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

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

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

For the quarterly period ended September 30, 2017

OR

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

For the transition period from _____ to _____

Commission file number 0-32405

SEATTLE GENETICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**91-1874389**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

21823 30th Drive SE
Bothell, Washington 98021
(Address of principal executive offices, including zip code)

(Registrant's telephone number, including area code): (425) 527-4000

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

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

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 November 1, 2017, there were 143,928,341 shares of the registrant's common stock outstanding.

EXPLANATORY NOTE

Seattle Genetics, Inc. (the "Company") is filing this Amendment No. 1 to Quarterly Report on Form 10-Q/A (this "Amendment") to amend the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017, as filed with the Securities and Exchange Commission (the "SEC") on November 6, 2017 (the "10-Q"). This Amendment is being filed solely to re-file Exhibits 2.1 and 10.3 to the 10-Q (the "Exhibits") and in connection therewith, to amend Part II, Item 6 of the 10-Q. Certain provisions of the Exhibits were redacted in accordance with the Company's application for confidential treatment with the SEC. In response to SEC comments, the Exhibits, as re-filed, restore certain provisions that had previously been redacted. In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by our principal executive officer and principal financial officer are filed as exhibits to this Amendment.

No attempt has been made in this Amendment to modify or update the other disclosures presented in the 10-Q. This Amendment does not reflect events occurring after the filing of the original 10-Q (i.e., those events occurring after November 6, 2017) or modify or update those disclosures that may be affected by subsequent events.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporation By Reference			
		Form	SEC File No.	Exhibit	Filing Date
2.1+†**	Asset Purchase Agreement, dated July 31, 2017, between Bristol-Myers Squibb Company and Seattle Genetics, Inc.	—	—	—	—
3.1	Fourth Amended and Restated Certificate of Incorporation of Seattle Genetics, Inc.	10-Q	000-32405	3.1	11/07/2008
3.2	Certificate of Amendment of Fourth Amended and Restated Certificate of Incorporation of Seattle Genetics, Inc.	8-K	000-32405	3.3	05/26/2011
3.3	Amended and Restated Bylaws of Seattle Genetics, Inc.	8-K	000-32405	3.1	11/25/2015
4.1	Specimen Stock Certificate.	S-1/A	333-50266	4.1	02/08/2001
4.2	Investor Rights Agreement dated July 8, 2003 among Seattle Genetics, Inc. and certain of its stockholders.	10-Q	000-32405	4.3	11/07/2008
4.3	Registration Rights Agreement, dated September 10, 2015, between Seattle Genetics, Inc. and the persons listed on Schedule A attached thereto.	8-K	000-32405	10.1	9/11/2015
10.1†	Purchase Agreement, dated June 16, 2017, between BMR-3450 Monte Villa Parkway, LLC and ZymoGenetics, Inc.	10-Q	000-32405	10.1	11/06/2017
10.2	Assignment and Assumption of Purchase Agreement, dated July 30, 2017, between ZymoGenetics, Inc. and Seattle Genetics, Inc.	10-Q	000-32405	10.2	11/06/2017
10.3+†	License and Collaboration Agreement, effective October 7, 2011, between Genmab A/S and Seattle Genetics, Inc.	—	—	—	—
10.4*	Seattle Genetics, Inc. Long Term Incentive Plan for TV and EV	10-Q	000-32405	10.4	11/06/2017
10.5*	Form of Stock Unit Grant Notice for Long Term Incentive Plan for TV and EV	10-Q	000-32405	10.5	11/06/2017
10.6*	Form Stock Unit Grant Notice for Non-US Participants Long Term Incentive Plan for TV and EV	10-Q	000-32405	10.6	11/06/2017
31.1+	Certification of Chief Executive Officer pursuant to Rule 13a-14(a).	—	—	—	—
31.2+	Certification of Chief Financial Officer pursuant to Rule 13a-14(a).	—	—	—	—
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.	10-Q	000-32405	32.1	11/06/2017

32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.	10-Q	000-32405	32.2	11/06/2017
101.INS	XBRL Instance Document.	10-Q	000-32405	101.INS	11/06/2017
101.SCH	XBRL Taxonomy Extension Schema Document.	10-Q	000-32405	101.SCH	11/06/2017
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	10-Q	000-32405	101.CAL	11/06/2017
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	10-Q	000-32405	101.DEF	11/06/2017
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.	10-Q	000-32405	101.LAB	11/06/2017
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	10-Q	000-32405	101.PRE	11/06/2017

+ Filed herewith.

† Pursuant to a request for confidential treatment, portions of this Exhibit have been redacted from the publicly filed document and have been furnished separately to the Securities and Exchange Commission as required by Rule 24b-2 under the Securities Exchange Act of 1934.

* Indicates a management contract or compensatory plan or arrangement.

** Schedules to the Asset Purchase Agreement, dated July 31, 2017, between Bristol-Myers Squibb Company and Seattle Genetics, Inc. have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant will furnish copies of any such schedules to the Securities and Exchange Commission upon request.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) 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.

SEATTLE GENETICS, INC.

By: **/s/ TODD E. SIMPSON**
Todd E. Simpson
Duly Authorized and Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: April 13, 2018

Exhibit 2.1
EXECUTION VERSION

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

ASSET PURCHASE AGREEMENT

between

BRISTOL-MYERS SQUIBB COMPANY

and

SEATTLE GENETICS, INC.

Dated as of July 31, 2017

[*]

TABLE OF CONTENTS

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Exhibits

Exhibit A: Form of Wire Transfer Notice
Exhibit B: Form of Quality Agreement
Exhibit C: Form of Supply Agreement
Exhibit D: Form of Transitional Services Agreement

Schedules

Seller Disclosure Schedule

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ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of July 31, 2017 (this "Agreement"), between BRISTOL-MYERS SQUIBB COMPANY, a Delaware corporation ("Seller"), and SEATTLE GENETICS, INC., a Delaware corporation ("Purchaser").

RECITALS

WHEREAS, Seller and certain of its Affiliates are engaged in manufacturing certain clinical drug substance and active pharmaceutical ingredients and related activities at Seller's facility located 3450 Monte Villa Parkway in Bothell, Washington (the "Monte Villa Facility"). Seller and the Selling Affiliates desire to sell to Purchaser, and Purchaser desires to purchase from Seller and the Selling Affiliates, the Acquired Assets, and Seller and the Selling Affiliates desire to transfer to Purchaser, and Purchaser is willing to assume and accept from Seller and the Selling Affiliates, the Assumed Liabilities, in each case upon the terms and subject to the conditions of this Agreement;

WHEREAS, in connection with this Agreement, the parties hereto will enter into the Other Transaction Documents (as defined herein);

WHEREAS, Seller, through its wholly-owned subsidiary, ZymoGenetics, Inc. ("Tenant"), leases from BMR-3450 Monte Villa Parkway LLC, a Delaware limited liability company ("Lessor"), pursuant to that certain Lease ("Original Lease") by and between Lessor and Tenant, dated March 21, 2013 and amended August 10, 2016 (the "Lease Amendment" and together with the Original Lease, the "Lease"), the real property at which the Monte Villa Facility is operated;

WHEREAS, pursuant to the terms of the Lease and Tenant's right of first refusal set forth in Article 43 thereof, Lessor delivered to Seller a notice regarding its receipt of an offer from a third party to acquire the Property (as defined in the Purchase Agreement, dated June 16, 2017 by and between Lessor and Purchaser (as successor in interest to Tenant) (the "PSA"));

WHEREAS, in connection with Tenant's exercise of its right of first refusal under the Lease, Seller and Purchaser entered into that certain Indemnification and Hold Harmless Agreement (the "Indemnification Agreement") pursuant to which Purchaser deposited with Seller the funds necessary to, among other things, pay the purchase price to the Lessor; and

WHEREAS, prior to the execution and delivery of this Agreement, Seller has assigned to Purchaser its rights and obligations under the PSA.

Certain capitalized or other terms used in this Agreement are defined in Section 12.07(b). Section 12.07(c) identifies other Sections of this Agreement in which capitalized or other terms used in this Agreement are defined.

Accordingly, the parties hereto hereby agree as follows:

ARTICLE I
PURCHASE AND SALE OF ACQUIRED ASSETS

SECTION 1.01 Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Seller shall, or shall cause the Selling Affiliates to, sell, assign, transfer, convey and deliver to Purchaser, and Purchaser shall purchase from Seller or the Selling Affiliates, the Acquired Assets, as the same may exist as of the Closing, for (i) an aggregate purchase price of $25,479,256.40 (the "Purchase Price"), payable and subject to adjustment as set forth in Article II, and (ii) the assumption by Purchaser of the Assumed Liabilities. The purchase and sale of the Acquired Assets and the assumption by Purchaser of the Assumed Liabilities are referred to in this Agreement collectively as the "Acquisition".

SECTION 1.02 Transfer of Assets.

(a) The term "Acquired Assets" means those certain assets described in this Section 1.02 that are solely and exclusively used by Seller or any Selling Affiliate, or held exclusively for use by Seller or any Selling Affiliate, in connection with the operation of the Monte Villa Facility (other than the Excluded Assets), subject to any increases, decreases or dispositions thereof as may occur prior to the Closing in accordance with Section 5.02:

(i) all tangible personal property and interests therein, including machinery, spare parts, equipment, furniture and furnishings ("Personal Property"), of Seller and Selling Affiliates listed on Section 1.02(a)(i) of the Seller Disclosure Schedule and all other Personal Property that on the Closing Date is located at the Monte Villa Facility ("Transferred Personal Property"); provided, however, that Transferred Personal Property shall not include any Excluded Personal Property;

(ii) the software used by Seller or any Selling Affiliate, or held for use by Seller or any Selling Affiliate, solely and exclusively in connection with the operation of the Acquired Assets that is owned by Seller or any Selling Affiliate and integrated with (A) the equipment listed on Section 1.02(a)(ii) of the Seller Disclosure Schedule or (B) otherwise listed on Section 1.02(a)(ii) of the Seller Disclosure Schedule (collectively, the "Transferred Software");

(iii) all contracts, leases or subleases of Personal Property, leases or subleases of real property in which Seller or any Selling Affiliate is the lessor or sublessor, licenses, agreements, purchase orders and other legally binding arrangements, whether written or oral ("Contracts"), to which Seller or any Selling Affiliate is a party or by which any other Acquired Asset is bound that are listed on Section 1.02(a)(iii) of the Seller Disclosure Schedule or that otherwise relate solely and exclusively to the (A) Acquired Assets specified in clauses (i) and (ii) of this Section 1.02(a) or (B) operation or maintenance of the tangible assets of the Monte Villa Facility to the extent such tangible assets are included in the Acquired Assets (collectively, the "Transferred Contracts"); provided, however, that Transferred Contracts shall not include any Excluded Contracts; and provided, further, that such transfer shall be subject to Section 1.05;

(iv) all certificates, licenses, permits, authorizations, consents and approvals from Governmental Entities, including the Environmental Permits, of Seller or any Selling Affiliate ("Permits") that are listed on Section 1.02(a)(iv) of the Seller Disclosure Schedule or that are otherwise held solely and exclusively in connection with the Acquired Assets specified in clauses (i) through (iii) of this Section 1.02(a) or their use (the "Transferred Permits"); provided, however, that Transferred Permits shall not include any Excluded Permits; and provided, further, that such transfer shall be subject to Section 1.05;

(v) all rights, claims and credits, including all guarantees, warranties, indemnities and similar rights ("Other Rights"), in favor of Seller or any Selling Affiliate, to the extent relating solely and exclusively to the Acquired Assets specified in clauses (i) through (iv) of this Section 1.02(a) or any Assumed Liability (the "Transferred Other Rights"); provided, however, that Transferred Other Rights shall not include any Excluded Other Rights;

(vi) (1) all books and records, manuals relating to the validation and maintenance of the Transferred Personal Property, (2) all personnel records of Transferred Employees; provided, however, Seller may retain a copy, (3) applications and supporting information as submitted to the relevant Governmental Entity for the granting and maintenance of the Transferred Permits or to apply for new Permits that would constitute Transferred Permits if in existence at Closing and (4) all other documents, books, papers and records (in all cases, in any form or medium) (collectively, "Records") of Seller or any Selling Affiliate that are used solely and exclusively in, or that arise solely and exclusively out of, the operation of the Acquired Assets specified in clauses (i) through (v) of this Section 1.02(a), in each case to the extent such Records are in the possession or control of Seller or any Selling Affiliate on the Closing Date (the "Transferred Records"); provided, however, that Transferred Records shall not include any Excluded Records and any electronic communications of Seller or any Selling Affiliate; and

(vii) any and all goodwill of Seller or Selling Affiliates to the extent arising solely and exclusively out of the operation of the Acquired Assets specified in clauses (i) through (iv) of this Section 1.02(a).

(b) For the avoidance of doubt, except as otherwise set forth in this Agreement, the Acquired Assets shall not include (i) any properties, assets, goodwill or rights of Seller or any Selling Affiliate of whatever kind or nature, whether real, personal or mixed, tangible or intangible, that are not used solely and exclusively in, or that do not arise solely and exclusively out of, the Acquired Assets, including the BMS Names, or (ii) any Excluded Assets

(c) The term "Excluded Assets" means all of the following:

(i) all cash and cash equivalents of Seller and Selling Affiliates;

(ii) all rights to any pharmaceutical or biologic compounds, molecules, antibodies, or similar products, or clinical or pre-clinical candidates of Seller and its Affiliates, including any data developed from the research, development, manufacture, commercialization, discovery, marketing, distributing, supply, promotion, exploitation or testing thereof;

(iii) all Accounts Receivable;

(iv) all prepaid expenses of Seller and Selling Affiliates other than those for which Seller has been reimbursed by Purchaser pursuant to Section 2.02;

(v) all cash and other assets of employee benefit plans and any related trusts, except as provided in Article IX;

(vi) the Personal Property identified on Section 1.02(c)(vi) of the Seller Disclosure Schedule (collectively, the "Excluded Personal Property");

(vii) (A) all Intellectual Property, (B) all software of Seller and Selling Affiliates (including all related documentation); (C) all Facility Know-How of Seller and Selling Affiliates; and (D) all IT Know-How of Seller and Selling Affiliates, in each case other than the Transferred Software (collectively, the "Excluded Intellectual Property");

(viii) all raw materials (including chemicals, intermediates, works-in-progress, solvents, excipients, packaging supplies, packaging components), clinical drug substance, active pharmaceutical ingredients, finished goods inventory and any other inventory;

(ix) the Contracts identified on Section 1.02(c)(ix) of the Seller Disclosure Schedule and all Contracts between Seller or an Affiliate of Seller on the one hand and another Affiliate of Seller on the other hand (collectively, the "Excluded Contracts");

(x) the Permits identified on Section 1.02(c)(x) of the Seller Disclosure Schedule (the "Excluded Permits");

(xi) the Other Rights identified on Section 1.02(c)(xi) of the Seller Disclosure Schedule (the "Excluded Other Rights");

(xii) any rights of Seller or any Selling Affiliate arising from the litigation identified on Section 4.08 of the Seller Disclosure Schedule;

(xiii) all of the following: (A) any personnel records, except for those set forth in Section 1.02(a)(viii)(2); (B) any and all books and records prepared and maintained by Seller that do not relate solely and exclusively to the Acquired Assets specified in clauses (i) through (vii) of this Section 1.02(a); (C) any and all Tax records that relate primarily to Taxes that constitute Excluded Tax Liabilities or that relate to income Taxes; (D) any and all electronic mail, whether or not solely and exclusively related to the Acquired Assets; (E) any and all books and records, files, correspondence or other records of Seller or any Selling Affiliate other than the Transferred Records; and (F) the Records identified on Section 1.02(c)(xiii) of the Seller Disclosure Schedule (collectively, the "Excluded Records");

(xiv) all rights, claims and credits of Seller or any Selling Affiliate to the extent relating to any Excluded Asset or any Excluded Liability, including any such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favor of Seller and Selling Affiliates in respect of any other Excluded Asset or any Excluded Liability;

(xv) any refund or credit of Seller's or any of Selling Affiliates' Taxes (including duties) to the extent attributable to any Pre-Closing Tax Period and any refund or credit of Taxes attributable to any Excluded Tax Liabilities;

(xvi) all insurance policies and insurance contracts insuring the operation of the Monte Villa Facility or the Acquired Assets, together with any claim, action or other right Seller or any Selling Affiliate might have for insurance coverage under any past and present policies and insurance contracts insuring the operation of the Monte Villa Facility or the Acquired Assets, in each case including any proceeds received from any such policy or contract prior to, on or after the Closing Date;

(xvii) all rights of Seller and Selling Affiliates under this Agreement and the other agreements and instruments executed and delivered in connection with this Agreement;

(xviii) all proprietary materials used for Seller's and Selling Affiliates' human resource program and supporting documentation thereto;

(xix) the BMS Names;

(xx) any equipment, machinery, furniture, or furnishings at the Monte Villa Facility set forth on Section 1.02(c)(xx) of the Seller Disclosure Schedule and any equipment, machinery, furniture, or furnishings as to which the Lessor acquires title during the term of or upon expiration or termination of the Lease; and

(xxi) except to the extent identified on a subsection of Section 1.02(a) of the Seller Disclosure Schedule as included in the Acquired Assets, all other properties, assets, goodwill and rights of Seller and Selling Affiliates of whatever kind and nature, real, personal or mixed, tangible or intangible, that are not used, held for use or intended to be used solely and exclusively in connection with, or that do not arise solely and exclusively out of, the Acquired Assets specified in clauses (i) through (v) of this Section 1.02(a).

SECTION 1.03 Assumed Liabilities.

