, evidencing, sustaining and enforcing the Company's rights relating to the Work Product.

3.3 **Moral Rights.** If Consultant has any rights, including without limitation "artist's rights" or "moral rights" in the Work Product which cannot be assigned (the "Non-Assignable Rights"), Consultant agrees to waive enforcement worldwide of such rights against the Company. In the event that Consultant has any such rights that cannot be assigned or waived, Consultant hereby grants to the Company a royalty-free, paid-up, exclusive, worldwide, irrevocable, perpetual license under the Non-Assignable Rights to (i) use, make, sell, offer to sell, have made, commercialize, and further sublicense the Work Product, and (ii) reproduce, distribute, create derivative works of, publicly perform and publicly display the Work Product in any medium or format, whether now known or later developed.

3.4 **Research Materials**. For Consulting Services which involve laboratory work or experiments, "Research Materials" means all materials (a) furnished by the Company, (b) developed by Consultant in connection with the Consulting Services, or (c) the cost of which are reimbursed to Consultant by the Company. Research Materials include, in the case of biological materials, all progeny and unmodified derivatives of those materials, and in the case of chemical materials, all analogs, formulations, mixtures and compositions of those materials. Research Materials are the sole property of the Company. Consultant agrees not to use or evaluate Research Materials for any purpose other than as directed by the Company, and not to transfer the Research Materials to any third party without the prior written consent of the Company. Consultant will use the Research Materials in strict compliance with all laws and regulations.

3.5 **Records.** Consultant shall make and maintain adequate and current written records of all Inventions, which records shall be available to and remain the property of the Company at all times.

3.6 **Agreement with Institution**. This Agreement is made subject to the understanding that Consultant, if affiliated with an Institution, may be required to fulfill certain obligations, including teaching, directing laboratory operations, conducting research, and publishing work. It is further understood that Consultant may have signed an agreement concerning inventions with Institution, under which Consultant may be obligated to assign to Institution certain inventions which arise out of or otherwise relate to Consultant's work at or for Institution or from Consultant's use of certain of its facilities or intellectual property. In performing the Consulting Services, Consultant agrees not to utilize Institution facilities or intellectual property if the result of such use is that any Inventions will not be assignable solely to the Company. Use of Institution's telephone, fax machines or computers for communication purposes, however, will not constitute use of Institution's facilities under this Agreement.

3.7 **Work at Third Party Facilities.** Consultant agrees not to make use of any funds, space, personnel, facilities, equipment or other resources of a third party in performing the Consulting Services, and further agrees not to take any other action that would result in a third party owning or having a right in any Inventions, unless agreed upon in writing in advance by the Company.

4. Confidential Information.

4.1 Definition. "Confidential Information" means information with respect to the facilities and methods of the Company, Research Materials, trade secrets, Inventions, systems, patents and patent applications, procedures, manuals, confidential reports, financial or legal information, business plans, prospects, or opportunities, personnel information, lists of customers and suppliers, and information of third parties provided by the Company to Consultant. Confidential Information does not include information which (i) is in the public domain or which becomes part of the public domain through no wrongful act on Consultant's part but only after it becomes so publicly known, (ii) is already in Consultant's possession at the time of disclosure by the Company, other than by previous disclosure by the Company, as evidenced by written or electronic records, or (iii) that becomes known to Consultant through disclosure by a third party having the right to disclose the information, as evidenced by written or electronic records.

4.2 Obligations of Confidentiality. Consultant will not directly or indirectly publish, disseminate or otherwise disclose, use for Consultant's own benefit or for the benefit of a third party, deliver or make available to any third party, any Confidential Information, other than in furtherance of the purposes of this Agreement, and only then with the prior written consent of the Company, and it is agreed and understood that all Confidential Information shall remain the sole property of the Company. Without the Company's prior written approval, Consultant will not directly or indirectly disclose to anyone the existence or terms of this Agreement or the fact that Consultant has this arrangement with the Company. If required, Consultant may disclose the Confidential Information to a governmental authority or by order of a court of competent jurisdiction, provided that such disclosure is subject to all applicable governmental or judicial protection available for like material and reasonable advance notice of such compulsory disclosure is given to the Company. Consultant will exercise all reasonable precautions to protect the physical integrity and confidentiality of the Confidential Information, and will not remove any Confidential Information or copies or derivations thereof from the Company's premises except to the extent necessary to fulfill the Consulting Services, and then only with the Company's prior consent. Consultant may disseminate or permit access to Confidential Information only to Consultant Personnel who have a need to know such Confidential Information in the course of the performance of their duties under this Agreement and who are bound to protect the confidentiality of the Confidential Information consistent with the terms of this Agreement. Consultant agrees to be responsible for any breach of this Agreement by any of the Consultant Personnel. The Company will be entitled to injunctive relief as a remedy for any breach of the terms of this Section 4.

4.3 Third Party Confidential Information. Consultant recognizes that the Company has received and in the future will receive from third parties confidential and proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Consultant agrees that Consultant owes the Company and such third parties, during the term of this Agreement and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence in accordance with the Company's obligations to such third party, and agrees not to disclose it to any person, firm or corporation or use it except in carrying out the Consulting Services for the Company consistent with the Company's agreement with such third party.

5. Restrictions. While Consultant is engaged by the Company and for a period of twelve (12) months after the termination or cessation of such engagement for any reason, Consultant will not:

(i) within the United States or any other geographic region in which Company conducts its business, and in any capacity, whether individually or as an employee, consultant, director, officer, agent, advisor or otherwise, for or on behalf of any entity (a "Competing Organization"), engage in any business activities that are competitive with any of the material business activities of Company, including without limitation the research, development, sale or marketing of any competitive product of Company, unless my duties at such Competing Organization do not include duties relating to any product, process, service or business activity that competes or is reasonably expected to compete with a material product, process, service or business activity in existence or being conducted, provided or developed by Company, and provided that I have delivered to Company a written statement, confirmed by my prospective employer or consulting client, as the case may be, describing my duties and stating that such duties are consistent with my obligations under this Agreement. As used in this Section 5(i), "competitive" activities means discovering, developing or commercializing drugs that selectively target cancer stem cells, and "competitive" products means drugs that selectively target cancer stem cells. ; or

(ii) recruit, solicit or hire any consultants of the Company or any person who was a consultant of the Company during the twelve (12) month period prior to the termination of Consultant's engagement by the Company, or induce or attempt to induce any of the Company's employees to terminate their employment with, or otherwise cease or diminish their relationship with, the Company or accept employment with anyone else.

