

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **May 9, 2013**

Verastem, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-35403
(Commission
File Number)

27-3269467
(IRS Employer
Identification No.)

215 First Street, Suite 440, Cambridge, MA
(Address of Principal Executive Offices)

02142
(Zip Code)

Registrant's telephone number, including area code: **(617) 252-9300**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 10, 2013, Verastem, Inc. (the "Company") appointed John "Jack" B. Green, age 59, as Chief Financial Officer of the Company and entered into an employment agreement (the "Agreement") between the Company and Mr. Green, governing the terms of Mr. Green's employment for an indefinite term. This Agreement became effective on May 10, 2013, the first day of Mr. Green's employment with the Company.

Prior to joining the Company, from March 2011 until November 2012, Mr. Green was Vice President, Finance and a key member of the senior management team for On-Q-ity and oversaw the financial activities, planning, budgeting and management of commercial and banking relationships. Previously, from May 2002 until June 2010, Mr. Green was the Senior Vice President and Chief Financial Officer of GTC Biotherapeutics (formerly Genzyme Transgenics Corporation) which was spun out from Genzyme Corporation as a stand-alone public company. Mr. Green is a Certified Public Accountant (CPA) with over 30 years of financial experience, including 20 within the biotechnology industry. Mr. Green received a Master's degree in Business Administration from Boston University Graduate School of Management and a Bachelor's degree from the College of the Holy Cross.

Under the Agreement, Mr. Green will receive an initial annual base salary of \$310,000 and is eligible for an annual bonus target of 35% of his base salary.

Pursuant to the terms of the Agreement and the Company's Equity Grant Policy, on June 3, 2013, the Company will grant Mr. Green an option to purchase 150,000 shares of its common stock at an exercise price equal to the closing price of a share of its common stock as reported by the Nasdaq Global Market on that date.

Upon execution and effectiveness of a release of claims, Mr. Green will be entitled to severance payments if the Company terminates his employment without cause, as defined in the Agreement, or if Mr. Green terminates his employment with the Company for good reason, as defined in the Agreement.

In connection with execution of the Agreement, Mr. Green will enter into the Company's standard Employee Non-Solicitation, Non-Competition, Confidential Information and Inventions Assignment Agreement.

A press release announcing Mr. Green's employment is filed as Exhibit 99.1 hereto.

The foregoing summary of the Agreement is qualified in its entirety by the copy of such agreement filed as Exhibit 99.2 hereto and incorporated herein by this reference.

Following Mr. Green's appointment, Robert Forrester will no longer serve as the principal financial officer and principal accounting officer of the Company. He will continue to serve as President and Chief Operating Officer.

ITEM 5.07. Submission of Matters to a Vote of Security Holders.

The Annual Meeting of Stockholders of the Company was held in Boston, Massachusetts on May 9, 2013. At that meeting, the stockholders considered and acted upon the following proposals:

1. The Election of Class I Directors. By the vote reflected below, the stockholders elected the following individuals to serve as Class I directors until the 2016 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified:

	<u>Votes For</u>	<u>Votes Withheld</u>	<u>Broker Non-Votes</u>
Richard Aldrich	13,921,722	10,441	0
S. Louise Phanstiel	13,922,298	9,865	0
Dr. Michael Kauffman	13,921,303	10,860	0

There were no abstentions with respect to this proposal.

2. The Ratification of the Selection of Ernst & Young, LLP as the Company's Independent Registered Public Accounting Firm for the Current Fiscal Year. The stockholders voted to ratify the selection of Ernst & Young, LLP as the Company's independent registered public accounting firm for the current fiscal year. 13,931,357 shares voted for the proposal; 505 shares voted against the proposal; and 301 shares abstained from voting on the proposal. There were no broker non-votes on the proposal.

Item 9.01 Financial Statements and Exhibits.

See Exhibit Index attached hereto.

SIGNATURE

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 hereunto duly authorized.

VERASTEM, INC.

Date: May 14, 2013

By: /s/ John B. Green
John B. Green
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by Verastem, Inc. on May 14, 2013
99.2	Employment agreement, dated May 10, 2013, by and between Verastem, Inc. and John B. Green.



Jack Green Joins Verastem as Chief Financial Officer

Cambridge, MA — May 14, 2013 — Verastem, Inc., (NASDAQ: VSTM) focused on discovering and developing drugs to treat cancer by the targeted killing of cancer stem cells, announced the appointment of John “Jack” Green as Chief Financial Officer. Mr. Green was the former Chief Financial Officer of GTC Biotherapeutics and has held multiple senior finance roles in public and private biotechnology companies over the course of his career.