(a) Upon the terms and subject to the conditions of this Agreement, Purchaser shall assume, effective as of the Closing, and from and after the Closing, Purchaser shall pay, perform and discharge when due, all of the following liabilities, obligations and commitments ("Liabilities") of Seller or any Selling Affiliate, other than any Excluded Liability (the "Assumed Liabilities"), in each case without further recourse to Seller or any Selling Affiliate:

(i) all Liabilities arising out of or relating to Purchaser or any of its Affiliates or their respective successors or assigns being the owner or occupant of, or the operator of any activities conducted at the Monte Villa Facility, at any time on or after the Closing Date;

(ii) all Liabilities under or otherwise arising out of or relating to the Transferred Contracts (including all Liabilities arising out of or relating to any termination or announcement or notification of an intent by any party to terminate any such Transferred Contract, but excluding Accounts Payable), but only to the extent such Liabilities thereunder are required to be performed on or after the Closing Date, and do not result from any failure to perform, improper performance, warranty or other breach, default or violation by Seller or any Selling Affiliate prior to the Closing Date;

(iii) all Liabilities under Environmental Laws to the extent relating to or arising out of the Acquired Assets, the ownership, sale, use or lease of the Acquired Assets, the Monte Villa Facility, or for the operation of the Monte Villa Facility, arising on or after the Closing Date, other than the Excluded Environmental Liabilities;

(iv) all Liabilities to the extent relating to or arising out of (A) the Transferred Permits, including any failure to comply with any Transferred Permit, and (B) any failure of Purchaser to obtain or maintain any Permit required for the operation of the Monte Villa Facility or the Acquired Assets or the ownership, sale, use or lease of the Acquired Assets, in each case arising on or after the Closing Date;

(v) all Liabilities in respect of any lawsuits, claims, actions or proceedings arising out of or relating to the operation of the Monte Villa Facility or the Acquired Assets or the ownership, sale, use or lease of any of the Acquired Assets, arising on or after the Closing Date to the extent they do not relate to events, circumstances or actions occurring or existing prior to the Closing Date;

(vi) all accounts payable, accrued expenses and other current Liabilities relating to the Acquired Assets or operation of the Monte Villa Facility arising on or after the Closing Date;

(vii) all Liabilities for Taxes arising out of or relating to or in respect of the operation of the Monte Villa Facility or the Acquired Assets for any Post-Closing Tax Period (irrespective of when asserted), other than any Excluded Tax Liabilities;

(viii) all Liabilities for transfer, documentary, sales, use, registration, value-added and other similar Taxes, notarial tariffs, and related amounts (including any penalties, interest and additions to Tax) incurred in connection with this Agreement, the Other Transaction Documents, the Acquisition and the other Transactions ("Transfer Taxes");

(ix) all Liabilities arising out of or relating to the employment, engagement or termination thereof of any current or former Facility Employee as well as any current or former consultants or independent contractors engaged in connection with the operation of the Monte Villa Facility on or after the Closing Date, and including any Liabilities that Purchaser is expressly required to assume pursuant to Article IX; and

(x) all other Liabilities of Seller or any Selling Affiliate of whatever kind and nature, primary or secondary, direct or indirect, absolute or contingent, known or unknown, whether or not accrued, in each case to the extent arising out of or relating to the operation of the Monte Villa Facility on or after the Closing Date or the ownership, sale, use or lease of any of the Acquired Assets on or after the Closing Date, including Liabilities arising out of or relating to any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Entity in each case to the extent they relate to events, circumstances or actions occurring or existing on or after the Closing Date.

(b) Notwithstanding any other provision of this Agreement, Purchaser shall not assume any Excluded Liability. Following the Closing, the Seller or any Selling Affiliate shall retain and pay, perform and discharge the Excluded Liabilities when due. The term "Excluded Liability" means, without duplication, the following liabilities of Seller and Selling Affiliates:

(i) all Liabilities, to the extent related to or arising out of any Excluded Asset;

(ii) all Accounts Payable;

(iii) all Liabilities for Taxes (irrespective of when asserted), other than a Transfer Tax, (A) arising out of or relating to or in respect of any business, asset, property or operation of Seller or any Selling Affiliate (including any Taxes relating to or arising out of the operation of the Monte Villa Facility or the Acquired Assets) or (B) imposed on Seller or any Selling Affiliate, in each case for any Pre-Closing Tax Period ("Excluded Tax Liability");

(iv) all Liabilities arising out of or relating to the employment, engagement or termination thereof of any current or former consultants, independent contractors or employees engaged in connection with the operation of the Monte Villa Facility, prior to the Closing Date;

(v) all Liabilities in respect of any lawsuits, claims, actions or proceedings arising out of or relating to the operation of the Monte Villa Facility or the Acquired Assets or the ownership, sale, use or lease of any of the Acquired Assets, arising prior to the Closing Date or from events, circumstances or actions occurring or existing prior to the Closing Date including the litigation identified on Section 4.08 of the Seller Disclosure Schedule;

(vi) all Liabilities for cleanup or remediation required by applicable Environmental Law, and all Liabilities for fines, penalties, or damages resulting from a third party or governmental claim and incurred pursuant to applicable Environmental Law, in each case arising out of or relating to (a) the Acquired Assets, the ownership, sale, use or lease of the Acquired Assets, the Monte Villa Facility, or for the operation of the Monte Villa Facility arising prior to the Closing Date (and irrespective of when asserted) and (b) the matters set forth on Section 1.03(b)(vi) of the Seller Disclosure Schedule (the "Excluded Environmental Liabilities");

(vii) all Liabilities arising out of or relating to Seller or any of its Affiliates or their respective successors or assigns being the owner or occupant of, or the operator of any activities conducted at the Monte Villa Facility, at any time prior to the Closing Date; provided, however, that the foregoing shall not include any Liabilities arising out of or relating to Purchaser's exercise of the option to acquire the Monte Villa Facility;

(viii) other than any executory portion thereof requiring performance following the Closing Date, all Liabilities under or otherwise arising out of or relating to the Transferred Contracts arising prior to the Closing Date; and

(ix) all other Liabilities not included as Assumed Liabilities.

(c) Each of Purchaser's and Seller's respective obligations under this Section 1.03 to assume or retain a Liability will not be subject to offset or reduction by reason of any actual or alleged breach of any representation, warranty or covenant contained in this Agreement or any Other Transaction Document or any right or alleged right to indemnification hereunder; provided that this Section 1.03(c) shall not limit or otherwise affect the rights or remedies available hereunder to a party (including pursuant to the provisions of Article X).

SECTION 1.04 Risk of Loss. Any loss of or damage to the Acquired Assets occurring prior to the Closing Date from fire, casualty or any other occurrence shall be the sole responsibility of Seller or any Selling Affiliate. On the Closing Date, title to the Acquired Assets shall be transferred to Purchaser, and Purchaser shall thereafter bear all risk of loss associated with the Acquired Assets and be solely responsible for procuring adequate insurance to protect the Acquired Assets against any such loss.

SECTION 1.05 Consents of Third Parties; Shared Contracts.

(a) Notwithstanding anything in this Agreement to the contrary, other than as set forth on Section 1.05(a) of the Seller Disclosure Schedule, this Agreement shall not constitute an agreement to assign, directly or indirectly, any asset (including any Contract or Permit) or claim or right or any benefit arising under or resulting from such asset if an attempted assignment thereof, without the consent of a third party, including any Governmental Entity, would constitute a breach or other contravention of any Applicable Law or of the rights of such third party, would be ineffective with respect to any party to an agreement concerning such asset, or would in any way adversely affect the rights of Seller or any Selling Affiliate or, upon transfer, of Purchaser. If any transfer or assignment by Seller or any Selling Affiliate to, or any assumption by Purchaser of, any interest in, or liability, obligation or commitment under, any asset, claim or right requires the consent of a third party, then such transfer or assumption shall be deemed made subject to such

consent being obtained, at the sole responsibility and risk of Purchaser and neither Seller nor any Selling Affiliate shall be responsible if any such consent is not obtained, subject to Seller's other obligations set forth in this Section 1.05. Seller shall, and shall cause the Selling Affiliates to, use reasonable efforts to obtain any such required consents prior to the Closing Date; provided, that for the avoidance of doubt, Seller or any Selling Affiliate shall not be responsible for any costs related to obtaining such required consents; and provided further, that any Contract for which consent to assignment is required but not obtained shall not be deemed a Transferred Contract unless and until such consent is obtained.

(b) If any consent referred to in Section 1.05(a) is not obtained prior to the Closing, Seller and Purchaser shall cooperate in any lawful and reasonable arrangement proposed by Purchaser (not including the payment by Seller or any of the Selling Affiliates of any compensation or other consideration) under which Purchaser shall obtain substantially similar economic claims, rights and benefits under the asset, claim or right with respect to which the consent has not been obtained in accordance with this Agreement; provided, however, that Purchaser shall pay or satisfy all the costs, expenses, obligations and liabilities reasonably incurred by Seller or the Selling Affiliates in connection with any such alternative arrangements. Such reasonable arrangement may include (i) the subcontracting, sublicensing or subleasing to Purchaser of any and all rights of Seller or the Selling Affiliates against the other party to such third-party agreement arising out of a breach or cancellation thereof by the other party, and (ii) the enforcement by Seller or the Selling Affiliates of such rights; provided, however, that Seller's obligations under this Section 1.05(b) shall not extend beyond one hundred eighty (180) days following the Closing Date.

(c) Commencing on the date hereof and continuing for a period of sixty (60) days following the Closing, Purchaser and Seller shall each use reasonable best efforts to cooperate with each other to (i) identify Shared Contracts, if any, that are material to the Acquired Assets and (ii) for a period of ninety (90) days following the Closing, assist Purchaser in entering into alternative, stand-alone arrangements with such third parties with respect to the matters related to the Acquired Assets in such Shared Contracts. Each of Seller and Purchaser shall be responsible for its own costs in providing such cooperation; provided, that neither party hereto shall be required to make any payments to any third parties in connection with such cooperation.

SECTION 1.06 Refunds and Remittances.

(a) Received by Seller. After the Closing, if Seller or any Selling Affiliate receives (i) any refund or other amount which is an Acquired Asset or is otherwise properly due and owing to Purchaser in accordance with the terms of this Agreement, or (ii) any refund or other amount which is related to claims or other matters for which Purchaser is responsible hereunder, and which amount is not an Excluded Asset, or is otherwise properly due and owing to Purchaser in accordance with the terms of this Agreement, Seller promptly shall remit, or shall cause to be remitted, such amount to Purchaser at the address set forth on Section 12.06.

(b) Received by Purchaser. After the Closing, if Purchaser receives (i) any refund or other amount which is an Excluded Asset or is otherwise properly due and owing to Seller or any Selling Affiliate in accordance with the terms of this Agreement, or (ii) any refund or other amount which is related to claims or other matters for which Seller or any Selling Affiliate is responsible hereunder, and which amount is not an Acquired Asset, or is otherwise properly due and owing to Seller or any Selling Affiliate in accordance with the terms of this Agreement, Purchaser promptly shall remit, or shall cause to be remitted, such amount to Seller at the address set forth on Section 12.06.

ARTICLE II
CLOSING; PURCHASE PRICE ADJUSTMENT

SECTION 2.01 Closing.

(a) The closing of the Acquisition (the "Closing") shall be held at the offices of Covington & Burling LLP, 620 Eighth Avenue, New York, New York, on the fifth (5th) business day after each of the conditions set forth in Article III (other than (i) delivery of items to be delivered at the Closing and (ii) satisfaction or, to the extent permitted by Applicable Law, waiver of conditions that by their nature are to be satisfied at Closing, it being understood that the occurrence of the Closing shall remain subject to the delivery of such items and the satisfaction or, to the extent permitted by Applicable Law, waiver of such conditions at the Closing) have been satisfied (or, to the extent permitted by Applicable Law, waived) or at such other place, time and date as shall be agreed between Purchaser and Seller. The closing of the Acquisition shall be deemed to be effective as of 12:00:01 a.m., New York time, on the date (such date, the "Closing Date") immediately following the date of the Closing.

(b) At the Closing, Purchaser shall deliver or cause to be delivered to Seller (or its designee):

(i) by wire transfer on the Closing Date to a bank account designated in writing by Seller not less than three (3) business days prior to the Closing pursuant to a notice substantially in the form of Exhibit A, immediately available funds in an amount equal to (A) the sum of (x) the Purchase Price *plus* (y) an amount equal to the amount of Transfer Taxes owed in connection with the transactions contemplated by the Transaction Documents (the Purchase Price *plus* an amount equal to the amount of Transfer Taxes owed in connection with the transactions contemplated by the Transaction Documents is hereinafter called the "Closing Date Amount") and (B) the amount contemplated by Section 2.02;

(ii) such instruments of sale, assignment, transfer and conveyance as Seller may reasonably request to effect or evidence the purchase of the Acquired Assets and the assumption of the Assumed Liabilities by Purchaser, in each case duly executed by an authorized officer of Purchaser (it being understood that such instruments shall not require Purchaser to make any additional representations, warranties or covenants, expressed or implied, not contained in this Agreement);

(iii) a counterpart of the Quality Agreement, duly executed by an authorized officer of Purchaser;

(iv) a counterpart to the Transitional Services Agreement, duly executed by an authorized officer of Purchaser;

(v) a counterpart to the Supply Agreement, duly executed by an authorized officer of Purchaser;

(vi) a counterpart to the Lease Termination duly executed by Purchaser; and

(vii) the certificate required to be delivered under Section 3.03(a).

(c) At the Closing, Seller shall deliver or cause to be delivered to Purchaser:

(i) such instruments of sale, assignment, transfer and conveyance as may be reasonably requested by Purchaser to effect or evidence the transfer of the Acquired Assets and the Assumed Liabilities to Purchaser, in each case duly executed by an authorized officer of Seller or the applicable Selling Affiliate (it being understood that such instruments shall not require Seller or any Selling Affiliate to make any additional representations, warranties or covenants, expressed or implied, not contained in this Agreement);

(ii) a counterpart of the Quality Agreement, duly executed by an authorized officer of Seller;

(iii) a counterpart to the Transitional Services Agreement, duly executed by an authorized officer of Seller;

(iv) a counterpart to the Supply Agreement, duly executed by an authorized officer of Seller;

(v) a counterpart to the Lease Termination duly executed by Seller; and

(vi) evidence of the assignment of any transferred third party manufacturing agreements and other Transferred Contracts listed on Section 2.01(c) of the Seller Disclosure Schedule; and

(vii) the certificate required to be delivered under Section 3.02(a).

SECTION 2.02 Expense Apportionment. Seller and Purchaser acknowledge that certain expenses related to the operation of the Monte Villa Facility and the Acquired Assets are prepaid by Seller or Selling Affiliates. Accordingly, the items listed below shall be apportioned between Seller and Purchaser, with Seller being responsible for all such expenses which are incurred in the ordinary course and are attributable to periods on or prior to the Closing Date (or with respect to any real estate Taxes, are attributable to any Pre-Closing Tax Period), and Purchaser reimbursing Seller and/or the Selling Affiliate for all such expenses prepaid by Seller or Selling Affiliates and attributable to periods after the Closing Date (or with respect to any real estate Taxes, are attributable to any Post-Closing Tax Period) to the extent Seller provides reasonable written evidence of such payments:

(a) prepaid rent (but excluding any free-rent or rent abatement amounts, which amounts shall not be reimbursed to Seller and/or the Selling Affiliates) and any other amounts prepaid under leases of real or personal property that are included in the Acquired Assets;

(b) utility company charges, including electricity, gas, fuel, water and sewer charges for the Acquired Assets; and

(c) real estate Taxes, general and special assessments and other public or private charges solely related to the ownership or operation of the Monte Villa Facility or the Acquired Assets; provided, that both (i) the **[*]** amount of one (1) day of the July, 2017 rent and (ii) the **[*]** amount of unpaid 2017 real estate tax, as set forth in the Proposed Proration Statement, dated July 25, 2017, will be excluded from Sections 2.02(a), 2.02(b) and 2.02(c).

Not later than three (3) business days prior to the Closing, Seller shall prepare in good faith and deliver to Purchaser a statement setting forth the amount of any such prepaid expenses and enclosing copies of the applicable written evidence, and Purchaser shall pay such amount to Seller at the Closing. During the period of thirty (30) days after the Closing, either party may request an adjustment in the amount of prepaid expenses paid at Closing pursuant to this Section 2.02 by presenting a written demand therefore together with reasonable evidence of such expenses, and following any such request, the parties hereto shall endeavor in good faith to agree to such adjustment.

SECTION 2.03 Withholding. Purchaser shall be entitled to deduct and withhold from amounts otherwise payable pursuant to this Agreement such amounts as are required to be deducted and withheld under Tax law; provided, that Purchaser shall notify Seller in writing of its intention to deduct and withhold such amounts and the reason therefore at least ten (10) days prior to the Closing Date. To the extent that such timely notice is provided to Seller and amounts are so deducted, withheld and timely paid over to the appropriate Governmental Entity by Purchaser, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the person in respect of which such deduction and withholding was made. If any withholding obligation may be avoided by the applicable person providing information or documentation to Purchaser, Purchaser shall request such information in writing from the applicable person at least ten (10) days prior to the Closing Date.

ARTICLE III
CONDITIONS TO CLOSING

SECTION 3.01 Conditions to Obligations of Each Party. The obligation of each of Purchaser and Seller to effect the Transactions is subject to the satisfaction as of the Closing of the following conditions:

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

(a) No Legal Prohibition. No action or proceeding to implement any such restraints or prohibitions shall have been commenced by any Governmental Entity and no temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Transactions shall have been issued by any Governmental Entity, court of competent jurisdiction and remain in effect, and no material law shall have been enacted since the date of this Agreement that prohibits the Acquisition or makes the consummation of the Transactions illegal.

SECTION 3.02 Conditions to Obligations of Purchaser. The obligation of Purchaser to effect the Transactions is subject to the satisfaction (or written waiver by Purchaser) as of the Closing of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties of Seller in Section 4.01 and Section 4.02(a)(i) shall be true and correct in all material respects as of the time of the Closing as though made as of such time, without taking into account any materiality qualification therein. The representation and warranty of Seller contained in Section 4.09(a) shall be true and correct as of the time of the Closing as though made as of such time. In the case of each representation and warranty in Article IV other than Section 4.01, Section 4.02(a)(i) and Section 4.09(a), such representations and warranties shall be true and correct as of the time of Closing as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date), in each case except for breaches as to matters that, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Seller shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Seller by the time of the Closing. Seller shall have delivered to Purchaser a certificate dated the Closing Date and signed by an authorized officer of Seller confirming the foregoing.