6. Representations and Warranties.

6.1 No Conflicts. Consultant is under no contractual or other obligation or restriction which is inconsistent with Consultant's execution of this Agreement or the performance of the Consulting Services. During the Term (as defined below), Consultant will not enter into any agreement, either written or oral, in conflict with Consultant's obligations under this Agreement. Consultant will arrange to provide the Consulting Services in such manner and at such times that the Consulting Services will not conflict with Consultant's responsibilities under any other agreement, arrangement or understanding or pursuant to any employment relationship Consultant has at any time with any third party.

6.2 Absence of Debarment. Consultant represents that (a) neither Consultant nor any Consultant Personnel has been debarred, and to the best of Consultant's knowledge is not under consideration to be debarred, by the U.S. Food and Drug Administration ("FDA") from working in or providing consulting services to any pharmaceutical or biotechnology company under Section 306(a) or 306(b) of the federal Food, Drug and Cosmetic Act (codified at 21 U.S.C. §§ 335a(a) and 335a(b)); (b) no debarred person will in the future be employed by Consultant to perform any services hereunder in connection with any application for approval of a drug by the FDA; and (c) neither Consultant nor any Consultant Personnel has a conviction on their record for which a person can be debarred as decribed in Sections 306(a) or 306(b) of the federal Food, Drug and Cosmetic Act. Consultant further represents and warrants that should Consultant or any Consultant Personnel be convicted in the future of any act for which a person can be debarred as

described in Sections 306(a) or 306(b) of the federal Food, Drug and Cosmetic Act, Consultant shall immediately notify Company of such conviction in writing.

6.3 **Assignment of Ownership in Work Product**. Consultant represents and warrants that (i) Consultant has the right and unrestricted ability to assign the Work Product to the Company as set forth in Section 3 (including without limitation the right to assign any Work Product created by Consultant's employees or contractors); (ii) the Work Product has not heretofore been published in whole or in part; and (iii) the Work Product will not infringe upon any copyright, patent, trademark, right of publicity or privacy, or any other proprietary or intellectual property right of any person, whether contractual, statutory or common law.

6.4 **Compliance with Law**. Consultant covenants that the services to be provided hereunder shall be in compliance with all applicable laws, rules and regulations. Consultant acknowledges that Consultant is subject to the Company's insider trading policy, a copy of which has been provided to Consultant.

6.5 **No Conflicting Agreements.** Consultant represents that Consultant's performance of all the terms of this Agreement and as a provider of services to the Company does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Consultant in confidence or in trust prior to or during this Agreement, and Consultant has not and will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employers or other third parties. When performing the Consulting Services, Consultant agrees to use only such materials and information of any kind that Consultant has rightfully obtained and that are not considered proprietary or confidential by any third party unless agreed to otherwise by the Company in writing.

7. **Term and Termination**.

7.1 **Term**. This Agreement will commence on the Effective Date and continue for the term specified on the Business Terms (the "Term"), unless sooner terminated pursuant to the express terms of this Section 7 or extended by mutual agreement of the parties.

7.2 **Termination for Breach**. If either party breaches in any material respect any of its obligations under this Agreement, in addition to any other right or remedy, the non-breaching party may terminate this Agreement in the event that the breach is not cured within ten (10) days after receipt by that party of written notice of the breach.

7.3 **Termination by Either Party**. Either party may terminate this Agreement (a) immediately at any time upon written notice to the other party in the event of a breach of this Agreement by non-terminating party which cannot be cured (*for example*, breach of the confidentiality obligation) and/or (b) at any time without cause upon not less than thirty (30) days' prior written notice to the other party.

7.4 **Effect of Expiration/Termination.** Upon expiration or termination of this Agreement, neither the Company nor Consultant will have any further obligations under this Agreement, except (a) for liabilities accrued through the date of termination, and (b) the obligations under Sections 3, 4, 5, 6, 7 and 8 hereof will survive. Upon expiration or termination, and in any case upon the Company's request, Consultant will return

immediately to the Company all tangible Confidential Information, including all copies, reproductions and derivations thereof, and shall delete any such Company Confidential Information from Consultant's computer storage or any other media (including, but not limited to, online and off-line libraries).

8. Miscellaneous.

8.1 **Independent Contractor**. All Consulting Services will be rendered by Consultant as an independent contractor, and this Agreement does not create an employer-employee, partnership, agency or joint venture relationship between the Company and Consultant. Consultant will have no rights to receive any employee benefits, such as health and accident insurance, sick leave or vacation which are accorded to regular Company employees. Consultant will not in any way represent herself to be an employee, partner, joint venturer, or agent of the Company. Consultant is not authorized to make any representation, contract, or commitment on behalf of the Company or incur any liabilities or obligations of any kind in the name of or on behalf of the Company. Consultant shall work independently, without day-to-day direction from the Company, and may adopt such arrangements as Consultant desires with regard to the details of the Consulting Services performed under this Agreement, the hours during which the Consulting Services will be provided, and the place or places where the Consulting Services are to be furnished; provided that: (a) such arrangements, details, hours and location of services shall be consistent with the proper accomplishment of the agreed objectives of the Company; and (b) such services by Consultant shall be performed in a manner calculated to obtain the most satisfactory results for the Company.

8.2 **Taxes.** Consultant and the Company agree that the Company will treat Consultant as an independent contractor for purposes of all tax laws (local, state and federal) and file income reporting and other forms consistent with such status. Consultant agrees that, as an independent contractor, neither Consultant nor Consultant's employees are entitled to unemployment benefits in the event this Agreement terminates, or to workers' compensation benefits in the event that Consultant, or any employee of Consultant, is injured in any manner while performing obligations under this Agreement. Consultant will be solely responsible to pay any and all local, state, and/or federal income, social security and unemployment taxes for Consultant and Consultant's employees. The Company will not withhold any taxes or prepare W-2 Forms for Consultant, but will provide Consultant with a Form 1099 if and to the extent required by law. Consultant is solely responsible for, and will timely file, all tax returns and payments required to be filed with, or made to, any federal, state or local tax authority with respect to the performance of services and receipt of fees under this Agreement. Consultant is solely responsible for, and must maintain adequate records of, expenses incurred in the course of performing services under this Agreement, except as provided herein. The Company will regularly report amounts paid to Consultant with the appropriate taxing authorities, as required by law. Consultant will provide the Company with Consultant's taxpayer identification number or social security number, as applicable. Consultant agrees to indemnify the Company and its affiliates and hold them harmless from and against any loss, cost, liability or expense (including attorney's fees) incurred by the Company or any of its affiliates on account of any breach of Consultant's obligations under this Section 9, or on account of any tax treatment of Consultant by taxing authorities inconsistent with the terms hereof.