“Jack brings a great deal of experience in the financial management of biotechnology companies,” said Henri Termeer, Lead Director of Verastem. “On behalf of the entire board of directors I welcome him and look forward to the contributions he will make.”

“Cancer is an affliction that we all unfortunately have to face with our family and friends,” said Mr. Green. “Verastem has the potential to make a meaningful impact on many lives and I am excited to join the team to help make these new therapeutic options a reality.”

Verastem has multiple programs in or entering clinical development in 2013. Verastem plans to initiate a potentially pivotal trial of lead FAK inhibitor, VS-6063, in mesothelioma midyear 2013. VS-6063 is currently being evaluated in a Phase 1/1b trial in combination with paclitaxel in patients with ovarian cancer. FAK inhibitor VS-4718 has received allowance from the FDA to initiate a Phase 1 trial in advanced solid tumors and the dual PI3K/mTOR inhibitor VS-5584 is currently in IND-enabling studies and is expected to enter clinical development in the second half of 2013.

“Jack’s track record of leadership will be of tremendous value as we progress into late-stage clinical trials for our cancer stem cell-targeting compounds,” said Christoph Westphal, M.D., Ph.D., Chairman and CEO of Verastem.

Mr. Green was a key member of the senior management team for On-Q-ity and oversaw the financial activities, planning, budgeting and management of commercial and banking relationships. Previously, Mr. Green was the Senior Vice President and Chief Financial Officer of GTC Biotherapeutics (formerly Genzyme Transgenics Corporation) which was spun out from Genzyme Corporation as a stand-alone public company. Mr. Green is a Certified Public Accountant (CPA) with over 30 years of financial experience, including 20 within the biotechnology industry. Mr. Green received a Master’s degree in Business Administration from Boston University Graduate School of Management and a Bachelor’s degree from the College of the Holy Cross.

About Verastem, Inc.

Verastem, Inc. (NASDAQ: VSTM) is discovering and developing drugs to treat cancer by the targeted killing of cancer stem cells. Cancer stem cells are an underlying cause of tumor recurrence and metastasis. Verastem is developing small molecule inhibitors of signaling pathways that are critical to

cancer stem cell survival and proliferation: FAK, PI3K/mTOR and Wnt. For more information, please visit www.verastem.com.

Forward-looking statements:

This press release includes forward-looking statements about the Company’s strategy, future plans and prospects, including statements regarding the development of the Company’s compounds, including VS-6063, VS-4718 and VS-5584, and the Company’s FAK, PI3K/mTOR and diagnostic programs generally, the timeline for clinical development and regulatory approval of the Company’s compounds, the structure of the Company’s planned clinical trials and estimates of the Company’s ability to fund operations. 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 the Company’s compounds may not be predictive of the success of later clinical trials, that the Company will be unable to successfully complete the clinical development of its compounds, including VS-6063, VS-4718 and VS-5584, that the development of the Company’s compounds will take longer or cost more than planned, and that the Company’s compounds will not receive regulatory approval or become commercially successful products. Other risks and uncertainties include those identified under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012 and in any subsequent SEC filings. The forward-looking statements contained in this presentation reflect the Company’s current views with respect to future events, and the Company does not undertake and specifically disclaims any obligation to update any forward-looking statements.

Contact Verastem, Inc.

Brian Sullivan, 617-252-9314
 bsullivan@verastem.com

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated May 10, 2013, is by and between Verastem, Inc. (the "Company"), a Delaware corporation with its principal place of business at 215 First Street, Suite 440, Cambridge, MA 02142, and John B. Green (the "Executive").

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 Financial 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 Financial Officer, reporting initially to the Company's President and Chief Operating 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 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. Subject to prior approval of the President and Chief Operating 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.** From the period of the date hereof, the Company will pay the Executive a base salary at the rate of Three Hundred Ten Thousand Dollars (\$310,000) 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. The Executive shall have the opportunity to earn an annual target bonus, prorated for the initial partial year of employment, measured against performance criteria to be determined by the Board (or a committee thereof) of 35% of the Executive's then current annual base salary, with the actual amount of the bonus, if any, to be determined by the Board. 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.