SECTION 3.03 Conditions to Obligation of Seller. The obligation of Seller to effect the Transactions is subject to the satisfaction (or written waiver by Seller) as of the Closing of the following conditions:

(a) Representations and Warranties; Covenants. The representations and warranties of Purchaser made in Section 6.01 and Section 6.02(a)(i) shall be true and correct in all material respects as of the time of the Closing as though made as of such time, without taking into account any materiality qualification therein. In the case of each representation and warranty in Article VI other than Section 6.01 and Section 6.02(a)(i), such representations and warranties shall be true and correct as of the time of the Closing as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date), without taking into account any materiality qualification therein. Purchaser shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Purchaser by the time of the Closing. Purchaser shall have delivered to Seller a certificate dated the Closing Date and signed by an authorized officer of Purchaser confirming the foregoing.

SECTION 3.04 Waiver of Closing Conditions. The parties hereto acknowledge and agree that if Purchaser or Seller has actual knowledge of a failure of any condition set forth in Section 3.01, Section 3.02 or Section 3.03, respectively (a "Closing Condition Failure"), and such party proceeds with the Closing, such party shall be deemed to have waived such condition, and such party and its successors, assigns and Affiliates shall not be entitled to be indemnified pursuant to Article X, to sue for damages or to assert any other right or remedy for any Losses arising from any matters giving rise to or otherwise underlying such Closing Condition Failure, notwithstanding anything to the contrary contained herein or in any certificate delivered pursuant hereto.

SECTION 3.05 Frustration of Closing Conditions. Neither Purchaser nor Seller may rely on the failure of any condition set forth in this Article III to be satisfied if such failure was caused by such party's failure to act in good faith or to use its reasonable best efforts to cause the Closing to occur, as required by Section 8.04.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Seller Disclosure Schedule accompanying this Agreement (the "Seller Disclosure Schedule") (provided, however, that the disclosure of an item in one section of the Seller Disclosure Schedule shall be deemed to constitute disclosure of an item in all other sections of the Seller Disclosure Schedule to the extent it is reasonably apparent that such disclosure is relevant to the representations and warranties of Seller which correspond to such other section of the Seller Disclosure Schedule), Seller hereby represents and warrants to Purchaser as follows:

SECTION 4.01 Organization, Standing and Authority. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware (U.S.A.) and has full corporate power and authority to own, operate or lease the Acquired Assets and to operate the Monte Villa Facility as currently operated. Each Selling Affiliate is a legal entity, duly organized, validly existing or incorporated, as the case may be, and, where applicable, in good standing under the laws of the jurisdiction of its organization. Seller and each of the Selling Affiliates has all requisite corporate or other entity power and authority to enter into this Agreement and the Other Transaction Documents to which it is, or is specified to be, a party and to consummate the Transactions. All necessary corporate or other entity acts and other proceedings required to be taken by Seller and/or each Selling Affiliate to authorize the execution, delivery and performance of this Agreement and the Other Transaction Documents to which it is, or is specified to be, a party and to consummate the Transactions have been duly and properly taken. This Agreement has been duly executed and delivered by Seller and, assuming this Agreement has been duly authorized, executed and delivered by Purchaser, constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding thereof may be brought. The Other Transaction Documents on the Closing Date will be duly executed by Seller and upon the due authorization, execution and delivery by each other party to the Other Transaction Documents will constitute, legal, valid and binding obligations of such persons (including, where applicable, Seller and/or any Affiliates of Seller), enforceable against such persons in accordance with their terms, except that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding thereof may be brought.

SECTION 4.02 No Conflicts; Consents.

(a) The execution, delivery and performance of this Agreement by Seller do not, and the execution, delivery and performance of the Other Transaction Documents by Seller and the Selling Affiliates specified to be parties thereto will not, and the consummation of the Transactions and compliance with the terms and conditions hereof and thereof will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of consent, termination, cancellation or acceleration of any obligation or loss of a material benefit under, or result in the creation of any liens, claims, encumbrances, security interests, options, charges, set-offs, mortgages, deeds of trust, conditional sales or other title retention agreements, pledges, hypothecations or restrictions of any kind, whether arising by agreement, statute or otherwise ("Liens") (other than Permitted Liens or Liens arising from acts of Purchaser or its Affiliates) upon any of the Acquired Assets under, any provision of (i) the certificate of incorporation, by-laws or other organizational documents of Seller or of any Selling Affiliate which is party to any Other Transaction Document, (ii) except as set forth on Section 4.02(a)(ii) of the Seller Disclosure Schedule, any note, loan or credit agreement, bond, debenture, mortgage, indenture, lease or other contract, agreement, instrument, obligation, license, commitment, understanding, arrangement, or restriction of any kind or character by which any of the Acquired Assets may be bound or affected (including any Transferred Contract), or (iii) except as set forth on Section 4.02(a)(iii) of the Seller Disclosure Schedule and assuming that all consents, approvals, exemptions, licenses, permits, orders, authorizations, registrations, declarations and filings with Governmental Entities referred to in Section 4.02(b) have been obtained or made, any judgment, order or decree, or Applicable Law applicable to Seller or the Acquired Assets.

(b) No consent, approval, exemption, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required to be obtained or made by or with respect to Seller in connection with the execution, delivery and performance of this Agreement, the Other Transaction Documents or the consummation of Transactions other than (i) those that may be required solely by reason of Purchaser's (as opposed to any other third party's) participation in the Transactions or by execution of this Agreement or any of the Other Transaction Documents, (ii) compliance with and filings under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, (iii) compliance with and filings or notices required by the rules and regulations of the New York Stock Exchange, and (iv) those set forth on Section 4.02(b) of the Seller Disclosure Schedule.

SECTION 4.03 Taxes.

(a) Except as set forth on Section 4.03 of the Seller Disclosure Schedule, there are no Liens for Taxes upon the Acquired Assets (other than Permitted Liens) nor, to Seller's knowledge, is any taxing authority in the process of imposing any Liens for Taxes on any of the Acquired Assets (other than for current Taxes not yet due and payable). Seller is not a party to any Action by any taxing authority with respect to the operation of the Monte Villa Facility or the Acquired Assets. There are no pending or, to Seller's knowledge, threatened Actions by any taxing authority with respect to the operation of the Monte Villa Facility or any Acquired Asset.

(b) All Tax Returns required to be filed on or prior to the Closing Date by Seller or an Selling Affiliate with respect to any Tax related to the Acquired Assets or the operation of the Monte Villa Facility have been duly and timely filed and are true, complete and correct in all respects, and all Taxes shown due on such Tax Returns have been timely paid.

(c) Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2.

(d) Seller is not, and has not been, a party to, or a promoter of, a "reportable transaction" within the meaning of Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011 4(b).

SECTION 4.04 Good and Valid Title to Acquired Assets.

(a) Seller or a Selling Affiliate has good and valid title to all material Transferred Personal Property, material Transferred Permits and material Transferred Records, in each case free and clear of all Liens, except (i) such as are set forth on Section 4.04(a) of the Seller Disclosure Schedule; (ii) mechanics', carriers', workmen's, repairmen's or other like Liens arising or incurred in the ordinary course of business; (iii) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business consistent with past practice which do not, individually or in the aggregate, materially impair the continued use and operation of the Acquired Assets to which they relate; and (iv) Liens for Taxes and other governmental charges which are not due yet and payable or which may thereafter be paid without penalty, or which are being disputed in good faith by Seller or a Selling Affiliate; (v) other imperfections of title or encumbrances, if any, which do not, individually or in the aggregate, materially impair the continued use and operation of the Acquired Assets to which they relate, (vi) zoning and building codes and other, similar laws, orders, rules and regulations; and (vii) other recorded and/or unrecorded Liens, monetary or otherwise, on any fee interest in the Monte Villa Facility, including easements, covenants, rights-of-way and other similar restrictions (the Liens described in clauses (i), (ii), (iii), (iv), (v), (vi), and (vii) above are hereinafter referred to collectively as "Permitted Liens"). Seller or a Selling Affiliate is in possession and control of all such Acquired Assets other than Transferred Inventory that is in the possession of one or more distributors. None of the items set forth in clauses (vi) and (vii) and, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(b) Except for Section 4.04(a)(vi) and (vii) and the last sentence of Section 4.04(a) with respect to real property, Section 4.04(a) does not relate to real property or interests in real property or Contracts, such items being the subjects of Section 4.05 and Section 4.06.

(c) The items of Transferred Personal Property included in the Acquired Assets are in good operating condition and repair and are adequate for the uses to which they are being put, and none of such items of Transferred Personal Property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. Assuming all consents, waivers, approvals, licenses, Permits, orders, authorizations, registrations, declarations, filings or notifications required to be made or obtained by Purchaser in connection with the execution, delivery and performance of this Agreement, the Other Transaction Documents and the transactions contemplated hereby and thereby are so made or obtained, the Acquired Assets

and the assets, rights and properties acquired by Purchaser pursuant to the PSA, pursuant to the Assignment and Assumption of Purchase Agreement dated as of July 30, 2017 between Tenant and Purchaser), taken as a whole, will be sufficient in all material respects for the operation by Purchaser of the Monte Villa Facility immediately following the Closing in substantially the same manner as conducted immediately prior to the Closing, except that (i) Purchaser will not acquire any assets, rights or properties that are necessary for the provision of the services to be provided by Seller or any of its Affiliates to Purchaser hereunder and pursuant to the Other Transaction Documents or the provision of any other services provided by Seller or any of its Affiliates to the Monte Villa Facility immediately prior to the Closing that will terminate as of the Closing, (ii) Purchaser will not acquire the Excluded Assets and (iii) Purchaser will not acquire the BMS Names.

SECTION 4.05 Lease.

(a) Seller has not received any written notice of (i) violations in any material respect of building codes and/or zoning ordinances or other Applicable Laws affecting the Monte Villa Facility, (ii) existing, pending or threatened condemnation proceedings affecting in any material respect the Monte Villa Facility, or (iii) existing, pending or threatened zoning, building code or other moratorium proceedings, or similar matters which could reasonably be expected to adversely affect in any material respect the ability to operate the Monte Villa Facility as currently operated. Neither the whole nor any material portion of the Monte Villa Facility has been damaged or destroyed by fire or other casualty.

(b) Seller has provided to Purchaser a true, accurate and complete, in all material respects, copy of the Lease.

SECTION 4.06 Contracts.

(a) Section 1.02(a)(iii) of the Seller Disclosure Schedule is a true and correct list of each Transferred Contract that is:

(i) a lease or similar agreement with any person under which (A) Seller or a Selling Affiliate is lessee of, or holds or uses, any machinery, equipment, vehicle or other tangible personal property owned by any person or (B) Seller or a Selling Affiliate is a lessor or sublessor of, or makes available for use by any person, any tangible personal property owned or leased by Seller or a Selling Affiliate, in any such case which has an aggregate future liability or receivable, as the case may be, in excess of **[*]** and is not terminable by Seller or a Selling Affiliate by notice of not more than ninety (90) days for a cost of less than **[*]**;

(ii) (A) a continuing contract for the future purchase of materials, supplies or equipment (other than purchase contracts and orders for inventory in the ordinary course of business consistent with past practice) or (B) a management, service, consulting or other similar type of contract (other than contracts for services in the ordinary course of business), in any such case which has an aggregate future liability to any person in excess of **[*]** and is not terminable by Seller or a Selling Affiliate by notice of not more than ninety (90) days for a cost of less than **[*]**;

(iii) an agreement, contract or other instrument under which Seller or a Selling Affiliate has borrowed any money from, or issued any note, bond, debenture or other evidence of indebtedness to, any person or any other note, bond, debenture or other evidence of indebtedness issued to any person;

(iv) an agreement, contract or other instrument, other than confirmatory purchase orders, made between Seller or a Selling Affiliate with any material customer or material supplier;

(v) an agreement, contract or other instrument that, following the consummation of the Transactions, would restrict the ability of Purchaser to compete with any person in any business or in any geographic area or to engage in any business or other activity, including any restrictions relating to "exclusivity" in favor of any person other than Seller or a Selling Affiliate;

(vi) an agreement, contract or other instrument pursuant to which rights to any material Transferred Software are licensed to Seller or a Selling Affiliate;

(vii) an agreement, contract or other instrument providing for the indemnification by Seller or any Selling Affiliate of any third party for any Tax or environmental Liability, or the assumption by Seller or any Selling Affiliate of any Tax or environmental Liability of any third party, in each case other than customary indemnification provisions incorporated in the ordinary course in Transferred Contracts that are not primarily related to the allocation of responsibility for Tax or environmental matters;;

(viii) an agreement, contract or other instrument that includes any powers of attorney with respect to any Acquired Assets; and

(ix) any other agreement, contract, lease, license, commitment or instrument to which Seller or a Selling Affiliate is a party or by or to which it is bound or subject which has an aggregate future liability to any person in excess of **[*]** and is not terminable by Seller or a Selling Affiliate by notice of not more than ninety (90) days for a cost of less than **[*]**, other than the Lease.

(b) Except as set forth on Section 4.06(b) of the Seller Disclosure Schedule, each Transferred Contract is valid, binding and in full force and effect on the applicable Selling Affiliate, and, to the knowledge of Seller, the other party to each Transferred Contract, and, to the knowledge of Seller, is enforceable by Seller or a Selling Affiliate in accordance, in all material respects, with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally, general principles of equity and the discretion of courts in granting equitable remedies. Except as set forth on Section 4.06(b) of the Seller Disclosure Schedule, (i) Seller and the Selling Affiliates have performed all obligations required to be performed by them to date under the Transferred Contracts and are not (with or without the lapse of time or the giving of notice, or both) in breach or default in any respect thereunder, and (ii) to the knowledge of Seller, no other party to any of the Transferred Contracts set forth on Section 1.02(a)(iii) of the Seller Disclosure Schedule, as of the date of this Agreement, is (with or without the lapse of time or the giving of notice, or both) in breach or default in any respect thereunder, except in each case to the extent that such failure to perform, breach or default would not be reasonably likely to have a Material Adverse Effect.

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

SECTION 4.07 Transferred Permits. Except as set forth on Section 4.07 of the Seller Disclosure Schedule, all Transferred Permits are in full force and effect and are validly held by Seller or the Selling Affiliates, and Seller or the Selling Affiliates have complied with all terms and conditions thereof, except for any such invalidity or non-compliance that would not be reasonably likely to have a Material Adverse Effect. All fees and charges due and payable with respect to such Permits as of the date hereof have been paid in full. Except as set forth on Section 4.07 of the Seller Disclosure Schedule or as individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect, no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Transferred Permit.

SECTION 4.08 Litigation. Except as set forth on Section 4.08 of the Seller Disclosure Schedule, there are no Actions pending or, to Seller's knowledge, threatened against or by Seller or any Selling Affiliate (a) relating to or affecting the operation of the Monte Villa Facility, the Acquired Assets or the Assumed Liabilities or (b) that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement and the Other Transaction Documents. Except as set forth on this Section 4.08 of the Seller Disclosure Schedule, as of the date of this Agreement, neither Seller nor any Selling Affiliate is a party or subject to or in default under any material judgment, complaint, order, rule, injunction, decree or any pending or, to the knowledge of Seller, threatened, investigation of any Governmental Entity or arbitration tribunal applicable to the operation of the Monte Villa Facility or any Acquired Asset or this Agreement and the Other Transaction Documents. This Section 4.08 does not relate to environmental matters, which are the subject of Section 4.11.

SECTION 4.09 Absence of Changes or Events.

(a) **[*]**, there has not been any event, occurrence or development that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Purchaser acknowledges that a disruption to the operation of the Monte Villa Facility does not and shall not constitute a breach of this Section 4.09(a) to the extent that such disruption arises as a result of the announcement by Seller or a Selling Affiliate of its intention to sell the Monte Villa Facility, as a result of the execution of this Agreement or the consummation of the Transactions or as a result of the exercise of the ROFR and sale of the Property (as defined in the PSA) to Seller.

(b) **[*]**, and except as set forth on Section 4.09(b) of the Seller Disclosure Schedule, Seller and the Selling Affiliates have caused the operation of the Monte Villa Facility to be conducted in all material respects in the ordinary course consistent with past practice, and neither Seller nor any Selling Affiliate has taken any action that, if taken after the date of this Agreement, would constitute a breach of any of the covenants set forth in Section 5.02, other than any actions that are expressly contemplated by this Agreement.

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SECTION 4.10 Compliance with Applicable Laws. Except as set forth on Section 4.10 of the Seller Disclosure Schedule, Seller and the Selling Affiliates are in compliance with all applicable statutes, laws, ordinances, rules, orders and regulations of any Governmental Entity, relating to the operation of the Monte Villa Facility or the ownership of Acquired Assets, in effect as of the date hereof ("Applicable Laws"), including those relating to occupational health and safety and those related to bribery and foreign asset control, except in each case for instances of noncompliance that, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect. Except as set forth on Section 4.10 of the Seller Disclosure Schedule, (a) there are no outstanding orders of any Governmental Entity and no unsatisfied judgments, penalties or awards against, relating to or affecting in any material respect the operation of the Monte Villa Facility or the ownership or use of the Acquired Assets and (b) neither Seller nor any Selling Affiliate has received during the three (3) years prior to the date hereof any written or, to the knowledge of Seller, oral communication from a Governmental Entity that alleges that Seller or any Selling Affiliate is in violation in any material respect of any Applicable Laws with respect to the operation of the Monte Villa Facility or the ownership Acquired Assets, nor to the knowledge of Seller are any such governmental claims threatened. This Section 4.10 does not relate to matters with respect to Taxes, which are the subject of Section 4.03, to matters with respect to real property title, which are the subject of Section 4.05, to matters with respect to Permit compliance, which are the subject of Section 4.07, to environmental matters, which are the subject of Section 4.11, or to employee and labor matters, which are the subject of Section 4.12.