8.3 **Use of Name**. Consultant consents to the use by the Company of Consultant's name and likeness in written materials and oral presentations to current or prospective customers, partners, investors or others, provided that such materials or presentations accurately describe the nature of Consultant's relationship with and contributions to the Company.

8.4 **Assignability and Binding Effect**. The Consulting Services to be rendered by Consultant are personal in nature. Consultant may not assign or transfer this Agreement or any of Consultant's rights or obligations hereunder except to a corporation of which Consultant is the sole stockholder. In no event will Consultant assign or delegate responsibility for actual performance of the Consulting Services to any other natural person except to Consultant Personnel as provided for under this Agreement. This Agreement will be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, successors and permitted assigns. The Company may assign this Agreement to any other corporation or entity which acquires (whether by purchase, merger, consolidation or otherwise) all or substantially all of the business and/or assets of the Company.

8.5 **Headings**. The section headings are included solely for convenience of reference and will not control or affect the meaning or interpretation of any of the provisions of this Agreement.

8.6 **Notices**. Any notices or other communications from one party to the other will be in writing and will be given by addressing the same to the other at the address or facsimile number set forth in this Agreement. Notices to the Company will be marked "Attention: General Counsel". Notice will be deemed to have been duly given when (a) deposited in the United States mail with proper postage for first class Registered or Certified Mail prepaid, return receipt requested, (b) sent by any reputable commercial courier, delivery confirmation requested, (c) delivered personally, or (d) if promptly confirmed by mail or commercial courier as provided above, when dispatched by facsimile.

8.7 **Amendment.** This Agreement may be amended or modified only by a writing signed by authorized representatives of both parties.

8.8 **No Waiver.** No waiver of any term or condition of this Agreement shall be valid or binding on either party unless the same shall be been mutually assented to in writing by both parties. The failure of either party to enforce at any time any of the provisions of this Agreement,

or the failure to require at any time performance by the other party of any of the provisions of this Agreement, shall in no way be construed to be a present or future waiver of such provisions, nor in any way affect the right of either party to enforce each and every such provision thereafter. The express waiver by either party of any provision, condition or requirement of this Agreement shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

8.9 Severability. In the event that any one or more of the provisions contained in this Agreement is, for any reason, held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of this Agreement, and all other provisions will remain in full force and effect. If any provision of this Agreement is held to be excessively broad, it will be reformed and construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by law.

8.10 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to its subject matter, and supersedes all previous written or oral representations, agreements and understandings between the parties.

8.11 Governing Law/Jurisdiction. All disputes related to or arising out of this Agreement shall be resolved in the state or federal courts of the Commonwealth of Massachusetts, to whose exclusive jurisdiction each party hereby consents. This Agreement will be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts applicable to contracts made and to be performed therein, without giving effect to the principles thereof relating to the conflict of laws.

8.12 Remedies. Consultant's obligations under this Agreement are of a unique character that gives them particular value; breach of any of such obligations will result in irreparable and continuing damage to the Company for which there will be no adequate remedy at law; and, in the event of such breach or threatened breach, the Company will be entitled to injunctive relief and/or a decree for specific performance, an award of its attorney's fees incurred, and such other and further relief as may be proper. Consultant and the Company further agree that no bond or other security shall be required in obtaining such equitable relief.

8.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal as of the Effective Date.

VERASTEM, INC.

By: /s/ Daniel Paterson

Name: Daniel Paterson

Title: Chief Operating Officer
duly authorized

CONSULTANT:

By: /s/ John B. Green

Name: John B. Green.

Title: Consultant

INSTITUTION ACKNOWLEDGEMENT
AND CONSENT FORM

Verastem, Inc. (the "Company") is prepared to enter into the foregoing Agreement with the consultant named on the preceding signature page ("Consultant"). The Company recognizes that as a member of the institution named below ("Institution"), Consultant is responsible for ensuring that any consulting agreement Consultant enters into with a for-profit entity is not in conflict with the patent, consulting or other policies of Institution. The proposed Agreement requires Consultant, if required by Institution policies, to disclose the proposed Agreement to Institution and/or to obtain Institution's consent to enter into the proposed Agreement.

Institution hereby acknowledges and consents to Consultant entering into the foregoing Agreement.

INSTITUTION:

By _____

Print Name

Title _____
duly authorized

Date _____

EXHIBIT A

BUSINESS TERMS

1. Consulting Services:

Consultant will render those services on a schedule to be determined by mutual arrangement between Consultant and the Company. In addition, Consultant will be available for a reasonable number of telephone and/or written consultations.

2. Compensation:

As full compensation for the Consulting Services rendered during the Term, the Company will pay Consultant $200 per hour.

On the last day of each calendar month, Consultant will invoice the Company for Consulting Services rendered and expenses incurred during the preceding month. Invoices should reference this Agreement and should be submitted to the following address:

Accounts Payable
Verastem, Inc.
117 Kendrick Street, Suite 500
Needham, MA 02494

Or by email to: ap@verastem.com

3. Term:

This Agreement will be for an initial term of 12 months beginning on the Effective Date, and may be extended for additional periods, at the Company's option and with Consultant's consent.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated April 15, 2016, is by and between Verastem, Inc. (the "Company"), a Delaware corporation with its principal place of business at 117 Kendrick Street, Suite 500, Needham, MA 02494, and Greg Berk (the "Executive") of 133 Claybrook Road, Dover, Massachusetts 02030.

WHEREAS, the Executive has certain experience and expertise that qualify him to provide management direction and leadership for the Company.

WHEREAS, the Company wishes to employ the Executive to serve as its Chief Medical Officer.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company offers and the Executive accepts employment upon the following terms and conditions:

1. **Position and Duties.** Upon the terms and subject to the conditions set forth in this Agreement, the Company hereby offers and the Executive hereby accepts employment with the Company to serve as its Chief Medical Officer, reporting to the Company's President and Chief Executive Officer. The Executive agrees to perform the duties of the Executive's position and such other duties as reasonably may be assigned to the Executive by the President and Chief Executive Officer from time to time. The Executive also agrees that while employed by the Company, the Executive will devote one hundred percent (100%) of the Executive's business time and the Executive's reasonable commercial efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and to the discharge of the Executive's duties and responsibilities for it; provided, that, the Executive shall be entitled to serve on at least three scientific advisory boards as long as such service does not materially interfere or adversely conflict with the Executive's duties and responsibilities hereunder. Subject to prior approval of the President and Chief Executive Officer, with such approval not to be unreasonably withheld, the Executive may join the board of directors of one company.