(b) **Stock Option.** Subject to Board approval, the Company will grant the Executive a stock option to purchase One Hundred and Fifty Thousand (150,000) 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 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 entitled 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 accrue 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 reimbursement that would constitute nonqualified deferred compensation subject to Section 409A shall be subject to the following additional rules: (i) no reimbursement of any such expense shall affect the Executive's right to reimbursement of any other such expense in any other taxable year; (ii) 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 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 the Company's standard Employee Non-Solicitation, Non-Competition, Confidential Information and Inventions Assignment Agreement. It is understood and agreed that breach by the Executive of the Employee Non-Solicitation, Non-

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 at least five business days prior to such termination setting forth in reasonable detail the nature of the Cause. The following, as determined by the Board in good faith and using its reasonable judgment, 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 thirty (30) 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 thirty (30) 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 one month's 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 thirty (30) 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 Employee'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

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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(a) of this Agreement or by the Executive for Good Reason pursuant to Section 4(c) of this Agreement, (I) all unvested options, restricted stock, and restricted stock unit and 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 vest as of the date of termination (notwithstanding anything to the contrary in Section 2(b) of this Agreement) with respect to an additional nine (9) months of vesting; and (II) the Company shall pay the Executive's then-current annual base salary for a period of nine (9) months in accordance with the Company's payroll practice then in effect, beginning 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(a) of this Agreement or by the Executive for Good Reason pursuant to Section 4(c) of this Agreement, if the Executive is participating in the Company's group health plan and/or dental plan at the time the Executive's employment terminates, and the Executive exercises his right to continue participation in those plans under the federal law known as COBRA, or any successor law, the Company will pay or, at its option, reimburse the Executive, for the full premium cost of that participation for nine (9) months following the date on which the Executive's employment with the Company terminates or, if earlier, until the date the Executive becomes eligible to enroll in the health (or, if applicable, dental) plan of a new employer, payable in accordance with regular payroll practices for benefits beginning on the Payment Commencement Date. Notwithstanding the foregoing, if the payment or reimbursement by the Company of the premium costs described in the preceding sentence will subject or expose the

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Company to taxes or penalties, the Executive and the Company agree to renegotiate the provisions of this Section 5(a)(ii) in good faith and enter into a substitute arrangement pursuant to which the Company will not be subjected or exposed to taxes or penalties and the Executive will be provided with payments or benefits with an economic value that is no less than the economic value of the premium costs described herein. 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 in a lump sum on the Payment Commencement Date.

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 an effective and reasonable release of claims in the form provided by the Company (the "Employee Release") 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. Any severance payments to be made in the form of salary continuation pursuant to the terms of this Agreement shall be payable in accordance with the normal payroll practices of the Company, and will begin on the Payment Commencement Date, but shall be retroactive to the date of termination. The Executive agrees to provide the Company prompt notice of the Executive's eligibility to participate in the health plan and, if applicable, dental plan of any employer. The Executive further agrees to repay any overpayment of health benefit premiums made by the Company hereunder.

(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 the 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, or the Executive terminates his employment for Good Reason, 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,

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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 automatically vest as of the date of termination (notwithstanding anything to the contrary in Section 2(b) of this Agreement) and (ii) the Company shall pay, on the Payment Commencement Date, a lump sum payment equal to the Executive's then-current annual 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; and,

ii. If the Executive is participating in the Company's group health plan and/or dental plan at the time the Executive's employment terminates (whether such termination is as described in (i) above), and the Executive exercises his right to continue participation in those plans under the federal law known as COBRA, or any successor law, the Company will pay or, at its option, reimburse the Executive, for the full premium cost of that participation for twelve (12) following the date on which the Executive's employment with the Company terminates or, if earlier, until the date the Executive becomes eligible to enroll in the health (or, if applicable, dental) plan of a new employer, with such amount payable on a pro-rata basis in accordance with the Company's regular payroll practices for benefits beginning on the Payment Commencement Date. Notwithstanding the foregoing, if the payment or reimbursement by the Company of the premium costs described in the preceding sentence will subject or expose the Company to taxes or penalties, the Executive and the Company agree to renegotiate the provisions of this Section 5(b)(ii) in good faith and enter into a substitute arrangement pursuant to which the Company will not be subjected or exposed to taxes or penalties and the Executive will be provided with payments or benefits with an economic value that is no less than the economic value of the premium costs described herein. 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 in a lump sum on the Payment Commencement Date.

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 an effective and reasonable release of claims in the form provided by the Company (the "Employee Release") 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

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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 expiration of sixty (60) calendar days from the date the Executive’s employment terminates.

“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

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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 A attached hereto.

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

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principal place of business, or to such other addressees) as either party may specify by notice to the other actually received.

[Remainder of page intentionally left blank.]

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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/ John B. Green

/s/ Robert Forrester

John B. Green

Robert Forrester
President and Chief Operating Officer

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Exhibit A

Payments Subject to Section 409A

1. Subject to this Exhibit A, 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 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 A, 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

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separation from service). 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 A, 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.

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