SECTION 4.11 Environmental Matters. Seller or a Selling Affiliate has provided or otherwise made available to Purchaser copies of certain environmental reports relating to the Acquired Assets which are identified on Section 4.11 of the Seller Disclosure Schedule (the "Environmental Reports"). Except as set forth in the Environmental Reports or otherwise set forth on Section 4.11 of the Seller Disclosure Schedule, and except as would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect, (i) to the knowledge of Seller, Seller and the Selling Affiliates (solely to the extent related to the Acquired Assets) are in compliance with all applicable Environmental Laws, (ii) to the knowledge of Seller, Seller and the Selling Affiliates (solely to the extent related to the Acquired Assets) are in compliance with all Environmental Permits required for them to conduct the operation of the Monte Villa Facility as currently conducted, (iii) to the knowledge of Seller or any Seller Affiliate, neither Seller nor a Selling Affiliate has received during the four (4) years prior to the date hereof any written communication from a Governmental Entity that alleges that Seller or a Selling Affiliate (solely to the extent related to the Acquired Assets) is in violation of or has liability under any Environmental Law in connection with the operation of the Monte Villa Facility, (iv) there are no pending or, to the knowledge of Seller or any Seller Affiliate, threatened claims, complaints, lawsuits, or proceedings against Seller or a Selling Affiliate relating to compliance with Environmental Laws or Environmental Permits connection with the operation of the Monte Villa Facility, and (v) to the knowledge of Seller and/or any Seller Affiliate, any Hazardous Material used by Seller and/or the Selling Affiliates (solely to the extent related to the Acquired Assets) has been used in material compliance with all applicable Environmental Laws. The representations and warranties made in this Section 4.11 are Seller's exclusive representations and warranties relating to Environmental Laws, Environmental Permits or Hazardous Materials.

SECTION 4.12 Employee and Labor Matters.

(a) Except as set forth on Section 4.12(a) of the Seller Disclosure Schedule: (i) since January 11, 2011, there has never been, nor has there been any threat of, any labor strike, slowdown, work stoppage lockout, concerted refusal to work overtime or other similar labor disruption or dispute affecting Seller or any employees employed at the Monte Villa Facility; and (ii) none of Seller or any Selling Affiliate is a party to, bound by or negotiating any collective bargaining agreements or any labor union contracts with a union, works council or labor organization (collectively, "Union") relating to the operation of the Monte Villa Facility, and there is not any Union representing or purporting to represent any employee of Seller or any Selling Affiliate employed at the Monte Villa Facility and, to the knowledge of Seller, no union organizational campaign is in progress with respect to the employees of Seller or a Selling Affiliate employed at the Monte Villa Facility; (iii) to the knowledge of Seller there are no Actions against Seller or any Selling Affiliate pending, or to the knowledge of Seller, threatened to be brought or filed, by or with any Governmental Entity, court or arbitrator in connection with the employment of any current or former applicant, employee, consultant, volunteer, intern or independent contractor at the Monte Villa Facility, including, without limitation, any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wages and hours or any other employment related matter arising under Applicable Laws; and (iv) Seller has not received written notice of the intent of any Governmental Entity responsible for the enforcement of labor or employment laws to conduct an investigation of the Monte Villa Facility and, to the knowledge of Seller, no such investigation is in progress.

(b) To the knowledge of Seller and to the extent not reasonably likely to result in material liability to Purchaser, each of Seller and any Selling Affiliate is and has been in compliance with all Applicable Laws pertaining to employment and employment practices to the extent they relate to employees at the Monte Villa Facility, including all Applicable Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence and unemployment insurance.

(c) Seller has made available a true and correct list of all employees and independent contractors and consultants, receiving a Form 1099 from Seller or a Selling Affiliate, working at the Monte Villa Facility as of the date hereof including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name and title or position (including whether full or part time); (ii) hire date; (iii) current annual base compensation rate; (iv) commission, bonus or other incentive-based compensation, including equity compensation; and (v) a description of the fringe benefits (other than fringe benefits offered under a Benefit Plan) provided to each such individual as of the date hereof. Section 4.12(c) of the Seller Disclosure Schedule contains a true and correct list of all third party vendors providing independent contractors and consultants including the rate at which each vendor is paid.

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(d) Seller has complied with the WARN Act, and it has no plans to undertake any action prior to the Closing Date that would trigger the WARN Act.

(e) **[*]**, except as set forth on Section 4.12(d) of the Seller Disclosure Schedule, there has not been any (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of any current or former employees, officers, directors, independent contractors or consultants of Seller or a Selling Affiliate employed or engaged at the Monte Villa Facility, other than as provided for in any written agreements or required by Applicable Law, (ii) change in the terms of employment for any employee of Seller or a Selling Affiliate employed at the Monte Villa Facility or any termination of any such employees **[*]**, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, consultant or independent contractor of Seller or a Selling Affiliate employed or engaged at the Monte Villa Facility; (iv) adoption, modification or termination of any: (A) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant of Seller or a Selling Affiliate employed or engaged at the Monte Villa Facility, (B) Benefit Plan (other than with respect to changes in Benefit Plans that apply generally to employees of Seller or a Selling Affiliate employed outside the Monte Villa Facility), or (C) collective bargaining or other agreement with a Union, in each case whether written or oral in respect of any current employees of Seller or a Selling Affiliate employed or engaged at the Monte Villa Facility.

SECTION 4.13 Pro Forma Financial Information.

(a) Section 4.13(a) of the Seller Disclosure Schedule sets forth the balances for individual line items corresponding to the Acquired Assets and the Assumed Liabilities, in each case, as of June 30, 2017, as if the Closing had occurred on such date (the "Statement of Pro Forma Balances").

(b) The individual line items on the Statement of Pro Forma Balances have been derived from the internal books and records of Seller or Selling Affiliate and have been prepared in accordance with U.S. GAAP applied on a consistent basis throughout the period involved. The Statement of Pro Forma Balances fairly present the Acquired Assets and Assumed Liabilities for the period indicated, but do not necessarily reflect what the financial position of the Monte Villa Facility would have been had the Monte Villa Facility been operated as a standalone entity as of the date indicated.

SECTION 4.14 Insurance. Section 4.14 of the Seller Disclosure Schedule sets forth (a) a true and complete list of all current third party loss shifting (*i.e.*, excluding any captive) policies or binders of fire, liability, umbrella liability, real and personal property, workers' compensation, vehicular, and other casualty and property insurance maintained by Seller or any Selling Affiliate and relating to the operation of the Monte Villa Facility, the Acquired Assets or the Assumed Liabilities (collectively, the "Insurance Policies") and (b) with respect to the operation of the Monte Villa Facility, the Acquired Assets or the Assumed Liabilities, a list of all pending claims and the claims history for Seller **[*]**. There are no claims related to the operation of the Monte Villa Facility, the Acquired Assets or the Assumed Liabilities pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect

of which there is an outstanding reservation of rights. Neither Seller nor any of the Selling Affiliates has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have either been paid or, if not yet due, accrued. All such Insurance Policies (i) are in full force and effect and enforceable in accordance with their terms; and (ii) have not been subject to any lapse in coverage. None of Seller or any of the Selling Affiliates is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy.

SECTION 4.15 Fees. No broker, finder or investment banker has acted for Seller or any Selling Affiliate in connection with this Agreement or the Transactions or is entitled to any brokerage fee, finder's fee or commission in respect thereof.

SECTION 4.16 Transferred Software.

(a) To the knowledge of Seller, the use of the Transferred Software in connection with the operation of the Monte Villa Facility does not infringe, dilute, misappropriate or otherwise violate, the Intellectual Property or other rights of any person.

(b) There are no Actions (including any oppositions, interferences or re-examinations) settled, pending or, to the knowledge of Seller, threatened (including in the form of offers to obtain a license): (i) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any person by Seller in connection with the operation of the Monte Villa Facility or use of the Transferred Software or (ii) challenging Seller's rights with respect to any Transferred Software.

ARTICLE V
COVENANTS OF SELLER

SECTION 5.01 Access. From the date hereof to the Closing, Seller shall, and shall cause the Selling Affiliates to, give Purchaser and its representatives, employees, counsel and accountants reasonable access, during normal business hours and upon reasonable advance notice, to (a) the Acquired Assets, (b) the Facility Employees and (c) the accounting books and records for the operation of the Monte Villa Facility; provided, however, that such access (i) does not unreasonably disrupt the normal operations of Seller or Selling Affiliates or the operation of the Monte Villa Facility, (ii) would not be reasonably expected to violate any attorney-client privilege of Seller or Selling Affiliates or violate any Applicable Law or require any third party consent and (iii) would not reasonably be expected to breach any duty of confidentiality owed to any person, whether the duty arises contractually, statutorily or otherwise. Such rights of access explicitly exclude any Phase II environmental investigations, or any other intrusive or invasive sampling, including testing of soil, surface water or groundwater, or air at any owned property.

SECTION 5.02 Ordinary Conduct.

(a) Except as required by Applicable Law or as set forth on Section 5.02 of the Seller Disclosure Schedule, and except as consented to in writing by Purchaser (which consent shall not be unreasonably withheld, conditioned, or delayed) or otherwise contemplated by the terms of this Agreement or of any Other Transaction Document, from the date hereof until the Closing, Seller shall, and shall cause the Selling Affiliates to, cause the operation of the Monte Villa Facility to be conducted in all material respects in the ordinary course in substantially the same manner as currently conducted, and shall, and shall cause the Selling Affiliates to, use reasonable best efforts consistent with past practices to preserve the relationships with customers, suppliers, distributors and others with whom the Seller or Selling Affiliate, for the operation of the Monte Villa Facility, has a material business relationship.

(b) Except as required by Applicable Law or as set forth on Section 5.02 of the Seller Disclosure Schedule or otherwise contemplated by the terms of this Agreement, from the date hereof until the Closing, Seller shall not, and shall not permit a Selling Affiliate to, do any of the following in connection with the operation of the Monte Villa Facility without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed):

(i) grant to any employee of the Monte Villa Facility any increase in compensation or benefits, except in the ordinary course of business consistent with past practice or as may be required under existing agreements or Applicable Law and except for any increases for which Seller or a Selling Affiliate shall be solely obligated;

(ii) terminate (other than for cause) any employee of the Monte Villa Facility other than in the ordinary course of business consistent with past practice and other than as contemplated by Article IX hereof;

(iii) enter into any new employment agreements relating to the operation of the Monte Villa Facility, provided that (A) Seller may, subject to clause (B), (1) hire to fill positions that are vacant as set forth on Section 9.01 of the Seller Disclosure Schedule and (2) hire to fill any position that becomes vacant on or after the date hereof if Seller reasonably determines that filling such position is reasonably necessary for the operation of the Monte Villa Facility; (B) Purchaser's written approval shall be required before entering into any employment agreement having an individual value in excess of **[*]**, which approval shall not be unreasonably withheld; and (C) Seller shall provide prompt notice to Purchaser of any employees hired in connection with the operation of the Monte Villa Facility on or after the date hereof;

(iv) enter into any transaction relating to the operation of the Monte Villa Facility or the Acquired Assets with or for the benefit of any other Affiliate of Seller other than sales of goods or services in the ordinary course of business consistent with past practice;

(v) permit, allow or suffer any Acquired Asset to become subjected to any Lien, other than a Permitted Lien, which would have been required to be set forth on Section 4.03, Section 4.04 or Section 4.05 of the Seller Disclosure Schedule if existing on the date of this Agreement;

(vi) sell, lease, otherwise dispose of, or remove from the Monte Villa Facility any Acquired Assets with a value in excess of **[*]**, except for sales of raw materials, work-in-process, supplies, parts, spare parts and other inventories in the ordinary course of business consistent with past practice;

(vii) fail to maintain the Monte Villa Facility, the Transferred Personal Property or the Transferred Software in all material respects in substantially the same working order and condition as of the date of this Agreement (ordinary wear and tear excepted);

(viii) fail to perform or comply in all material respects with all of its obligations under the Transferred Contracts or the Transferred Permits, or enter into, assume, modify or amend in any material respect or terminate or waive any Transferred Contract or Transferred Permit or other contract or permit that would be a Transferred Contract or Transferred Permit, as applicable, if entered into and that would restrict or otherwise impair the use and value of any Acquired Asset, or modify or terminate any material right thereunder, except for renewals, extensions or other modifications or amendments in the ordinary course of business consistent with past practice;

(ix) allow to lapse, fail to maintain or preserve, or fail to make any applications for renewal as and when required, of any Transferred Permit necessary for the operation of the Monte Villa Facility or the ownership and use of the Acquired Assets;

(x) fail to pay when due the debts, Taxes and other obligations related to the operation of the Monte Villa Facility;

(xi) fail to comply in all material respects with all Applicable Laws related to the operation of the Monte Villa Facility or the ownership and use of the Acquired Assets;

(xii) commence, settle or agree to settle any suit, action, proceeding or investigation relating to the operation of the Monte Villa Facility or the Acquired Assets the liability in respect of which would be an Assumed Liability or would restrict the operation of the Monte Villa Facility in the manner currently conducted, or the Acquired Assets in any material respect after the Closing Date; or

(xiii) enter into any Contract to do any of the foregoing.

(c) Notwithstanding anything to the contrary in this Section 5.02 the parties hereto acknowledge and agree that nothing contained in this Agreement shall give Purchaser, directly or indirectly, the right to control or direct Seller's operations (including for purposes of Applicable Law) prior to Closing. Prior to Closing, Seller shall exercise, consistent with the terms and conditions hereof, complete control and supervision over its operations.

SECTION 5.03 Insurance. Seller shall keep, or cause to be kept, all Insurance Policies, or suitable replacements therefor (including self-insurance), in full force and effect through the Closing. Any and all Insurance Policies maintained with respect to the operation of the Monte Villa Facility or the Acquired Assets are owned and maintained by Seller and the Selling Affiliates. Purchaser will not have any rights under any such Insurance Policies from and after the Closing Date.

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SECTION 5.04 Confidentiality. Seller acknowledges that it and the Selling Affiliates and their Representatives are and will be at the Closing in possession of proprietary information relating solely to the Acquired Assets that is not generally available to the public, excluding any information which relates to Excluded Assets (the "Confidential Information"); provided that Confidential Information shall not include any information that (i) relates to the Excluded Assets (including, but not limited to, Intellectual Property and Facility Know-How), (ii) at the time of disclosure or thereafter is available to the public (other than as a result of a disclosure directly or indirectly by Seller, the Selling Affiliates or their Representatives), (iii) after Closing becomes available to Seller, the Selling Affiliates or their Representatives without restriction (through no improper action or inaction by Seller, the Selling Affiliates or their Representatives) from a source other than Purchaser or its Representatives, (iv) Seller can demonstrate was independently acquired or developed by Seller, the Selling Affiliates or their Representatives without reference to, or incorporation of, other Confidential Information, (v) is legally required to be disclosed in accordance with this Section 5.04, or (vi) after Closing is available as a result of carrying out the provisions of the Other Transaction Documents. Seller acknowledges and agrees that such Confidential Information is proprietary and confidential in nature and that Seller shall be responsible for any breach of these confidentiality provisions by Seller's Selling Affiliates and its and their Representatives. From and after the Closing Date, Seller shall, and shall cause the Selling Affiliates and shall direct each of their Representatives to, keep all Confidential Information strictly confidential. If Seller, any of the Selling Affiliates or any of their Representatives are legally required to disclose any Confidential Information (whether by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process), such person shall or shall cause such Representatives to (in each case unless prohibited by Applicable Law) provide Purchaser with prompt written notice of such request so that Purchaser may seek an appropriate protective order or other appropriate remedy. If such protective order or remedy is not obtained, such person may disclose, and such person shall use its reasonable best efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller as follows:

SECTION 6.01 Organization, Standing and Authority. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Purchaser has all requisite corporate power and authority to enter into this Agreement and the Other Transaction Documents to which it is, or is specified to be, a party and to consummate the Transactions. All necessary corporate acts and other proceedings required to be taken by Purchaser to authorize the execution, delivery and performance of this Agreement and the Other Transaction Documents to which it is, or is specified to be, a party and to consummate the Transactions have been duly and properly taken. This Agreement has been duly executed and delivered by Purchaser and, assuming this Agreement has been duly authorized, executed and delivered by Seller, constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in

accordance with its terms, except (a) to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditor's rights generally and (b) that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding thereof may be brought. The Other Transaction Documents on the Closing Date will be duly executed by Purchaser, and upon the due authorization, execution and delivery by each other party to the Other Transaction Documents, will constitute legal, valid and binding obligations of such persons (including, where applicable, Purchaser), enforceable against such persons in accordance with their terms, except (i) to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditor's rights generally and (ii) that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding thereof may be brought.

SECTION 6.02 No Conflicts; Consents.

(a) The execution, delivery and performance of this Agreement by Purchaser does not, and the execution, delivery and performance by Purchaser of each Other Transaction Document to which it is, or is specified to be, a party will not, and the consummation of the Transactions and compliance with the terms hereof and thereof will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of consent, termination, cancellation or acceleration of any obligation or loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of Purchaser under, any provision of (i) its certificate of incorporation or by-laws, (ii) any material note, loan or credit agreement, bond, debenture, mortgage, indenture, lease or other contract, agreement, instrument, obligation, license, commitment, understanding, arrangement or restriction of any kind or character by which Purchaser may be bound or affected or subject to or otherwise under which Purchaser has any rights or benefits, or (iii) assuming that all consents, approvals, exemptions, licenses, permits, orders, authorizations, registrations, declarations and filings with Governmental Entities referred to in Section 6.02(b) have been obtained or made, any judgment, order, or decree, or, subject to the matters referred to in paragraph (b) below, statute, law, ordinance, rule or regulation applicable to Purchaser or its properties or assets, other than, in the case of clauses (ii) and (iii) above, any such items that, individually or in the aggregate, would not be reasonably likely to have a material adverse effect on the ability of Purchaser to consummate the Acquisition.

(b) No consent, approval, exemption, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required to be obtained or made by or with respect to Purchaser in connection with the execution, delivery and performance of this Agreement, the Other Transaction Documents or the consummation of the Transactions, other than (i) compliance with and filings under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, (ii) compliance with and filings or notices required by the rules and regulations of The Nasdaq Stock Market, and (iii) such consents, approvals, licenses, permits, orders, authorizations, registrations, declarations and filings the absence of which, or the failure to make which, individually or in the aggregate, would not be reasonably likely to have a material adverse effect on the ability of Purchaser to consummate the Acquisition.