2. **Compensation and Benefits.** During the Executive's employment, as compensation for all services performed by the Executive for the Company and subject to his performance of his duties and responsibilities for the Company, pursuant to this Agreement or otherwise, the Company will provide the Executive the following pay and benefits:

(a) **Base Salary; Annual Bonus.** The Company will pay the Executive a base salary at the rate of Four Hundred Thousand Dollars ($400,000) per year. Such amount shall be payable in accordance with the regular payroll practices of the Company for its executives, as in effect from time to time, and subject to increase from time to time by the Board of Directors of the Company (the "Board") in its discretion (such base salary as may be increased, the "Base Salary"). The Executive shall have the opportunity to earn an annual target bonus, which shall not be prorated for the initial partial year of employment, measured against performance criteria to be determined by the Board (or a committee thereof) of 40% of the Executive's then current annual Base Salary, with the actual amount of the bonus, if any, to be reasonably determined by the Board (or a committee thereof). Any bonus amount payable by the Company, if any, shall be paid no later than March 15 of the year following the year in which such bonus is earned. The Executive must remain employed through the last day of the year for which the bonus is earned in order to be eligible to receive any bonus.

(b) **Stock Options.**

i. No later than April 30, 2016, the Company will grant the Executive a stock option to purchase 370,000 shares of the Company's Common Stock at fair market value on the date of grant. The stock option will

vest over four years at the rate of 25% on the one year anniversary of the Executive's date of hire subject to his continuing employment with the Company, and no shares shall vest before such date, except as provided below. The remaining shares shall vest quarterly over the next three years in equal quarterly amounts subject to the Executive's continuing employment with the Company, except as noted below. The stock option shall be subject to the terms of the Company's equity plan, the Company's standard option award agreement, and any applicable shareholder and/or option holder agreements and other restrictions and limitations generally applicable to common stock of the Company or equity awards held by Company executives or otherwise imposed by law.

ii. Subject to Board approval at the Company's June 2016 Board meeting, and subject to the Executive's continuing employment with the Company through the date of grant, the Company will grant the Executive an additional stock option to purchase 92,500 shares of the Company's Common Stock at fair market value on the date of grant. The stock option will vest, subject to the Executive's continuing employment with the Company, upon the occurrence of certain Company performance milestones reasonably determined by the Board (or a committee thereof) following consultation with the Executive. The stock option shall be subject to the terms of the Company's equity plan, the applicable option award, and any applicable shareholder and/or option holder agreements and other restrictions and limitations generally applicable to common stock of the Company or equity awards held by Company executives or otherwise imposed by law.

(c) **Participation in Employee Benefit Plans.** The Executive will be eligible to participate in all Employee Benefit Plans from time to time in effect for employees of the Company generally, except to the extent such plans are duplicative of benefits otherwise provided the Executive under this Agreement (e.g., severance pay) or under any other agreement. The Executive's participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. The Company may alter, modify, add to or delete its Employee Benefit Plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive. For purposes of this Agreement, "Employee Benefit Plan" shall have the meaning ascribed to such term in Section 3(3) of ERISA, as amended from time to time.

(d) **Vacation**. The Executive will be eligible for three weeks paid vacation per year (or such greater amount as is generally made available to the Company's executive officers) in accordance with the Company's policies from time to time in effect and receive paid holidays in accordance with the Company holiday schedule. Vacation may be taken at such times and intervals as the Executive shall determine, subject to the business needs of the

Company, and otherwise shall be subject to the policies of the Company, as in effect from time to time.

(e) **Business Expenses.** The Company will pay or reimburse the Executive for all reasonable business expenses incurred or paid by the Executive in the performance of his duties and responsibilities for the Company, subject to any maximum annual limit and other restrictions on such expenses set by the Company and to such reasonable substantiation and documentation as it may specify from time to time. . Any such payment or reimbursement, including with respect to legal fees set forth below, that would constitute nonqualified deferred compensation subject to Section 409A of the Internal Revenue Code (including the regulations promulgated thereunder, "Section 409A") shall be subject to the following additional rules: (i) no payment or reimbursement of any such expense shall affect the Executive's right to reimbursement of any other such expense in any other taxable year; (ii) payment or reimbursement of the expense shall be made, if at all, not later than the end of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to payment or reimbursement shall not be subject to liquidation or exchange for any other benefit.

3. **Confidential Information, Non-Competition and Proprietary Information;** The Executive has executed or will execute within five (5) days following the date hereof the Company's standard Employee Non-Solicitation, Non-Competition, Confidential Information and Inventions Assignment Agreement. It is understood and agreed that a material breach by the Executive of the Employee Non-Solicitation, Non-Competition, Confidential Information and Inventions Assignment Agreement shall constitute a material breach of this Agreement.

4. **Termination of Employment.** The Executive's employment under this Agreement shall continue until terminated pursuant to this Section 4.

(a) The Company may terminate the Executive's employment for "Cause" upon written notice to the Executive received setting forth in reasonable detail the nature of the Cause**.** The following shall constitute Cause for termination: (i) the Executive's willful failure to perform, or gross negligence in the performance of, the Executive's material duties and responsibilities to the Company or its Affiliates which is not remedied within ten (10) days of written notice thereof; (ii) material breach by the Executive of any material provision of this Agreement or any other agreement with the Company or any of its Affiliates which is not remedied within ten (10)) days of written notice thereof; (iii) fraud, embezzlement or other dishonesty with respect to the Company or any of its Affiliates, taken as a whole, which, in the case of such other dishonesty, causes or could reasonably be expected to cause material harm to the Company or any of its Affiliates, taken as a whole; or (iv) the Executive's conviction of a felony.

(b) The Company may terminate the Executive's employment at any time other than for Cause upon written notice to the Executive.

(c) The Executive may terminate his employment hereunder for Good Reason by providing notice to the Company of the condition giving rise to the Good Reason no later than ninety (90) days following the occurrence of the condition, by giving the Company thirty (30) days to remedy the condition and by terminating employment for Good Reason within thirty (30) days thereafter if the Company fails to remedy the condition. For purposes of this Agreement,

"Good Reason" shall mean, without the Executive's consent, the occurrence of any one or more of the following events: (i) material diminution in the nature or scope of the Executive's responsibilities, duties or authority, provided that in the absence of a Change of Control neither (x) the Company's failure to continue the Executive's appointment or election as a director or officer of any of its Affiliates nor (y) any diminution in the nature or scope of the Executive's responsibilities, duties or authority that is reasonably related to a diminution of the business of the Company or any of its Affiliates shall constitute "Good Reason"; (ii) a material reduction in the Executive's Base Salary other than one temporary reduction of not more than 120 days and not in excess of 20% of the Executive's Base Salary in connection with and in proportion to a general reduction of the base salaries of the Company's executive officers; (iii) failure of the Company to provide the Executive the salary or benefits in accordance with Section 2 hereof after thirty (30) days' notice during which the Company does not cure such failure; or (iv) relocation of the Executive's office more than forty (40) miles from the location of the Company's principal offices as of the date of Executive's hire.