SECTION 6.03 Actions and Proceedings. There are no (a) outstanding judgments, orders, injunctions or decrees of any Governmental Entity or arbitration tribunal against Purchaser, (b) lawsuits, actions or proceedings pending or, to the knowledge of Purchaser, threatened against Purchaser, or (c) investigations by any Governmental Entity which are pending or, to the knowledge of Purchaser, threatened against Purchaser, which, in the case of each of clauses (a), (b) and (c), have had or would be reasonably likely to have a material adverse effect on the ability of Purchaser to consummate the transactions contemplated by this Agreement and the Other Transaction Documents.

SECTION 6.04 Availability of Funds. Purchaser has, and on the Closing Date will have, cash available or existing borrowing facilities which together are sufficient to enable it to consummate the transactions contemplated by this Agreement and the Other Transaction Documents and to pay related fees and expenses.

SECTION 6.05 Fees. No broker, finder or investment banker has acted for Purchaser or its Affiliates in connection with this Agreement or the Transactions or is entitled to any brokerage fee, finder's fee or commission in respect thereof.

SECTION 6.06 Solvency. Immediately after the Closing and after giving effect to the transactions contemplated by this Agreement and the Other Transaction Documents, the payment of the Closing Date Amount and the payment of all fees and expenses related to the transactions contemplated by this Agreement and the Other Transaction Documents: (a) the fair saleable value of the assets of Purchaser will exceed the liabilities of Purchaser, including contingent and other liabilities; (b) Purchaser will not have an unreasonably small amount of capital for the operation of its business; and (c) Purchaser will be able to pay its liabilities, including contingent and other liabilities, as they mature.

SECTION 6.07 No Actual Knowledge of Misrepresentation or Omission. To the actual knowledge of Purchaser, (a) none of the representations and warranties of Seller made in this Agreement (as qualified by the Seller Disclosure Schedule) that are qualified as to materiality are not true and correct as of the date hereof, (b) none of the representations and warranties of Seller made in this Agreement (as qualified by the Seller Disclosure Schedule) that are not so qualified are not true and correct in all material respects as of the date hereof, and (c) there are no material errors in, or material omissions from, any Section of the Seller Disclosure Schedule as of the date hereof.

SECTION 6.08 Going Concern. Purchaser is acquiring the Acquired Assets for the purpose of operating the Monte Villa following the Closing and does not currently anticipate the cessation of operations at any of the facilities of the Monte Villa Facility.

SECTION 6.09 DISCLAIMER. PURCHASER ACKNOWLEDGES THAT (A) EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE IV OR IN ANY EXHIBIT, SCHEDULE OR CERTIFICATE DELIVERED BY SELLER OR AN AFFILIATE OF SELLER PURSUANT TO THIS AGREEMENT, NEITHER SELLER NOR ANY OTHER PERSON HAS MADE ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE MONTE VILLA FACILITY OR THE OPERATION THEREOF, THE ACQUIRED ASSETS, THE RESEARCH, DEVELOPMENT, MANUFACTURE, DISTRIBUTION, MARKETING OR

SALE OF PRODUCTS BY SELLER OR SELLING AFFILIATES, ANY OTHER ASPECT OF THE RESPECTIVE BUSINESSES OF SELLER OR SELLING AFFILIATES OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION REGARDING THE MONTE VILLA FACILITY OR THE OPERATION THEREOF OR THE ACQUIRED ASSETS FURNISHED OR MADE AVAILABLE TO PURCHASER AND ITS REPRESENTATIVES, AND (B) PURCHASER HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY FROM SELLER OR ANY OTHER PERSON WITH RESPECT TO THE MONTE VILLA FACILITY OR THE OPERATION THEREOF, THE ACQUIRED ASSETS, THE MANUFACTURE, DISTRIBUTION, MARKETING OR SALE OF PRODUCTS BY SELLER OR SELLING AFFILIATES, ANY OTHER ASPECT OF THE RESPECTIVE BUSINESSES OF SELLER OR SELLING AFFILIATES OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION REGARDING THE MONTE VILLA FACILITY OR THE OPERATION THEREOF OR THE ACQUIRED ASSETS FURNISHED OR MADE AVAILABLE TO PURCHASER AND ITS REPRESENTATIVES IN DETERMINING TO ENTER INTO THIS AGREEMENT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN ARTICLE IV OR IN ANY EXHIBIT, SCHEDULE OR CERTIFICATE DELIVERED BY SELLER OR AN AFFILIATE OF SELLER PURSUANT TO THIS AGREEMENT. EXCEPT AS PROVIDED IN THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, PURCHASER ACKNOWLEDGES THAT, SHOULD THE CLOSING OCCUR, PURCHASER SHALL ACQUIRE THE ACQUIRED ASSETS WITHOUT ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IN AN "AS IS" CONDITION AND ON A "WHERE IS" BASIS, AND PURCHASER SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN PURCHASER GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY LIENS, THAT ANY NECESSARY CONSENTS OR GOVERNMENTAL APPROVALS ARE NOT OBTAINED AND THAT ANY REQUIREMENTS OF APPLICABLE LAWS OR INJUNCTIONS ARE NOT COMPLIED WITH.

ARTICLE VII
COVENANTS OF PURCHASER

SECTION 7.01 Confidentiality. Purchaser acknowledges that the information being provided to it in connection with the Acquisition and the consummation of the other transactions contemplated hereby and by the Other Transaction Documents (including the terms and conditions of this Agreement and the Other Transaction Documents) is subject to the terms of a confidentiality agreement between Purchaser and Seller dated as of March 10, 2017 (the "Confidentiality Agreement"), the terms of which are incorporated herein by reference (including for the avoidance of doubt the exceptions to the obligations in that agreement). Effective upon, and only upon, the Closing, the confidentiality provisions of the Confidentiality Agreement shall terminate with respect to information relating solely to the Monte Villa Facility; provided, however, that Purchaser acknowledges that any and all other information provided to it by Seller or Seller's representatives concerning Seller or Selling Affiliates shall remain subject to the terms and conditions of the Confidentiality Agreement (including for the avoidance of doubt the exceptions to the obligations in that agreement) after the Closing Date; and provided, further, that Purchaser agrees to keep confidential and not disclose the terms and conditions of this Agreement and the Other Transaction Documents indefinitely.

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

SECTION 7.02 Non-Solicitation. For a period of **[*]** from the Closing Date, neither Purchaser nor its directors, officers, employees, Affiliates, agents, advisors or representatives (each a "Purchaser Party"), directly or indirectly, shall solicit for employment or hire any of the employees of Seller and its Affiliates identified on Section 7.02 of the Seller Disclosure Schedule, whether or not such person would commit a breach of his or her contract of service in leaving such employment with Seller or any Selling Affiliate, except that the foregoing restrictions on solicitation and hiring shall not apply with respect to any general solicitation issued by a Purchaser Party or any unsolicited approach to a Purchaser Party by such a person.

SECTION 7.03 No Additional Representations. Purchaser acknowledges that it and its representatives have received or been afforded the opportunity to review prior to the date hereof all written materials which Seller was required to deliver or make available, as the case may be, to Purchaser pursuant to this Agreement on or prior to the date hereof. Purchaser acknowledges that it and its Representatives have been permitted access to the books and records, facilities, equipment, Contracts, insurance policies (or summaries thereof) and other properties and assets of Seller or Selling Affiliates to the extent relating to the operation of the Monte Villa Facility and the Acquired Assets that it and its representatives have requested to see and/or review, and that it and its representatives have had an opportunity to meet with the officers and employees of Seller and its Affiliates, to discuss the operation of the Monte Villa Facility, the Acquired Assets and the Assumed Liabilities. Purchaser acknowledges that neither Seller nor any other person has made any representation or warranty, expressed or implied, as to the accuracy or completeness of any information regarding the Monte Villa Facility, the Acquired Assets or the Assumed Liabilities furnished or made available to Purchaser and its representatives, except as expressly set forth in this Agreement, the Seller Disclosure Schedule or the Other Transaction Documents. Purchaser acknowledges and agrees that, other than the representations and warranties of Seller specifically contained in this Agreement and the Other Transaction Documents, there are no representations or warranties of Seller, Selling Affiliates or any other person either expressed or implied with respect to the Transactions, the Monte Villa Facility or the Acquired Assets.

SECTION 7.04 Real Property. Purchaser acknowledges that Seller does not own the right or title to the real property or improvements thereon at which the Monte Villa Facility is located, and in no event shall this Agreement be deemed to constitute an assignment or purported assignment of such real property or improvements.

SECTION 7.05 No Use of BMS Names; Transitional License.

(a) It is expressly agreed that as soon as reasonably practicable, **[*]**, Purchaser shall not use any BMS Names in any manner or for any purpose whatsoever. Without limiting the foregoing, on and after the Closing Date, Purchaser shall revise product literature, signage, letterheads, and any other material (including all equipment, machinery, furniture, employee gifts (*e.g.*, shirts, caps and hats) and laptops) ("Facility Materials") to (i) delete, strike over, sticker over or otherwise cover all references to any BMS Names (regardless of the form or medium) and (ii) delete all references to any customer service address or any other address(es) or telephone

number(s) of Seller or any Selling Affiliate, and, except as expressly permitted under this Section 7.05, and as of the date hereof, Purchaser shall thereafter cease, and shall cause its Affiliates to cease, any and all uses of any BMS Name, including in any domain name, social media handle, trademark or other mark. Notwithstanding the foregoing, the parties hereto agree that the use of BMS Names or for the purpose of the operation of the Monte Villa Facility by Purchaser shall be allowed for a term of **[*]** after the Closing Date solely to the extent necessary for Purchaser to obtain any consents, licenses and/or permits by any Governmental Entity. Following the expiry of such term, the use of BMS Names shall be allowed only upon prior written consent of Seller.

(b) From the Closing Date until **[*]** (subject to Applicable Law) from the Closing Date, Purchaser may continue to use the Facility Materials existing as of the date hereof but solely for use in the ordinary course conduct of the operation of the Monte Villa Facility, consistent with past practice.

(c) Seller hereby grants to Purchaser a limited right and license to use the BMS Names that appear in the Facility Materials (if any) to the extent necessary to allow Purchaser to exercise its rights under this Section 7.05 and such license shall automatically and immediately terminate **[*]** after the Closing Date. In no event shall the foregoing license grant Purchaser the right to use any BMS Names, addresses or telephone numbers after the Closing Date in any manner or for any purpose inconsistent with the use of such BMS Names, addresses or telephone numbers by the Monte Villa Facility during **[*]** preceding the Closing Date.

(d) "BMS Names" means "Bristol-Myers", "Bristol-Myers Squibb", "Bristol-Myers Squibb Company", "E.R. Squibb & Sons", "E.R. Squibb", "Squibb", "Mead Johnson", "Mead Johnson & Company", "Mead Johnson Nutritional Group", "Swords Laboratories", "Lawrence Laboratories", "ZymoGenetics", or "Bristol-Myers Squibb Manufacturing Company", any acronyms, variations and other derivatives thereof (*e.g.*, "BMS"), and any formative of any of the foregoing (*e.g.*, "Squibb") and any other logos or trademarks, service marks or other marks of Seller or its Affiliates, and any logos or other marks that are similar to any of the foregoing, and all goodwill associated with any of the foregoing.

SECTION 7.06 Other Records and Permits. Purchaser acknowledges and agrees that neither Seller nor any of its Affiliates makes any representation or warranty, expressed or implied, or any covenant or agreement, relating to any Records or Permits that are located at the Monte Villa Facility on the Closing Date other than as set forth in Article IV.

ARTICLE VIII
MUTUAL COVENANTS

SECTION 8.01 Consents. Purchaser acknowledges that, except as set forth on Section 2.01(c) of the Seller Disclosure Schedule, certain consents and waivers with respect to the Transactions may be required from parties to the Transferred Contracts and issuers of the Transferred Permits in order to transfer such Transferred Contracts or Transferred Permits to Purchaser and that such consents and waivers have not been obtained. Purchaser agrees that, except as expressly provided in Section 1.05(b), neither Seller nor a Selling Affiliate shall have any liability or obligation whatsoever to Purchaser arising out of or relating to the failure to obtain any consents or waivers that may be required in connection with the transactions contemplated by

this Agreement or the Other Transaction Documents or because of the termination of any Transferred Contract or Transferred Permit as a result thereof. In furtherance of, and subject to, the provisions in Section 1.05 and assuming that Seller is not in breach of its obligations thereunder, Purchaser agrees that no representation, warranty or covenant of Seller contained herein shall be breached or deemed breached, and no condition shall be deemed not satisfied, as a result of (a) the failure to obtain any such consent or waiver, (b) any such termination or (c) any lawsuit, action, proceeding or investigation commenced or threatened by or on behalf of any person arising out of or relating to the failure to obtain any such consent or waiver or any such termination. Prior to the Closing, the parties hereto shall, and shall cause their respective Affiliates to, cooperate with each other, upon the request of a party, in any reasonable manner in connection with obtaining any such consents and waivers; provided, however, that such cooperation shall not include any requirement of Purchaser or Purchaser's Affiliates to expend money, commence, defend or participate in any litigation, incur any obligation in favor of, or offer or grant any accommodation (financial or otherwise) to, any third party.

SECTION 8.02 Cooperation.

(a) Purchaser and Seller shall cooperate with each other, and shall cause their respective Affiliates, officers, employees, agents, auditors and representatives to cooperate with each other, **[*]** after the Closing to ensure the orderly transition of the Acquired Assets from Seller to Purchaser and to minimize any disruption to the respective businesses of Seller and the Selling Affiliates, on one hand, and Purchaser, on the other hand, that might result from the Transactions. After the Closing, upon reasonable written notice, Purchaser and Seller shall furnish or cause to be furnished to each other and their Affiliates, employees, counsel, auditors and representatives reasonable access (including the provision of copies of documents), during normal business hours, to (i) such information and assistance relating to the Monte Villa Facility or the Acquired Assets as is reasonably necessary for financial reporting and accounting matters, the preparation and filing of any Tax Returns, reports or forms or the defense of any Tax claim or assessment and for legal and regulatory matters directly related to the Acquired Assets or the Assumed Liabilities, and (ii) the personnel records of Seller or Selling Affiliates generated during the one-year period immediately preceding the date hereof with respect to the Facility Employees and all records in the possession of Seller or the Selling Affiliates with respect to the training of the Facility Employees, whenever generated. The obligation to cooperate pursuant to the preceding sentence insofar as it concerns Taxes shall terminate at the time the relevant applicable statute of limitations expires (giving effect to any extension thereof). Each party shall reimburse the other for reasonable out-of-pocket costs and expenses incurred in assisting the other pursuant to this Section 8.02 (including the reasonable cost of copying). Neither party shall be required by this Section 8.02 to take any action that would unreasonably interfere with the conduct of its business or unreasonably disrupt its normal operations or be reasonably expected to violate any attorney-client privilege of a party or its Affiliates or violate any Applicable Law.

(b) The parties hereto shall do all things reasonably practicable and use reasonable best efforts to cooperate with each other on and after the date of this Agreement to consummate the Transactions. Without limiting the generality of the foregoing, from time to time, as and when requested by either party hereto, the other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further actions (subject to the provisions of Sections 8.01 and 8.04), as such other party may reasonably deem necessary or desirable to consummate the Transactions.

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

SECTION 8.03 Publicity. Seller and Purchaser agree that at no time, whether before, on or after the Closing Date, shall any public release or announcement concerning the Transactions be issued by either party or its Affiliates without the prior written consent of the other party (which consent shall not be unreasonably withheld), except as such release or announcement may be required by Applicable Law or the rules or regulations of any securities exchange, in which case the party required to make the release or announcement shall allow the other party reasonable time to comment on such release or announcement in advance of such issuance. The parties hereto agree that the initial press release to be issued with respect to the Transactions shall be in a form mutually agreed by the parties hereto.

SECTION 8.04 Efforts to Cause Closing. Subject to the terms and conditions set forth in this Agreement (including the provisions set forth in Section 8.01), each party hereto shall use its reasonable best efforts to do or cause to be done all things necessary or appropriate to satisfy the conditions to the Closing and to consummate the Transactions as promptly as practicable. Without limiting the foregoing, Seller and Purchaser shall use their respective reasonable best efforts to cause the Closing to occur on or prior to the Outside Date, or as soon as practicable thereafter.

SECTION 8.05 Support Services. Seller and the Selling Affiliates provide certain support services ("Support Services") in connection with the operation of the Monte Villa Facility as conducted as of the date of this Agreement. Purchaser acknowledges that, except to the extent expressly provided in the Transitional Services Agreement, all Support Services will be terminated as of the Closing Date.

SECTION 8.06 Transfer Taxes; Purchase Price Allocation; Entitlement to Tax Refunds and Credits; Proration of Non-Income Taxes; Tax Returns and Payments; Income Taxes.

(a) All Transfer Taxes and any filing or recording fees applicable to the Acquisition shall be paid by Purchaser. Each party shall use reasonable best efforts to avail itself of any available exemptions from or reductions in any such Transfer Taxes or fees and to reasonably cooperate with the other party in providing any information and documentation that may be necessary to obtain such exemptions or reductions.

(b) Seller shall be entitled to any refunds or credits of Taxes relating to any Excluded Tax Liability and Purchaser shall pay to Seller in immediately available funds the amount of any such refund or credit within ten (10) days of receipt thereof.

(c) Any stamp duties, real property, ad valorem, excise and similar Taxes (other than Transfer Taxes) shall be allocated between portions of a Tax period that includes (but does not end on) the Closing Date (a "Straddle Period") so that the amount of Tax allocable to each of the portion of the Straddle Period that ends on the Closing Date and the portion of the Straddle Period that begins on the day following the Closing Date shall be the total amount of such Tax for the period in question multiplied by a fraction, the numerator of which is the total number of days in such portion of such Straddle Period and the denominator of which is the total number of days in such Straddle Period.

(d) Any values mentioned in this Agreement are exclusive of any value added, goods and services, sales or similar Taxes. If on any transfer of the Acquired Assets value added, goods and services, sales or similar Taxes are due, Seller shall charge these Taxes to Purchaser and Purchaser will pay these Taxes to Seller together with the payment for the Acquired Assets. If local regulations require special procedures to report value added, goods and services, sales or similar Taxes which either complement the ordinary charging of these Taxes or replace them, both parties agree that they will undertake all actions necessary to fully comply with these special procedures.

(e) If, during a Straddle Period, transactions take place which give rise to value added, goods and services, sales or similar Taxes, the party which is according to local regulations required to charge value added, goods and services, sales or similar Taxes during this period shall do so and also shall fulfill all the reporting and payment obligations towards the relevant tax authorities. The parties hereto will agree for each occurrence of a Straddle Period whether a remuneration shall be paid to Seller for the administrative costs incurred for fulfilling these obligations.

(f) With regard to the preparation and filing of Tax Returns:

(i) Seller shall be responsible for the preparation and timely filing (taking into account any extensions received from the relevant Tax authorities) of all Tax Returns required by Applicable Law to be filed in respect of the Acquired Assets and the operation of the Monte Villa Facility prior to the Closing Date (other than any Transfer Tax Returns, which are discussed below) and all Straddle Period Tax Returns. Seller shall deliver any Straddle Period Tax Return that solely relates to the Acquired Assets that includes a Post-Closing Tax Period, other than any such Tax Return related to any income Tax, to Purchaser no later than ten (10) business days prior to the date such return is due, including applicable extensions (provided such return shall be delivered as soon as reasonably possible if such return is due within fifteen (15) business days from the Closing Date). Purchaser shall have the right to review and comment on any such Tax Returns before such returns are filed. After all comments with respect to such Tax Returns have been resolved between Purchaser and Seller (with such parties negotiating in good faith), Purchaser shall remit to Seller the amount of Taxes due on such Tax Returns for which Purchaser and its Affiliates are responsible pursuant to this Agreement, and, thereafter, Seller shall timely file such returns with the appropriate governmental authority along with the amount of Taxes due (provided nothing in this Section 8.06(f) shall prevent Seller from timely filing such returns). All Taxes indicated as due and payable on such returns shall be paid by Seller as and when required by Applicable Law.

(ii) Purchaser shall be responsible for the preparation of all Tax Returns required by law to be filed in respect of the Acquired Assets and the Monte Villa Facility on or after the Closing Date (other than Straddle Period Tax Returns), including Transfer Tax Returns.

(g) Seller and Purchaser agree that the Purchase Price and the Assumed Liabilities (plus other relevant items) shall be allocated among the Acquired Assets for all purposes (including Tax and financial accounting) as shown on the allocation schedule set forth on Schedule 8.06(g) (the "Allocation Schedule"), to be provided by Purchaser to Seller no later than ten (10) days prior to Closing. Purchaser and Seller shall file all Tax Returns (including amended returns and claims for refund) and information reports in a manner consistent with the Allocation Schedule.

(h) For a period of time until the relevant applicable statute of limitations expires, Purchaser shall, and shall cause any applicable Purchaser Affiliate to, take all commercially reasonable steps to cooperate with Seller, and assist Seller or any of its Affiliates at the reasonable request of Seller with any request for information or inspection, including an in-person inspection of the Monte Villa Facility, to the extent requested by any Governmental Entity related to the manufacturing, research and development or similar tax incentives offered by the State of Washington and obtained by Seller in connection with the Monte Villa Facility; provided, that any such inspection shall not unreasonably interfere with Purchaser's business or operations.

SECTION 8.07 Recordation of Transfer of Acquired Assets. Purchaser shall be responsible, at its sole cost and expense, for all applicable recordations of the assignment of the Acquired Assets, including the Monte Villa Facility.

SECTION 8.08 Retention of Certain Records. Seller may retain all Records prepared in connection with the Transactions that were not generated in the ordinary course of the operation of the Monte Villa Facility, including bids received from other parties and analyses relating to the Monte Villa Facility, and such Records shall be Excluded Records for all purposes hereunder. After the Closing, Purchaser shall, and shall cause its Affiliates to, preserve and keep all books and records, batch records and batch retains and samples, including those held on stability, relating to the Acquired Assets and for the operation of the Monte Villa Facility for such periods as may be required under the Quality Agreements or Applicable Law; provided, however, that, if at the expiration of any such period Seller and/or the Selling Affiliates shall then be subject to any third party or other claim, including an indemnity claim under Article X, Purchaser or its Affiliates shall (a) preserve the books and records, batch records and batch retains and samples, (b) provide access thereto for such reasonable period of time as Seller and/or the Selling Affiliates may request and (c) deliver copies of the same to Seller and/or the Selling Affiliates prior to destruction of any of such books and records, batch records, batch retains or samples. In furtherance of the foregoing, Purchaser shall provide Seller and/or the Selling Affiliates prior notice of such destruction and the opportunity to elect to have such books and records, batch records, batch retains and samples transferred to Seller and/or the Selling Affiliates' possession.

SECTION 8.09 Notice of Certain Events.

(a) Each party shall promptly notify the other party of (i) any notice from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by this Agreement or any of the Other Transaction Documents and (ii) any notice from any Governmental Entity in connection with the transactions contemplated by this Agreement or any of the Other Transaction Documents; provided, however, that the delivery of any notice pursuant to this Section 8.09(a) shall not limit or otherwise affect the rights or remedies available hereunder to the party receiving that notice (including the provisions of Article X).

(b) Concurrently with the execution and delivery of this Agreement, Seller has delivered to Purchaser the Seller Disclosure Schedule. From and after the date of this Agreement until the Closing Date, Seller may prepare and deliver to Purchaser supplements or amendments to the Seller Disclosure Schedule with respect to matters, facts or circumstances that existed on or prior to the date hereof (any such supplement or amendment being referred to as an "Seller Disclosure Schedule Update"); provided, however, that (i) no Seller Disclosure Schedule Update shall be deemed to add or remove any item from the definitions of Excluded Assets, Assumed Liabilities or Excluded Liabilities without Purchaser's prior written consent and (ii) the delivery of any such Seller Disclosure Schedule Update relating to the representations and warranties contained in Article IV shall not limit or otherwise affect the rights or remedies of Purchaser available hereunder, including for purposes of Article X.

SECTION 8.10 Certain Monte Villa Facility-Related Permits. Purchaser acknowledges that (a) the Permits set forth on Section 8.10 of the Seller Disclosure Schedule are issued in the name of the relevant Selling Affiliates and (b) following the Closing, Purchaser will be required to have such authorizations and permits issued in its own name. In this respect, as to each Permit set forth on Section 8.10 of the Seller Disclosure Schedule, as soon as possible following the execution of this Agreement, Purchaser shall use its reasonable best efforts to apply to the applicable Governmental Entity with respect to (x) the transfer of such Permits to Purchaser or (y) the issuance of replacement Permits in the name of the Purchaser, as applicable, in each case so that such transfer or issuance is effective as of the Closing Date, and Seller shall provide such assistance in connection therewith as reasonably requested by Purchaser. In making such application, and seeking to obtain such issuance, Purchaser shall not carry out any changes to the manufacturing or other processes of the Monte Villa Facility, or take any other action that could reasonably be expected to jeopardize or delay the fulfillment of the requirements set forth in this Section 8.10 or the compliance with this Agreement or the Other Transaction Documents with the applicable Governmental Entity.

ARTICLE IX
EMPLOYEE MATTERS

SECTION 9.01 Employment Transfers.

(a) Transferred Employees; Transition Date. Each Facility Employee who accepts the offer of employment described in Section 9.01(b)(i) or Section 9.01(c) and commences work for Purchaser or its Affiliates is referred to herein as a "Transferred Employee". The date a Transferred Employee commences employment with Purchaser or its Affiliates is referred to herein as the "Transition Date", whether occurring on the Closing Date or such other date contemplated by the terms of this Section 9.01.

(b) Employment Offers. Concurrently with the execution of this Agreement, Seller shall provide Purchaser a list of each person that is a Facility Employee as of the date hereof. No later than thirty (30) days prior to the Closing Date (or, in the case of any person that becomes a Facility Employee following the date hereof, as soon as practicable following the date such person becomes a Facility Employee and in any event prior to the Closing Date), Purchaser shall, or shall cause a Purchaser Affiliate to, make an offer of employment to each such Facility Employee.

(i) Such employment offer shall provide the Facility Employee a period of no less than ten (10) calendar days to decide to accept the offer for employment commencing on the Closing Date, conditioned on the Closing occurring, and shall further provide for (A) a position at a grade level that is comparable to the level in effect with the applicable Seller immediately prior to the individual's Transition Date, (B) (i) base cash compensation (including base salary or wage rate), (ii) cash incentive opportunity, and (iii) other compensation and employee benefits, that, with respect to each of clauses (i), (ii), and (iii), are no less favorable in the aggregate to the base cash compensation (including base salary or wage rate), cash incentive opportunity, and other compensation and employee benefits, respectively, that were available to the Facility Employee immediately prior to the individual's Transition Date, (C) severance benefits as described in Section 9.03(c), (D) equity-based compensation opportunities as described in Section 9.03(f) , and (E) in no event shall such employment offer involve a primary workplace that is greater than twenty-five (25) miles from the Facility Employee's then-current primary workplace without such Facility Employee's consent. Seller agrees that the compensation and benefits provided for in this Agreement and further set forth in the Employee Matters Letter shall satisfy Purchaser's obligations under clause (B) of this Section 9.01(b).

(ii) An offer of employment as described in this Section 9.01(b) may include terms that are standard terms of an offer of employment for a similar position with Purchaser or a Purchaser Affiliate (including, but not limited to, at-will employment, offer conditioned on successful completion of a background check, and offer conditioned on offeree's execution of nondisclosure and any other proprietary rights agreements Purchaser or its Affiliate would require for the position being offered).

(iii) Seller shall make commercially reasonable efforts to cooperate with Purchaser and its Affiliates to encourage each Facility Employee to accept the offer of employment described in this Section 9.01(b). In the event a Facility Employee declines the offer of employment from Purchaser or its Affiliate, Purchaser and its Affiliates shall have no further obligation with respect to such individual.

(c) Inactive Employees. Seller represents that as of the date hereof, there is one Facility Employee who is on leave due to short-term disability and no Facility Employees who are on leave due to long-term disability (an "Inactive Employee"). With respect to the one Inactive Employee as of the date hereof, and in the event any additional Facility Employee becomes an Inactive Employee between the date hereof and the Closing Date, Seller shall use commercially reasonable efforts to continue providing such Inactive Employees with disability coverage on or after the Closing Date under the applicable Seller Benefit Plan to the extent consistent and in accordance with the terms of such plan; provided that Purchaser or a Purchaser Affiliate shall offer

employment on the same terms as described in Section 9.01(b) to each Inactive Employee who, within twelve (12) months after the Closing Date, becomes able to return to active work, with or without reasonable accommodation, with such employment commencing upon the first regular workday following the conclusion of such leave. Such Inactive Employee who is offered employment by Purchaser or a Purchaser Affiliate in accordance with this Section 9.01(c) shall be considered a Facility Employee under the terms of this Agreement and if such Inactive Employee accepts the offer of employment and commences work as set forth herein, such Inactive Employee shall be considered a Transferred Employee for all purposes under this Agreement.

(d) Visa, Work Permit, etc. Nothing shall require the Purchaser or its Affiliates to retain for any period of time, and the Purchaser or its Affiliates may revoke an offer of employment to, any Transferred Employee who is unable to establish identity and authorization to work in the United States as required by federal law. If any Transferred Employee requires a work visa or permit or an employment pass or other approval for his or her employment to continue with Purchaser or one of its Affiliates as of the Transition Date, Purchaser shall, or shall cause one of its Affiliates to, use commercially reasonable efforts to secure prior to the Transition Date the necessary visa, permit, pass or other approval in a timely manner consistent with the terms of this Section 9.01 and shall be solely responsible for any expenses related thereto. In the event a necessary visa, permit, pass or other approval cannot be secured for a Transferred Employee in a timely manner despite the commercially reasonable efforts of Purchaser or its Affiliates, Purchaser and its Affiliates shall have no further obligation with respect to such Transferred Employee.

(e) Transition. Seller and Purchaser intend that for purposes of any severance or termination benefit plan, program, policy, agreement or arrangement with Seller, the transactions contemplated by this Agreement shall not constitute a severance of employment of any Transferred Employee and that Transferred Employees will have continuous and uninterrupted employment immediately before, during and immediately following their Transition Date, to the extent permissible under applicable Law. The parties shall cooperate to make commercially reasonable efforts to realize the intent of this Section 9.01(e).

SECTION 9.02 Pre-Closing Covenants.

(a) Seller Pre-Closing Obligations. Seller shall, except as otherwise contemplated by this Agreement, pay all salaries, contributions to Seller Benefit Plans, holiday pay, commissions, expenses, bonuses and other compensation, to the extent due and payable, to Transferred Employees up to and including their respective Transition Date (unless terminated earlier). Any severance obligations (including, but not limited to, all accrued salary and all accrued and unpaid vacation and other paid time off accruing prior to the Closing Date) to any Facility Employee or Facility Contractor arising from such person's employment or engagement being terminated by Seller, including as a result of such individual's rejection of an offer of employment or engagement from Purchaser or a Purchaser Affiliate, shall be retained by Seller, which shall be solely responsible for such obligations. Nothing in this Agreement shall require Seller or a Selling Affiliate to provide severance benefits to any such individual.

(b) Purchaser Cooperation. Purchaser shall, and shall cause any applicable Purchaser Affiliate to, take all commercially reasonable steps to inform Seller, and assist Seller or any of its Affiliates at the reasonable request of Seller in informing the Facility Employees, about the expected roles of the Facility Employees with the Purchaser or a Purchaser Affiliate, the terms and conditions of employment that are expected to apply to them and the employment transition process.

SECTION 9.03 Post-Closing Covenants.

(a) Continuation Period. From the Transition Date until the **[*]** of the Closing Date (the "Continuation Period"), with respect to each Transferred Employee (which, for the avoidance of doubt, includes any Facility Employee who becomes an employee of Purchaser or a Purchaser Affiliate pursuant to Section 9.01), Purchaser shall, or shall cause an applicable Purchaser Affiliate to, provide and maintain terms and conditions of employment consistent with clauses (A) through (E) of Section 9.01(b)(i) above. Except as provided in the Employee Matters Letter, Purchaser shall not, and shall cause any other Purchaser Affiliate not to, without the written consent of Seller, initiate any dismissal or employment termination process for any Transferred Employee before the later of (i) **[*]**; provided, however, that neither a Purchaser employer nor any Purchaser Affiliate shall be in breach of this covenant in the event that it terminates the employment of a Transferred Employee for cause, or in connection with the closing of a facility or any reduction in force to the extent such closing or reduction was contemplated by Seller prior to the Closing Date. Except as specifically stated herein, neither Purchaser nor any Purchaser Affiliate that employs Transferred Employees shall have any obligation to replicate or match the various employment compensation and benefit programs offered by Seller to Transferred Employees prior to the Closing Date; rather, upon hire, Transferred Employees will be integrated into the existing compensation and benefit programs of Purchaser or a Purchaser Affiliate as disclosed in the Employee Matters Letter, subject to the terms of clauses (b) through (e) of this Section 9.03.

(b) Service Credit. Effective from and after the Closing Date, except as provided in this Section 9.03(b), Purchaser shall, or shall cause an applicable Purchaser Affiliate to, credit each Transferred Employee for all service with Seller (and any of its Affiliates and their respective predecessors), to the extent Seller, immediately prior to the Transition Date, credits such service prior to the Transition Date, for purposes of eligibility, vesting and determination of the amount and level of benefits under all of the Purchaser Benefit Plans (except for purposes of benefit accruals under any defined benefit pension plans and further excluding any sabbatical or employee recognition program) and each other compensation and benefit plan, program, policy or arrangement of any of the Purchaser or in which similarly situated employees of any of Purchaser or its Affiliates participate; provided, however, that such service will not be recognized to the extent such recognition of credit would result in duplication of benefits with respect to the same period of service or such service is not recognized under the corresponding Seller Benefit Plan. Purchaser will, and will cause its Affiliates to (i) cause any and all pre-existing condition limitations, eligibility waiting periods and evidence of insurability requirements to be waived under the Purchaser Benefit Plans for Transferred Employees (and their dependents) to the extent such conditions and exclusions were satisfied or did not apply to such individuals under the corresponding Seller Benefit Plan prior to the Transition Date, and (ii) provide full credit to the Transferred Employees under the Purchaser Benefit Plans for any co-payments, deductibles, and other expenditures made prior to the Transition Date in a corresponding Seller Benefit Plan in

which they participated immediately prior to the Transition Date during the portion of the calendar year before the Transition Date in satisfying any deductible requirement, out-of-pocket maximum or similar terms under any of the Purchaser Benefit Plans, provided that such co-payment, deductible, and other expenditure information is timely furnished by the applicable Seller Benefit Plan.

(c) Severance. If Purchaser or a Purchaser Affiliate initiates any dismissal or employment termination process with respect to a Transferred Employee during the Continuation Period (excluding any dismissal or employment termination for cause), Purchaser or its Affiliate shall provide to such individual severance benefits determined as the more favorable of (x) the severance benefits that such Transferred Employee would have received under the applicable Seller severance plan in which such Transferred Employee participated immediately before the Closing Date if such Transferred Employee had been terminated under circumstances entitling him or her to severance benefits, or (y) the applicable severance plan, program, policy or arrangement of the Purchaser or a Purchaser Affiliate that would apply to similarly situated employees of the Purchaser or its Affiliate (in each case of (x) or (y), taking into account all service for the Seller (and any of its Affiliates and their respective predecessors and the Purchaser or its Affiliates) and all service with Purchaser or any Purchaser Affiliate); provided, however, that any such payment of severance may be conditioned upon execution of a separation agreement containing a comprehensive release which releases Seller and all of its Affiliates, as well as Purchaser, of liability.