(d) The Executive may terminate his employment with the Company other than for Good Reason at any time upon one month's notice to the Company. In the event of termination of the Executive's employment in accordance with this Section 4(d), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his then current Base Salary for the period so waived.

(e) This Agreement shall automatically terminate in the event of the Executive's death during employment. The Company may terminate the Executive's employment, upon notice to the Executive, in the event the Executive becomes disabled during employment and, as a result, is unable to continue to perform substantially all of his material duties and responsibilities under this Agreement for one-hundred and fifty (150) days during any period of three hundred and sixty-five (365) consecutive calendar days. If any question shall arise as to whether the Executive is disabled to the extent that the Executive is unable to perform substantially all of his material duties and responsibilities for the Company and its Affiliates, the Executive shall, at the Company's request and expense, submit to a medical examination by a physician selected by the Company to whom the Executive or the Executive's guardian, if any, has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue**.** If such a question arises and the Executive fails to submit to the requested medical examination, the Company's determination of the issue shall be binding on the Executive.

5. **Severance Payments and Other Matters Related to Termination**.

(a) **Termination pursuant to Section 4(b) or 4(c).**

i. Except as provided in Section 5(c) below, in the event of termination of the Executive's employment either by the Company other than for Cause pursuant to Section 4(b) of this Agreement or by the Executive for Good Reason pursuant to Section 4(c) of this Agreement, the Company shall pay the Executive 9/12 of the Executive's Base Salary in a lump sum on the Payment Commencement Date.

ii. Except as provided in Section 5(c) below, in the event of termination of the Executive's employment either by the Company other than for Cause pursuant

to Section 4(b) of this Agreement or by the Executive for Good Reason pursuant to Section 4(c) of this Agreement, if the Executive (including any family members) is participating in the Company's group health plan and/or dental plan at the time the Executive's employment terminates, the Company will pay the Executive a lump sum cash amount equal to nine times the full monthly premium cost of that participation, as determined on the date of termination, , payable in a lump sum on the Payment Commencement Date. The Company will also pay the Executive on the date of termination any Base Salary earned but not paid through the, date of termination. In addition, the Company will pay the Executive any bonus which has been awarded to the Executive, but not yet paid on the date of termination of his employment, payable in a lump sum at such time when bonuses are paid to executives of the Company generally in accordance with the timing rules of Section 2(a).

iii. Any obligation of the Company to provide the Executive severance payments or other benefits under this Section 5(a) is conditioned on the Executive's signing, returning and not revoking an effective release of claims in the form attached hereto as Exhibit A (the "Employee Release") within the deadline specified therein (and in all events within 60 days following the termination of the Executive's employment), which release shall not apply to (i) claims for indemnification in the Executive's capacity as an officer or director of the Company under the Company's Certificate of Incorporation, By-laws or agreement, if any, providing for director or officer indemnification, (ii) rights to receive insurance coverage and payments under any policy maintained by the Company and (iii) rights to receive retirement benefits that are accrued and fully vested at the time of the Executive's termination and rights under such plans protected by ERISA.

(b) **Termination other than pursuant to Section 4(b) or 4(c).** In the event of any termination of the Executive's employment, other than a termination by the Company pursuant to Section 4(b) of this Agreement or a termination by the Executive for Good Reason pursuant to Section 4(c) of this Agreement, the Company will pay the Executive any Base Salary earned but not paid through the date of termination and pay for any vacation time accrued but not used to that date. In addition, the Company will pay the Executive any bonus which has been awarded to the Executive, but not yet paid on the date of termination of the Executive's employment, at such time when bonuses are paid to executives of the Company generally in accordance with the timing rules of Section 2(a). The Company shall have no other payment obligations to the Executive under this Agreement.

(c) **Upon a Change of Control.**

i. If, within ninety (90) days prior to a Change of Control or within eighteen (18) months following a Change of Control (as defined in Section 6 hereof), the Company or any successor thereto terminates the Executive's employment other than for Cause pursuant to Section 4(b) of this Agreement, or the Executive terminates his employment for Good Reason pursuant to Section 4(c) of this Agreement, then, in lieu of any payments to the Executive or on the Executive's behalf under Section 5(a) hereof, (i) all of the Executive's then remaining unvested options, restricted stock and restricted stock units which, by their terms, vest only based on the passage of time (disregarding any acceleration of the vesting of such options,

restricted stock or restricted stock units based on individual or Company performance) shall (notwithstanding anything to the contrary in Section 2(b) of this Agreement) remain outstanding and eligible to vest until the Payment Commencement Date and, subject to Section 5(c)(iii), automatically become fully vested as of the Payment Commencement Date and (ii) the Company shall pay, on the Payment Commencement Date, a lump sum payment equal to the Executive's Base Salary; provided, however, that if such termination occurs prior to a Change of Control, such severance payments shall be made at the time and in the manner set forth in Section 5(a)(i) during the period beginning on the date of termination through the date of the Change of Control with any severance remaining to be paid under this Section 5(c)(i) payable in a lump sum on the closing date of the Change of Control (or, if later, the Payment Commencement Date); and,

ii. If the Executive (including any family members) is participating in the Company's group health plan and/or dental plan at the time the Executive's employment terminates (and such termination is as described in (i) above), the Company will pay the Executive a lump sum cash amount equal to twelve times the full monthly premium cost of that participation, as determined on the date of termination, payable in a lump sum on the Payment Commencement Date. The Company will also pay the Executive on the date of termination any Base Salary earned but not paid through the, date of termination and pay for any vacation time accrued but not used to that date. In addition, the Company will pay the Executive any bonus which has been awarded to the Executive, but not yet paid on the date of termination of his employment, payable at such time when bonuses are paid to executives of the Company generally in accordance with the timing rules of Section 2(a).

iii. Any obligation of the Company to provide the Executive severance payments or other benefits under this Section 5(c) is conditioned on the Executive's signing, returning and not revoking the Employee Release by the deadline specified therein (and in all events within 60 days following the termination of the Executive's employment), which release shall not apply to (i) claims for indemnification in the Executive's capacity as an officer or director of the Company under the Company's Certificate of Incorporation, By-laws or agreement, if any, providing for director or officer indemnification, (ii) rights to receive insurance coverage and payments under any policy maintained by the Company and (iii) rights to receive retirement benefits that are accrued and fully vested at the time of the Executive's termination and rights under such plans protected by ERISA.