(d) Annual Bonus. For each Transferred Employee who is eligible for an annual cash bonus under any annual cash performance and incentive plans sponsored by Seller (each, a "Seller Incentive Plan") for the 2017 calendar year (the "Bonus Year"), Seller shall calculate all accrued but unpaid Liabilities payable to such Transferred Employees under the applicable Seller Incentive Plan as of the Transition Date (and, for the avoidance of doubt, pro-rated based on the relative portion of the applicable performance period that has elapsed through the Transition Date) (such amount, the "Transition Date Bonus Amount") and provide Purchaser a schedule of the Transition Date Bonus Amount and the amount payable to each such Transferred Employee (the "Transition Date Bonus Amount Schedule"). Within thirty (30) days following the Closing Date, Seller shall make a cash payment to Purchaser in an amount equal to the Transition Date Bonus Amount (such date, the "Transition Date Bonus Amount Transfer Date"). Purchaser or its Affiliates shall be responsible for the payment of bonus amounts with respect to Transferred Employees for the Bonus Year and, (i) shall pay the Transition Date Bonus Amount to the Transferred Employees in accordance with and in the amounts set forth on the Transition Date Bonus Amount Schedule and (ii) for the avoidance of doubt, shall pay any such Transferred Employee who is otherwise entitled to a bonus under the applicable Purchaser (or Purchaser Affiliate) annual bonus plan an annual bonus in respect of the Bonus Year, pro-rated based on the relative portion of the applicable performance period that has elapsed after the Transition Date, provided such Transferred Employee remains eligible for such annual bonus on such terms as would apply to similarly situated employees of the Purchaser or its Affiliates. Purchaser or its Affiliates may pay the Transition Date Bonus Amounts to Transferred Employees when Purchaser or its Affiliates pay annual bonuses for 2017 to similarly situated employees in the normal course of business; provided, however, that if any Transferred Employee terminates employment with Purchaser or its Affiliate prior to the date such annual bonuses would be paid in the normal course of business, Purchaser or its Affiliate will pay such individual the bonus amount specified on the Transition Date Bonus Amount Schedule in the individual's final paycheck.

(e) Vacation. At or as soon as practicable following the Transition Date, Seller shall cash out the accrued vacation or paid time off ("PTO") of each Transferred Employee to the extent such Transferred Employees has, individually, in excess of **[*]** of accrued vacation or PTO. Any accrued vacation or PTO that is not cashed out in accordance with the preceding sentence shall be transferred over to their employment with Purchaser or a Purchaser Affiliate. On or before the Closing Date, Seller shall provide Purchaser with a schedule of accrued vacation hours that will be transferred in accordance with this Section 9.03(e) ("Accrued Vacation Transfer Schedule"). Purchaser or its Affiliate shall thereafter credit each Transferred Employee with the accrued vacation hours indicated in the Accrued Vacation Transfer Schedule; provided, however, that a Transferred Employee's subsequent use of and access to such transferred accruals shall be in accordance with the vacation and leave policies of Purchaser or an applicable Purchaser Affiliate. Within thirty (30) days following the Closing Date, Seller shall make a cash payment to Purchaser in an amount equal to the total value of the transferred accruals reflected on the Accrued Vacation Transfer Schedule. Seller shall be solely responsible for any payments due Transferred Employees who may be entitled to cash compensation, upon separation from Seller, for paid leave accrued while employed with Seller. Following the Closing Date, Transferred Employees shall accrue vacation and PTO under the applicable policies of Purchaser or a Purchaser Affiliate; provided, however, that the one Transferred Employee who, as of the Closing, accrues six weeks annual vacation or PTO under Seller's policies as of Closing will continue to accrue at that rate under the applicable policy of Purchaser or a Purchaser Affiliate..

SECTION 9.04 Benefit Plans.

(a) Health and Welfare and Workers' Compensation Claims. Seller and its Affiliates shall retain all Liabilities for all medical, dental, vision, life insurance, accidental death and dismemberment, and prescription drug claims incurred by the Transferred Employees or their eligible dependents prior to the applicable Transition Date that are covered by the applicable Seller Benefit Plans. Purchaser and its Affiliates shall be responsible for all medical, dental, vision, life insurance, accidental death and dismemberment, and prescription drug claims incurred by the Transferred Employees (or their eligible dependents) on or after the applicable Transition Date that are covered by an applicable Purchaser Benefit Plan. For these purposes, a claim shall be deemed to be incurred: (i) in the case of medical, prescription drug, dental or vision benefits, at the time professional services, equipment or prescription drugs covered by the applicable plan are obtained; (ii) in the case of life insurance benefits, upon death; and (iii) in the case of accidental death and dismemberment benefits, at the time of the accident. From and after the Transition Date, Purchaser or its Affiliates shall be responsible for all workers' compensation claims incurred by any Transferred Employees on or after the applicable Transition Date.

(b) Savings and Investment Plan.

(i) Savings Plan Continuation Period Coverage. Without limiting the generality of Section 9.03(a), effective as of the Closing Date, Purchaser or any of its Affiliates shall have in place a defined contribution plan covering Transferred Employees that includes a qualified cash or deferred arrangement within the meaning of Section 401(k) of the Code intended to be qualified pursuant to Section 401(a) of the Code (the "Purchaser 401(k) Plan"). Each Transferred Employee who participates in or is eligible to participate in the Bristol-Myers Squibb Company Savings and Investment Program (the "Seller SIP") shall become a participant in or eligible to participate in the Purchaser 401(k) Plan as of the Transition Date, and each Transferred Employee who would become eligible to participate in the Seller SIP during the Continuation Period if they remained employed by a Seller employer (pursuant to its terms in effect immediately prior to the Closing) shall be eligible to participate in the Purchaser 401(k) Plan no later than such date. For all purposes under the Purchaser 401(k) Plan, Transferred Employees shall receive credit for service recognized by a Seller employer prior to the Transition Date in accordance with Section 9.03(b).

(ii) Plan Rollovers. Effective as of the Closing Date, Purchaser shall cause the Purchaser 401(k) Plan to accept rollovers of distributions, including the in-kind rollover of promissory notes evidencing loans to Transferred Employees, from the Seller SIP.

(c) Retention Arrangements.

(i) Purchaser and Seller agree to cooperate and implement the retention award program, if any, described in the Employee Matters Letter.

(ii) Purchaser and Seller shall cooperate to determine whether any additional retention bonus arrangement for Facility Employees is necessary. To the extent necessary, Purchaser and Seller shall cooperate to develop a retention bonus arrangement for Facility Employees. Provided, however, that any such retention bonus payable under such arrangement shall not be payable to any Facility Employee who terminates employment with Seller prior to the Closing Date or does not accept an offer of employment with the Purchaser or its Affiliate.

(iii) Purchaser, in its discretion, may establish and maintain a retention program for certain Transferred Employees, to be selected by Purchaser, in consultation with Seller, pursuant to terms and conditions that are determined by Purchaser in consultation with Seller. Purchaser shall be solely responsible for the retention program and all Liabilities arising from or related in any way thereto.

(d) Relocation; Repatriation. With respect to each Transferred Employee who, as of their Transition Date, is in the process of undergoing a relocation, Purchaser shall, or shall cause its Affiliates to, provide relocation benefits under the applicable Purchaser Benefit Plan at the expense of Purchaser or its Affiliates. With respect to each Transferred Employee who is on expatriate assignment as of the applicable Transition Date and who is identified on Section 9.04(d) of the Seller Disclosure Schedule, Purchaser shall, or shall cause its Affiliates to, provide repatriation benefits that are provided to similarly situated employees of Purchaser.

(e) Tuition Assistance, Education, and Other Training Programs. Effective as of the applicable Transition Date, Purchaser shall, or shall cause an applicable Purchaser employer to, honor the tuition assistance, education, or other training commitments, described on Section 9.04(e) of the Seller Disclosure Schedule, with respect to any Transferred Employee currently enrolled in an educational or other training course approved under the applicable Seller program as of the applicable Transition Date and in accordance with the same terms and conditions as provided by Seller. Any such Transferred Employee shall be eligible to participate in the tuition assistance program or other training programs available to similarly situated employees of the applicable Purchaser employer following the completion of the course or courses such Transferred Employee is enrolled as of the applicable Transition Date.

(f) Equity-Based Compensation. Purchaser shall provide a "new hire" equity-based compensation grant to each Transferred Employee in the amount and in the form specified and listed on the Employee Matters Letter. Purchaser shall also provide an annual "refresher" equity-based compensation grant to each Transferred Employee during the Continuation Period (on the same schedule as Purchaser provides such grants to its similarly situated employees), unless the employment of such Transferred Employee terminates sooner, in the amount and in the form specified on listed on the Employee Matters Letter.

SECTION 9.05 WARN Act. Purchaser and its Affiliates shall be responsible for compliance with, and any Liabilities incurred pursuant to, the U.S. Worker Adjustment and Retraining Notification Act, as amended (the "WARN Act") and any similar applicable Law with respect to employment of the Transferred Employees by Purchaser or its Affiliates after the Closing Date. Seller shall provide information concerning changes in the workforce of Seller and Seller's Affiliates to the extent such information is necessary to determine what is required for Purchaser or an Affiliate of Purchaser to comply with the requirements of the WARN Act or such similar applicable Law. The parties will cooperate in good faith with regard to any notification that may be required by the WARN Act or other similar applicable Law as a result of the transactions contemplated by this Agreement.

SECTION 9.06 Cooperation. Seller shall make commercially reasonable efforts, subject to applicable Law, to provide Purchaser in a timely manner with information and documents relating to the Seller Benefit Plans and Transferred Employees as may reasonably be requested by Purchaser to facilitate Purchaser's efforts to meet its employment-related obligations hereunder, including to provide employee benefits to the Transferred Employees; provided, however, that Seller shall not be required to provide confidential, proprietary or otherwise nonpublic information and documents relating to the Transferred Employees or the Seller Benefit Plans that are not reasonably necessary to Purchaser's compliance with this agreement. Seller shall and shall cause its Affiliates to reasonably cooperate with Purchaser to provide reasonable access for Purchaser and its Affiliates to Facility Employees in connection with any offers of employment to be made hereunder. Subject to applicable Law, each party shall reasonably cooperate with the other in providing access to relevant data and employment records of Transferred Employees reasonably necessary to administer the benefits of the Transferred Employees under any Seller Benefit Plan or any employee benefit plan maintained by Purchaser or its Affiliates in which Transferred Employees are eligible to participate.

SECTION 9.07 Effects of Article IX. Nothing in this Agreement shall constitute an amendment to any employee benefit plan, and no employee benefit plan shall be amended absent a separate written amendment that complies with such plan's amendment procedures. Nothing in this Article IX is intended or shall be construed to entitle any person other than the parties hereto and their respective transferees and permitted assigns to any claim, cause of action, remedy or right of any kind (including any third-party beneficiary rights).

SECTION 9.08 Actions by Affiliates. All obligations undertaken by Purchaser under this Article IX may be satisfied in whole or in part by an Affiliate of Purchaser.

ARTICLE X
INDEMNIFICATION

SECTION 10.01 Indemnification by Seller.

(a) From and after the Closing, Seller shall indemnify Purchaser, its Affiliates and each of their respective officers, directors, employees, agents and representatives (the "Purchaser Indemnitees") against and hold them harmless from any loss, liability, claim, damage, settlement (subject to Section 10.07) or expense (including reasonable legal fees and expenses) ("Losses") suffered or incurred by any such indemnified party to the extent arising from:

(i) any breach of any representation or warranty of Seller contained in this Agreement; or

(ii) any breach of any covenant of Seller contained in this Agreement;

provided, however, that this Section 10.01 shall not provide for any indemnification arising out of or relating to Taxes (which are the subject of Section 10.03).

(b) Notwithstanding the forgoing, Seller shall not be required to indemnify any Purchaser Indemnitee and Seller shall not have any liability for any Losses:

(i) under Section 10.01(a)(i) unless the aggregate of all Losses for which Seller would be liable, but for this clause (i), exceeds on a cumulative basis an amount equal to **[*]**;

(ii) under Section 10.01(a)(i) for any individual item (or series of related items) where the Loss relating thereto is less than an amount equal to **[*]**, and such items shall not be aggregated for purposes of the foregoing clause (i) of this Section 10.01(b); or

(iii) under Section 10.01(a)(i), (A) with respect to the breach of Section 4.01, 4.02(a)(i), 4.04(a), and 4.15 (the "Fundamental Representations"), in excess of the Purchase Price and (B) with respect to all representations and warranties other than the Fundamental Representations, in excess of twenty-five percent (25%) of the Purchase Price;

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

provided, that the limitations on indemnification set forth in clauses (i) and (ii) of this Section 10.01(b) shall not apply to any Losses resulting from a breach of the Fundamental Representations.

(c) Each Purchaser Indemnitee shall use commercially reasonable efforts to, and shall cause its Affiliates to use commercially reasonable efforts to, mitigate any Losses for which it seeks indemnification hereunder and the costs incurred from such mitigation shall be included as additional Losses subject to indemnification; provided, that no such Purchaser Indemnitee shall be required to take any action or refrain from taking any action that is contrary to any applicable Contract or Applicable Law binding on such Purchaser Indemnitee or any Affiliate thereof, or waive or abandon any rights to any Intellectual Property.

(d) Seller shall not be obligated to indemnify any Purchaser Indemnitee and Seller shall have no liability for any Losses arising from any environmental matter or condition (i) that is discovered or detected by or results from any sampling, investigation or reporting by or on behalf of Purchaser (unless such sampling, investigation or reporting was mandated by a Governmental Entity or other third party), or (ii) to the extent it is caused, exacerbated, or contributed to by any act, omission or operations after the Closing Date by, on behalf of, or under the control of, any person other than Seller.

(e) The obligation to indemnify any Purchaser Indemnitee shall be subject to Section 3.04 and Section 10.06.

SECTION 10.02 Indemnification by Purchaser.

(a) From and after the Closing, Purchaser shall indemnify Seller, its Affiliates and each of their respective officers, directors, employees, agents and representatives (the "Seller Indemnitees") against and hold them harmless from any Loss suffered or incurred by any such indemnified party to the extent arising from (i) any breach of any representation or warranty of Purchaser contained in this Agreement, (ii) any breach of any covenant of Purchaser contained in this Agreement and (iii) any Assumed Liability (subject to any representation or warranty made by Seller in respect thereof); provided, however, that this Section 10.02 shall not provide for any indemnification arising out of or relating to Taxes (which are the subject of Section 10.03).

(b) Notwithstanding the forgoing, Purchaser shall not be required to indemnify any Seller Indemnitee and Purchaser shall not have any liability for any Losses under Section 10.02(a)(i), in excess of the Purchase Price.

(c) Each Seller Indemnitee shall use commercially reasonable efforts to, and shall cause its Affiliates to use commercially reasonable efforts to, mitigate any Losses for which it seeks indemnification hereunder and the costs incurred from such mitigation shall be included as additional Losses subject to indemnification; provided, that no such Seller Indemnitee shall be required to take any action or refrain from taking any action that is contrary to any applicable Contract or Applicable Law binding on such Seller Indemnitee or any Affiliate thereof, or waive or abandon any rights to any Intellectual Property.

(d) The obligation to indemnify any Seller Indemnitee shall be subject to Section 3.04 and Section 10.06.

SECTION 10.03 Tax Indemnification.

(a) From and after the Closing, Seller shall indemnify Purchaser Indemnitees against and hold them harmless from (i) any Taxes suffered or incurred by any such indemnified party to the extent arising from (A) the breach of any Tax-related representation or warranty of Seller contained in Section 4.03 of this Agreement, or (B) the breach of any Tax-related covenant or other agreement of Seller contained in Section 5.02 or 8.05; and (ii) any Excluded Tax Liability; provided, however, that, in each case, Seller is not required to satisfy any claim under this Section 10.03(a) to the extent that (A) the Tax arises as a result of a change in any Tax law, including any increase in the rates of Tax, announced after the date of this Agreement, (B) the liability for Tax is disclosed on Section 4.03 of the Seller Disclosure Schedule or (C) the Tax arises as a result of any action taken by Purchaser or any of its Affiliates outside the ordinary course on the Closing Date after the Closing.

(b) From and after the Closing, Purchaser shall indemnify Seller against and hold Seller harmless from (i) any Transfer Tax liability of Purchaser imposed pursuant to Section 8.06(a); (ii) any Losses suffered or incurred by Seller to the extent arising from the breach of any covenant or other agreement of Purchaser contained in Section 8.06; and (iii) any Taxes relating to the Acquired Assets that are Assumed Liabilities.

(c) Any indemnity payment to be made hereunder shall be paid within ten (10) days after the indemnified party makes written demand upon the indemnifying party, but in no case earlier than five (5) business days prior to the date on which the relevant Taxes (including any estimated Tax payments) are required to be paid to the relevant Taxing authority.

SECTION 10.04 Limitations on Liability; Cooperation.

(a) Notwithstanding any provision herein, neither Seller nor Purchaser shall in any event be liable to the other party or its Affiliates, or any of their respective officers, directors, employees, agents or representatives, on account of any indemnity obligation set forth in Section 10.01 or Section 10.02 for any indirect, consequential, special, incidental or punitive damages (including lost profits, loss of use, damage to goodwill or loss of business), except in the case of fraud as between the parties hereto or to the extent actually awarded to a third party in a Third Party Claim.

(b) Purchaser and Seller shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is obligated to indemnify the other party hereunder including by making reasonable best efforts to mitigate or resolve any such claim or liability.