(d) Except for any right the Executive may have under applicable law to continue participation in the Company's group health and dental plans under COBRA, or any successor law, benefits shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of the Executive's employment, without regard to any continuation of Base Salary or other payment to the Executive following termination.

(e) Provisions of this Agreement shall survive any termination if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the Executive's obligations under Section 3 of this Agreement and under the Employee Non-Solicitation, Non- Competition, Confidential Information and Inventions Assignment Agreement. The obligation of the Company to make payments to the Executive or on the Executive's behalf under Section 5 of this Agreement is expressly conditioned upon the Executive's continued full performance of the Executive's

obligations under Section 3 hereof, under the Employee Non-Solicitation, Non-Competition, Confidential Information and Inventions Assignment Agreement to be executed herewith, and under any subsequent agreement between the Executive and the Company or any of its Affiliates relating to confidentiality, non-competition, proprietary information or the like; provided however that any future agreement that Executive is asked to execute does not impose any greater restrictions or obligations upon Executive or upon his post-termination activities than the agreements signed at the outset of his employment with the Company.

6. **Definitions.** For purposes of this agreement; the following definitions apply:

"Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

"Change of Control" shall mean (i) the acquisition of beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly by any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) of securities of the Company representing a majority or more of the combined voting power of the Company's then outstanding securities, other than an acquisition of securities for investment purposes pursuant to a bona fide financing of the Company; (ii) a merger or consolidation of the Company with any other corporation in which the holders of the voting securities of the Company prior to the merger or consolidation do not own more than 50% of the total voting securities of the surviving corporation; or (iii) the sale or disposition by the Company of all or substantially all of the Company's assets other than a sale or disposition of assets to an Affiliate of the Company or a holder of securities of the Company; notwithstanding the foregoing, no transaction or series of transactions shall constitute a Change of Control unless such transaction or series of transactions constitutes a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i).

"Payment Commencement Date" shall mean the Company's next regular payday for executives that follows the earlier of (a) the expiration of sixty (60) calendar days from the date the Executive's employment terminates, and (b) with respect to payments or benefits that are within the Short-Term Deferral Exception (as defined below), the Separation Pay Exception (as defined below) or the stock right exception under Section 409A, the effective date of the Employee Release.

"Person" means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

7. **Conflicting Agreements.** The Executive hereby represents and warrants that his signing of this Agreement and the performance of his obligations under it will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order that could affect the performance of the Executive's obligations under this Agreement. The Executive agrees that he will not disclose to or use on behalf of the Company any proprietary information of a third party without that party's consent.

8. **Withholding; Other Tax Matters.** Anything to the contrary notwithstanding, (a) all payments required to be made by the Company hereunder to Executive shall be subject to the

withholding of such amounts, if any, relating to tax and other payroll deductions as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation, and (b) all severance payments and benefits payable pursuant to Sections 5(a) and 5(c) hereof shall be subject to the terms and conditions set forth on Exhibit B attached hereto. The Company will pay all reasonable legal fees, incurred in connection with the drafting, negotiation, and execution of this Agreement and the drafting of any related agreements, in each case, within 30 days following presentation by the Executive of an invoice therefor.

9. **Assignment.** Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the Executive's consent to one of its Affiliates or to any Person with whom the Company shall hereafter affect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of our respective successors, executors, administrators, heirs and permitted assigns.

10. **Severability.** If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

11. **Miscellaneous.** This Agreement, together with the Employee Non-Solicitation, Non-Competition, Confidential Information and Inventions Assignment Agreement, sets forth the entire agreement between the Executive and the Company and replaces all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by the Executive and an expressly authorized representative of the Board**.** The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This is a Massachusetts contract and shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to the conflict-of-laws principles thereof.

12. **Notices.** Any notices provided for in this Agreement shall be in writing and shall be effective when delivered in person, consigned to a reputable national courier service for overnight delivery or deposited in the United States mail, postage prepaid, and addressed to the Executive at the Executive's last known address on the books of the Company or, in the case of the Company, to it by notice to the Chairman of the Board of Directors, c/o Verastem, Inc. at its principal place of business, or to such other addressees) as either party may specify by notice to the other actually received.

[Rest of page intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first stated above.

THE EXECUTIVE	THE COMPANY
/s/ Greg Berk	/s/ Robert Forrester
Greg Berk	Robert Forrester President and Chief Executive Officer

Exhibit A

[EMPLOYEE RELEASE]

Exhibit B

Payments Subject to Section 409A

1. Subject to this Exhibit B, any severance payments that may be due under the Agreement shall begin only upon the date of the Executive's "separation from service" (determined as set forth below) which occurs on or after the termination of Executive's employment. The following rules shall apply with respect to distribution of the severance payments, if any, to be provided to Executive under the Agreement, as applicable:

(a) It is intended that each installment of the severance payments under the Agreement provided under shall be treated as a separate "payment" for purposes of Section 409A. Neither the Company nor Executive shall have the right to accelerate or defer the delivery of any such payments except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of Executive's "separation from service" from the Company, Executive is not a "specified employee" (within the meaning of Section 409A), then each installment of the severance payments shall be made on the dates and terms set forth in the Agreement.

(c) If, as of the date of Executive's "separation from service" from the Company, Executive is a "specified employee" (within the meaning of Section 409A), then:

(i) Each installment of the severance payments due under the Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when Executive's separation from service occurs, be paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A (the "Short-Term Deferral Exception") and shall be paid on the dates and terms set forth in the Agreement; and

(ii) Each installment of the severance payments due under the Agreement that is not described in this Exhibit B, Section 1(c)(i) and that would, absent this subsection, be paid within the six-month period following Executive's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, Executive's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following Executive's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of payments if and to the maximum extent that that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary

separation from service, the "Separation Pay Exception"). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of Executive's second taxable year following the taxable year in which the separation from service occurs.

2. The determination of whether and when Executive's separation from service from the Company has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this Exhibit B, Section 2, "Company" shall include all persons with whom the Company would be considered a single employer under Section 414(b) and 414(c) of the Code.

3. The Company makes no representation or warranty and shall have no liability to Executive or to any other person if any of the provisions of the Agreement (including this Exhibit) are determined to constitute deferred compensation subject to Section 409A but that do not satisfy an exemption from, or the conditions of, that section.

Exhibit 31.1

CERTIFICATIONS

I, Robert Forrester, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Verastem, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ROBERT FORRESTER

Robert Forrester
President and Chief Executive Officer

Date: May 9, 2016

CERTIFICATIONS

I, Joseph Chiapponi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Verastem, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JOSEPH CHIAPPONI

Joseph Chiapponi
Vice President, Finance

Date: May 9, 2016

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Verastem, Inc. (the "Company") for the period ended March 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Robert Forrester, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ROBERT FORRESTER

Robert Forrester
President and Chief Executive Officer

Date: May 9, 2016

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Verastem, Inc. (the "Company") for the period ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Joseph Chiapponi, Vice President, Finance of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JOSEPH CHIAPPONI

Joseph Chiapponi
Vice President, Finance

Date: May 9, 2016

Verastem Reports First Quarter 2016 Financial Results

BOSTON, MA – May 9, 2016 – Verastem, Inc. (NASDAQ: VSTM), focused on discovering and developing drugs to treat cancer, today reported financial results for the first quarter ended March 31, 2016, and also provided an overview of certain corporate developments.

"To date in 2016, Verastem has announced two new clinical collaborations with world-class organizations, including Merck KGaA and Pfizer, and Washington University in St. Louis and Merck & Co., to further elucidate the potential of FAK inhibition to enhance the efficacy of PD-(L)1 inhibitors in patients with pancreatic and ovarian cancer," said Robert Forrester, President and Chief Executive Officer of Verastem. "The data generated from these trials will continue to inform the ongoing development of our anti-cancer therapeutics which reduce cancer stem cells and modulate the local tumor microenvironment to allow both cancer treatments and the immune system to do their job more efficiently. We've had a strong start to 2016 with the announcement of these clinical collaborations in addition to attracting key strategic hires on the development team, including Dr. Greg Berk as Chief Medical Officer and Dr. Toyin Shonukan as Vice President of Clinical Development, to oversee and execute on our ongoing and future studies. We are well financed with approximately $100 million in available capital and we look forward to keeping you updated in the coming quarters on our progress."

First Quarter 2016 and Recent Highlights:

Focal Adhesion Kinase Inhibition Program

- ***Clinical Collaboration with Pfizer and Merck KGaA to Evaluate Combination of VS-6063 and Avelumab in Ovarian Cancer*** – In March 2016, the companies announced a clinical trial collaboration agreement to evaluate the combination of Verastem's focal adhesion kinase (FAK) inhibitor VS-6063 and Pfizer and Merck KGaA's anti-PD-L1 immunotherapy avelumab. Verastem has previously reported initial signs of clinical activity in patients with ovarian cancer when VS-6063 is used in combination with paclitaxel. Under the terms of the agreement, the parties will conduct a planned Phase 1/1b clinical trial evaluating escalating doses of the combination of VS-6063 and avelumab as a potential treatment option for patients with advanced ovarian cancer.

- ***Washington University in St. Louis Initiated a Clinical Study of VS-6063 in Combination with Merck & Co.'s Pembrolizumab and Gemcitabine in Pancreatic Cancer*** – In January 2016, Verastem announced the initiation of a Phase 1 dose-escalation study at Washington University to evaluate its FAK inhibitor VS-6063 in combination with Merck & Co.'s anti-PD-1 immunotherapy pembrolizumab and gemcitabine in patients with pancreatic cancer. The trial builds upon preclinical research conducted by Dr. David Denardo, presented at several conferences in late 2015 and early 2016, demonstrating the ability of FAK inhibition to increase the efficacy of checkpoint inhibition in the reduction of tumor volume and overall survival in models of pancreatic cancer. This Phase 1 clinical trial is currently enrolling and is anticipated to enroll approximately 50 patients with advanced pancreatic cancer.

· ***Presented Scientific Data Supporting FAK Inhibition in Combination with Immunotherapy at Key Medical Meetings*** – During the first quarter of 2016, Verastem presented data in support of its new development programs focused on advancing its FAK inhibitors in combination with immune-oncology agents and other current and emerging standard of care cancer treatments. Data were presented at several medical and scientific meetings, including the 2016 American Academy of Cancer Research (AACR), the Society for Gynecologic Oncology's 2016 Annual Meeting on Women's Cancer, the Keystone Symposium on Cancer Pathology, the Keystone Symposium on Stem Cells and Cancer, and Immunotherapy World 2016.

· ***Presented Clinical Data from the Window of Opportunity Study at iMig 2016*** – In May 2016, the Company announced results from the ongoing open-label, single-center, neoadjuvant Window of Opportunity study evaluating tolerability, along with biomarker and tumor volume response to VS-6063 (400mg BID) following either 12 days (Cohort 1) or 35 days (Cohort 2) of treatment in surgically-eligible patients with malignant pleural mesothelioma. Data analysis from Cohort 1 and Cohort 2 showed that VS-6063 was generally well tolerated with early signs of tumor reduction observed, with six of the twenty patients demonstrating an encouraging tumor reduction after brief treatment with VS-6063.

· ***Development of VS-4718 Continues in Solid Tumors*** – Dosing continues in a Phase 1 dose escalation trial evaluating single-agent VS-4718 and a Phase 1 clinical trial evaluating VS-4718 in combination with gemcitabine and Abraxane® is currently ongoing. Following results from the dose escalation trial, an expansion cohort of VS-4718 + Gemcitabine/Abraxane® vs Gemcitabine/Abraxane® alone in patients with pancreatic cancer is planned.

Dual PI3K/mTORC1/2 Inhibition Program

· ***Confirmatory Recommended Phase 2 Dose and Expansion Cohorts*** – The maximum tolerated dose of single-agent VS-5584 has been reached in a Phase 1 study, and the recommended Phase 2 dose (RP2D) is being confirmed. Reductions in pharmacodynamic markers of PI3K and mTOR activity and clinical activity has been observed in some tumor types.

Corporate

· ***Gregory I. Berk, MD Named Chief Medical Officer*** – In April 2016, the Company announced the appointment of Gregory I. Berk, MD as Chief Medical Officer. Dr. Berk, a highly accomplished physician and a well-regarded oncology veteran with more than 25 years of both industry and academic experience, will be responsible for leading the Company's global clinical development strategy and clinical operations.

· ***Announced Key Executive Management Appointments and Changes*** – In April 2016, the Company strengthened its management team through the appointment and promotion of several key individuals. Jonathan Pachter, PhD was promoted to Chief Scientific Officer, David Weaver, PhD was appointed Vice President, Translational Medicine, Joe Chiapponi, Vice President, Finance, was named Treasurer, Principal Accounting and Financial Officer and Oluwatoyin (Toyin) Shonukan, MD, has been appointed Vice President, Clinical Development. Dr. Shonukan most recently served as Senior Medical Director, Oncology Clinical Development at Vertex Pharmaceuticals and has held previous senior appointments at Millennium: The Takeda Oncology Company, Novartis Oncology and Eli Lilly.

First Quarter 2016 Financial Results

Net loss for the for the first quarter ended March 31, 2016 (2016 Quarter) was $8.3 million, or $0.22 per share, as compared to a net loss of $15.2 million, or $0.46 per share, for the first quarter ended March 31, 2015 (2015 Quarter). Net loss for the 2016 Quarter and 2015 Quarter, excluding non-cash stock-based compensation expense of $1.7 million and $2.9 million, was $6.6 million and $12.3 million, respectively.

Research and development expense for the 2016 Quarter was $4.2 million compared to $10.5 million for the 2015 Quarter. The $6.3 million decrease from the 2015 Quarter to the 2016 Quarter was primarily related to a decrease of $4.2 million in contract research organization expense for outsourced biology, chemistry, development and clinical services, which includes our clinical trial costs, a decrease in personnel related costs of $1.4 million, a decrease of approximately $550,000 in stock-based compensation, and a decrease of approximately $441,000 in travel, facilities and other research and development costs. These decreases were partially offset by an increase of approximately $276,000 in consulting fees.

General and administrative expense for the 2016 Quarter was $4.3 million compared to $4.7 million for the 2015 Quarter. The decrease of approximately $400,000 from the 2015 Quarter to the 2016 Quarter primarily resulted from approximate decreases in stock-based compensation expense of $734,000 and $148,000 in personnel related costs. These decreases were offset by an increase of approximately $411,000 in consulting and professional fees.

As of March 31, 2016, Verastem had cash, cash equivalents and investments of $99.5 million compared to $110.3 million as of December 31, 2015. Verastem used $10.8 million for operating activities during 2016 Quarter settling one-time compensation payments, severance payments and paying down accounts payable and accruals.

The number of outstanding common shares as of March 31, 2016, was 36,992,418.

Financial Guidance

Based on current operating plans, we expect to have sufficient cash, cash equivalents and short-term investments to fund our research and development programs and operations into 2018.

About Focal Adhesion Kinase

Focal Adhesion Kinase (FAK) is a non-receptor tyrosine kinase encoded by the PTK-2 gene that is involved in cellular adhesion and, in cancer, metastatic capability. VS-6063 (defactinib) and VS-4718 are orally available compounds that are potent inhibitors of FAK. VS-6063 and VS-4718 utilize a multi-faceted approach to treat cancer by reducing cancer stem cells, enhancing anti-tumor immunity, and modulating the local tumor microenvironment. VS-6063 and VS-4718 are currently being studied in multiple clinical trials for their ability to improve patient survival.

About VS-5584

VS-5584 is an orally available compound that has demonstrated potent and highly selective activity against class 1 PI3K enzymes and dual inhibitory actions against mTORC1 and mTORC2. In preclinical studies, VS-5584

has been shown to reduce the percentage of cancer stem cells and induce tumor regression in chemotherapy-resistant models. Verastem is currently conducting a dose escalation trial of VS-5584 in patients with advanced solid tumors.

About Verastem, Inc.

Verastem, Inc. (NASDAQ:VSTM) is a biopharmaceutical company focused on discovering and developing drugs to improve outcomes for patients with cancer. Our product candidates utilize a multi-faceted approach to treat cancer by reducing cancer stem cells, enhancing anti-tumor immunity, and modulating the local tumor microenvironment. Our most advanced clinical product candidates are the Focal Adhesion Kinase inhibitors, VS-6063 and VS-4718, and the dual PI3K/mTOR inhibitor, VS-5584. For more information, please visit www.verastem.com.

Verastem forward-looking statements notice:

This press release includes forward-looking statements about Verastem's strategy, future plans and prospects, including statements regarding the development and activity of Verastem's product candidates, VS-6063, VS-4718 and VS-5584, and Verastem's FAK, PI3K/mTOR and diagnostics programs generally, the structure of our planned or pending clinical trials, additional planned studies, the expected timing for the reporting of data from ongoing trials and our ability to finance contemplated development activities and fund operations for a specified period. The words "anticipate," "appear," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statement. Applicable risks and uncertainties include the risks that the preclinical testing of Verastem's product candidates and preliminary or interim data from clinical trials may not be predictive of the results or success of ongoing or later clinical trials, that data may not be available when we expect it to be, that enrollment of clinical trials may take longer than expected, that our product candidates will cause unexpected safety events, that Verastem will be unable to successfully initiate or complete the clinical development of its product candidates, that the development of Verastem's product candidates will take longer or cost more than planned, and that Verastem's product candidates will not receive regulatory approval or become commercially successful products. Other risks and uncertainties include those identified under the heading "Risk Factors" in Verastem's Annual Report on Form 10-K for the year ended December 31, 2015 and in any subsequent SEC filings. The forward-looking statements contained in this press release reflect Verastem's current views with respect to future events, and Verastem does not undertake and specifically disclaims any obligation to update any forward-looking statements.

Verastem, Inc.
Brian Sullivan, 781-292-4214
bsullivan@verastem.com

Verastem, Inc.
Unaudited Selected Consolidated Balance Sheet Information
(in thousands)

	March 31, 2016	December 31, 2015
Cash, cash equivalents and investments	$ 99,535	$ 110,258
Prepaid expenses and other current assets	1,002	585
Property and equipment, net	1,865	2,048
Other assets	162	203
Total assets	**$ 102,564**	**$ 113,094**
Accounts payable and accrued expenses	$ 6,124	$ 10,040
Other liabilities	472	585
Stockholders' equity	95,968	102,469
Total liabilities and stockholders' equity	**$ 102,564**	**$ 113,094**

Verastem, Inc.
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)

	Three months ended March 31,	
	2016	**2015**
Operating expenses:		
Research and development	$ 4,179	$ 10,528
General and administrative	4,255	4,714
Total operating expenses	8,434	15,242
Loss from operations	(8,434)	(15,242)
Interest income	140	62
Net loss	**$ (8,294)**	**$ (15,180)**
Net loss per share—basic and diluted	**$ (0.22)**	**$ (0.46)**
Weighted-average number of common shares used in net loss per share-basic and diluted	**36,975**	**33,323**