(c) Each of Seller and Purchaser further acknowledges and agrees that, should the Closing occur, its sole and exclusive remedy with respect to any and all claims relating to this Agreement, any Other Transaction Document (solely to the extent such Other Transaction Document is an instrument of transfer), the Acquisition, any document or certificate delivered in connection herewith, the operation of the Monte Villa Facility, the Acquired Assets, the Excluded Assets, the Assumed Liabilities and the Excluded Liabilities or any national, local or foreign statute, law, ordinance, rule or regulation or otherwise (other than claims of, or causes of action arising from, fraud, criminal activity or willful misconduct or claims for specific performance or other equitable remedy to require a party to perform its obligations under this Agreement) shall be pursuant to the indemnification provisions set forth in this Article X. In furtherance of the foregoing, each of Seller and Purchaser hereby waives, from and after the Closing, to the fullest extent permitted under Applicable Law, any and all rights, claims and causes of action (other than claims of, or causes of action arising from, fraud, criminal activity or willful misconduct or claims for specific performance or other equitable remedy to require a party to perform its obligations under this Agreement) it or any of its Affiliates may have against Purchaser, in the case of Seller, or against Seller and the Selling Affiliates, in the case of Purchaser, arising under or based upon this Agreement, any Other Transaction Document (solely to the extent such Other Transaction Document is an instrument of transfer), the Acquisition, any document or certificate delivered in connection herewith, the operation of the Monte Villa Facility, the Acquired Assets, the Excluded Assets, the Assumed Liabilities and the Excluded Liabilities or any national, local or foreign statute, law ordinance, rule or regulation or otherwise (except pursuant to the indemnification provisions set forth in this Article X) including any and all rights, claims and causes of action under any Environmental Law. For the avoidance of doubt, nothing in this Agreement shall limit any party's right to seek and obtain any equitable relief to which any party shall be entitled or to seek any remedy on account of any party's fraudulent, criminal or intentional misconduct.

(d) For purposes of this Article X, any breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty other than in connection with a listing obligation.

SECTION 10.05 Indemnity Net; Losses Net of Insurance, etc.

(a) For the purposes of the indemnification provisions set forth in this Article X, any Losses or amounts otherwise payable hereunder (including amounts relating to Taxes pursuant to Section 10.03) shall be determined on the basis of the net effect after giving effect to any actual cash payments, setoffs or recoupment or any payments in each case actually received, realized or retained by the indemnified party (including any amounts recovered by the indemnified party under insurance policies), and any net Tax benefit as a result of any event giving rise to a claim for such indemnification. The indemnifying party and the indemnified party shall use reasonable best efforts to obtain any and all amounts recoverable under insurance policies which would reduce a claim for indemnification under this Section 10.05.

(b) Notwithstanding anything contained herein to the contrary, after the Closing, in any case where a Purchaser Indemnitee or Seller Indemnitee actually recovers, under insurance policies or from any other person alleged to be responsible for indemnifiable Losses, any amount in respect of a matter for which such indemnitee was indemnified pursuant to Section 10.01 or Section 10.02, such indemnitee shall promptly pay over to the indemnifying party the amount so recovered, but not in excess of the amount received by such indemnitee (net of any previously unpaid or unreimbursed expenses incurred in collecting such amounts and, if applicable, any increases in insurance premiums that are proximately caused by such recovery). No indemnified party shall be entitled to recover for any Losses relating to any matter more than once to prevent duplicative recovery.

SECTION 10.06 Termination of Indemnification.

(a) The obligations to indemnify and hold harmless a party hereto pursuant to (i) Section 10.01(a)(i) and Section 10.02(a)(i), shall terminate when the applicable representation or warranty terminates pursuant to paragraph (b) below, and (ii) Section 10.03 shall terminate thirty (30) days after expiration of the applicable statute of limitations without giving effect to any tolling or extension thereof; provided, however, that such obligations to indemnify and hold harmless shall not terminate with respect to any item as to which the person to be indemnified or the related party thereto shall have, before the expiration of the applicable period, previously made a claim by delivering a notice of such claim (stating in reasonable detail the basis of such claim) to the indemnifying party.

(b) The representations and warranties in this Agreement shall survive the Closing solely for purposes of Section 10.01 and Section 10.02 and shall terminate (i) at the close of business on the date that is **[*]** after the Closing Date with respect to the representations and warranties other than the Fundamental Representations and those in **[*]**, (ii) at the close of business on the date that is **[*]** after the Closing Date with respect to **[*]** and (iii) sixty (60) days following the expiration of the respective statute of limitations (without giving effect to any tolling or extension thereof) with respect to the Fundamental Representations and those representations and warranties in **[*]**. The covenants of the parties hereto shall terminate on the Closing Date (other than covenants which require any of the parties hereto to undertake any post-Closing action, which shall survive the Closing to the extent provided in their respective terms).

SECTION 10.07 Procedures Relating to Indemnification for Third Party Claims.

(a) A party believing that it is entitled to indemnification under Section 10.01 or 10.02 (an "indemnified party") shall give prompt written notification to the other party (the "indemnifying party") of the commencement of any claim, action, lawsuit or other proceeding for which indemnification may be sought or, if earlier, upon the assertion of any such claim, action, lawsuit or other proceeding by made by any person against the indemnified party (a "Third Party Claim") (it being understood and agreed, however, that the failure by an indemnified party to give notice of a Third Party Claim as provided in this Section 10.08 shall not relieve the indemnifying party of its indemnification obligation under this Agreement except and only to the extent that such indemnifying party is actually materially prejudiced as a result of such failure to give notice).

(b) Within thirty (30) days after delivery of such notification, the indemnifying party may, upon written notice thereof to the indemnified party, assume control of the defense of such Third Party Claim with counsel reasonably satisfactory to the indemnified party; provided, however, that an indemnifying party shall not be entitled to assume control of the defense of any

Third Party Claim if (i) such Third Party Claim could reasonably be expected to result in criminal liability of, or equitable remedies against, the indemnified party; or (ii) the indemnified party reasonably believes that the interests of the indemnifying party and the indemnified party with respect to such Third Party Claim are in conflict with one another, and as a result, the indemnifying party could not adequately represent the interests of the indemnified party in such Third Party Claim; provided, further, that an indemnifying party shall relinquish control of the defense of any Third Party Claim if such indemnifying party is not diligently defending such Third Party Claim. If the indemnifying party believes that a Third Party Claim presented to it for indemnification is one as to which the indemnified party is not entitled to indemnification under Article X, it shall so notify the indemnified party and the indemnifying party shall not be entitled to assume control of the defense thereof. The failure of the indemnifying party to respond in writing to the notice of a Third Party Claim within thirty (30) days after receipt thereof shall be deemed an election not to assume control of the defense of the same. If the indemnifying party assumes such defense, the indemnified party shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the indemnifying party; provided that if the indemnified party reasonably concludes, based on advice from counsel, that the indemnifying party and the indemnified party have conflicting interests with respect to such Third Party Claim, the indemnifying party shall be responsible for the reasonable fees and expenses of counsel to the indemnified party solely in connection therewith. In the event, however, that the indemnifying party declines or fails to assume, or is not permitted to assume, the defense of such Third Party Claim on the terms provided above or to employ counsel reasonably satisfactory to the indemnified party, in each case within such thirty (30)-day period, then the indemnified party may employ counsel to represent or defend it in any such Third Party Claim, and the indemnifying party shall be liable for the fees and expenses of counsel employed by the indemnified party as incurred.

(c) The indemnifying party shall keep the indemnified party advised of the status of such Third Party Claim and the defense thereof and shall consider recommendations made by the indemnified party with respect thereto. The indemnified party shall deliver to the indemnifying party, promptly after the indemnified party's receipt thereof, copies of all notices and documents (including court papers) received by the indemnified party relating to the Third Party Claim.

(d) If the indemnifying party so elects to assume the defense of any Third Party Claim, all of the indemnified parties shall reasonably cooperate with the indemnifying party in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the indemnifying party's reasonable request) the provision to the indemnifying party of records and information which are reasonably relevant to such Third Party Claim, and the indemnified parties shall use their reasonable best efforts to make their employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(e) Whether or not the indemnifying party shall have assumed the defense of a Third Party Claim, the indemnified party shall not admit any liability with respect to, or settle, compromise or discharge such Third Party Claim without the indemnifying party's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). If the indemnifying party assumes the defense of a Third Party Claim, the indemnifying party shall not agree to any compromise, discharge or settlement of such Third Party Claim or consent to any

judgment in respect thereof, in each case without the prior written consent of the indemnified party, unless (i) such compromise, discharge, or settlement provides for a complete and unconditional release of the indemnified party from all liability with respect thereto and does not contain any admission or statement suggesting any wrongdoing or liability on behalf of the indemnified party or any of its officers, directors, managers, employees, agents or representatives and (ii) the sole relief provided in connection therewith is monetary damages that are paid in full by the indemnifying party.

SECTION 10.08 Procedures Related to Environmental Matters.

(a) With respect to any environmental investigatory, corrective or remedial action ("Remedial Action") that is required to satisfy Seller's indemnification obligations under Section 10.01(a)(i) with respect to a breach of the representations and warranties in Section 4.11 and/or with respect to the Excluded Environmental Liabilities:

(i) Seller shall have the right, but not the obligation, to conduct and control the Remedial Action. When Seller opts to conduct such Remedial Action (A) Seller shall provide Purchaser with prompt written notice of Seller's intent to conduct and control the Remedial Action, (B) Seller shall make commercially reasonable efforts to conduct and control such Remedial Action on the Monte Villa Facility without unreasonably interfering with Purchaser's operations thereon and (C) Purchaser shall have the right to monitor such Remedial Action on the Monte Villa Facility and consult with Seller. Any costs incurred after Closing by Purchaser relating to oversight of activities undertaken hereunder by Seller hereunder shall be at Seller's sole cost and expense and shall be subject to indemnification hereunder.

(ii) Seller shall only be liable for its share of the costs incurred to the extent such Remedial Action is required by applicable Environmental Law (as applicable and in effect at the time of such Remedial Action) and conducted in a cost-effective manner. "Cost-Effective Manner" shall mean (A) the least stringent industrial clean-up standards that are applicable to the Monte Villa Facility as of the Closing Date and are allowed under applicable Environmental Law and (B) the least costly methods that are allowed under applicable Environmental Law and that are approved by or otherwise acceptable to applicable Governmental Entities to achieve such industrial standards, including monitored natural attenuation, in situ remediation, active remediation, engineering and institutional controls, deed notices, property use restrictions to eliminate or minimize exposure pathways, including soil and groundwater use restrictions, soil and groundwater management plans, and restrictions requiring the Monte Villa Facility to remain industrial and not be modified or redeveloped for residential, commercial or other non-industrial use. Purchaser agrees to accept and, if requested to do so, record on the deed for the Monte Villa Facility, such controls, notices and restrictions. In the event Purchaser changes, modifies, or expands the facilities or operations at the Monte Villa Facility after the Closing Date, and such change, modification or expansion increases the cost of a Remedial Action required to satisfy Seller's indemnification obligations, Purchaser shall be responsible for such incremental increase in cost and, if Seller is conducting and controlling such Remedial Action, Purchaser shall reimburse Seller for such incremental increase in cost. Purchaser shall be responsible for any operation and maintenance with respect to any such institutional or engineering controls subsequent to completion of their initial installation, and such post-installation costs shall not be subject to indemnification.

(iii) With respect to any Remedial Action conducted and controlled by Seller, Purchaser shall cooperate with Seller, and shall provide access to the Monte Villa Facility (which access shall include the right to cross the Monte Villa Facility in order to reach offsite properties). Such access shall include, without limitation, access to install, maintain, replace and operate wells, conduct sampling, remove or cover impacted soil and/or groundwater, and address vapor intrusion concerns. The parties hereto agree to reasonably cooperate with one another in connection with any matter governed hereunder and to generally conduct themselves in good faith and a cost effective manner with respect thereto.

(iv) Any obligation of Seller to conduct or fund any Remedial Action shall be deemed satisfied, and such indemnification obligation terminated, upon completion of a Remedial Action in a manner which satisfies Environmental Laws (as applicable to an industrial property and in effect at the time of such Remedial Action) or is otherwise acceptable to applicable Governmental Entities.

(b) In the event Seller or any Seller Indemnitee is party to any investigation, claim, litigation, proceeding, or other adversarial action arising under Environmental Law or with respect to Hazardous Materials, related to the Acquired Assets, or the Monte Villa Facility, irrespective of whether Purchaser has made a claim for indemnification hereunder, Purchaser and Purchaser Indemnitees shall provide reasonable cooperation and access to Seller and Seller Indemnitees after the Closing Date to allow Seller and Seller Indemnitees to defend, prosecute, or otherwise respond to such matter. Such cooperation and access shall include but shall not be limited to: (i) reasonable access to the relevant Acquired Assets or the Monte Villa Facility; (ii) the right to review and copy relevant documents, records and information in the possession of any Purchaser Indemnitee; and (iii) the right to interview, take statements and affidavits from, and depose, if necessary, employees of Purchaser Indemnitees.

SECTION 10.09 Procedures Related to Indemnification for Other Claims. In the event any indemnified party should have a claim against any indemnifying party under Section 10.01 or Section 10.02 that does not involve a Third Party Claim being asserted against or sought to be collected from such indemnified party, the indemnified party shall deliver notice of such claim to the indemnifying party promptly after obtaining knowledge of such claim. The failure by any indemnified party so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to such indemnified party under Section 10.01 or Section 10.02, except to the extent that the indemnifying party demonstrates that it has been actually and materially prejudiced by such failure. If the indemnifying party disputes its liability with respect to such claim, the indemnifying party and the indemnified party shall proceed in good faith to negotiate a resolution of such dispute, and, if not resolved through negotiations, such dispute shall be resolved by litigation in an appropriate court of competent jurisdiction.

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SECTION 10.10 Procedures Related to Indemnification of Tax Claims.

(a) If a claim relating to Taxes is made against any indemnified party (a "Tax indemnified party") by any Taxing authority, which claim, if successful, might result in an indemnity payment to any Tax indemnified party pursuant to Article X, the Tax indemnified party shall notify the other party (the "Tax indemnifying party") in writing of such claim (a "Tax Claim") within five (5) days from the receipt by the Tax indemnified party of written notice of such Tax Claim.

(b) With respect to any Tax Claim, the Tax indemnifying party shall control all proceedings taken in connection with such Tax Claim (including selection of counsel) and, without limiting the foregoing, may in its sole discretion pursue or forego any and all administrative appeals, proceedings, hearings and conferences with any Taxing authority with respect thereto, and may, in its sole discretion, either pay the Tax claimed and sue for a refund where Applicable Law permits such refund suits or contest the Tax Claim in any permissible manner, and the Tax indemnified party shall take all actions, including executing a power of attorney, to enable the Tax indemnifying party to control such Tax Claim. The Tax indemnified party shall have the right to be informed of the progress of any Tax Claim and to participate in all material aspects of the prosecution or defense of such Tax Claim (at its expense) and shall be entitled to have its representatives (including counsel of its choosing) attend any such proceedings (at its expense). Upon receipt of a written request from the Tax indemnified party, the Tax indemnifying party shall (i) inform the Tax indemnified party in advance of the date, time and place of all material administrative or judicial meetings, conferences, hearings and other proceedings relating to such Tax Claim and (ii) provide the Tax indemnified party with all material documents relating to such Tax proceedings upon receipt from the applicable governmental authority. In no case shall any Tax indemnified party settle or otherwise compromise any Tax Claim without the Tax indemnifying party's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

SECTION 10.11 Tax Treatment of Indemnification Payments. For all Tax purposes, Purchaser, Seller and each of their respective Affiliates agree to treat any indemnity payment under this Agreement as an adjustment to the Purchase Price received by Seller and Selling Affiliate, as applicable for the Transactions unless a final determination of a Taxing authority provides otherwise.

ARTICLE XI
TERMINATION

SECTION 11.01 Termination. This Agreement may be terminated and Transactions abandoned at any time prior to the Closing by:

(a) mutual written consent of Seller and Purchaser;

(b) Seller if there shall have been a breach of any of the representations, warranties, agreements or covenants set forth in this Agreement on the part of Purchaser which has rendered any conditions set forth in Section 3.03 incapable of being satisfied, such violation or breach has not been waived by Seller, and the breach is not capable of being cured prior to the

Outside Date or is not cured by the earlier of (i) ninety (90) days following Seller's written notice to Purchaser of such breach and (ii) the Outside Date; provided that the right to terminate this Agreement under this Section 11.01(b) shall not be available to Seller if Purchaser is then permitted to terminate this Agreement pursuant to Section 11.01(c);

(c) Purchaser if there shall have been a breach of any of the representations, warranties, agreements or covenants set forth in this Agreement on the part of Seller which has rendered any conditions set forth in Section 3.02 incapable of being satisfied, such violation or breach has not been waived by Purchaser, and the breach is not capable of being cured prior to the Outside Date or is not cured by the earlier of (i) ninety (90) days following Purchaser's written notice to Seller of such breach and (ii) the Outside Date; provided that the right to terminate this Agreement under this Section 11.01(c) shall not be available to Purchaser if Seller is then permitted to terminate this Agreement pursuant to Section 11.01(b);

(d) either party hereto if the Closing does not occur on or prior to **[*]** (as may be extended pursuant to the following proviso, the "Outside Date"); provided, that the right to terminate this Agreement under this Section 11.01(d) shall not be available to a party that is in breach in any material respect of any of its representations, warranties, covenants or agreements contained in this Agreement; or

(e) either party hereto if any court of competent jurisdiction or other competent Governmental Entity shall have issued a statute, rule, regulation, order, decree or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the Transactions and such statute, rule, regulation, order, decree or injunction or other action shall have become final and non-appealable; provided, however, that the right to terminate this Agreement under this Section 11.01(e) shall not be available to a party that is in breach in any material respect of any of its representations, warranties, covenants or agreements contained in this Agreement.

SECTION 11.02 Return of Confidential Information. If the Transactions are terminated as provided herein:

(a) Purchaser shall return to Seller all documents and other material received by Purchaser, its Affiliates and their respective representatives from Seller or a Selling Affiliate or representatives relating to the Transactions and by the Other Transaction Documents, whether so obtained before or after the execution hereof, to Seller; and

(b) all confidential information received by Purchaser, its Affiliates and their respective representatives with respect to Seller or any Selling Affiliate and the Acquired Assets shall be treated in accordance with the Confidentiality Agreement, which shall remain in full force and effect subject to its terms notwithstanding the termination of this Agreement.

SECTION 11.03 Consequences of Termination. In the event of termination by Seller or Purchaser pursuant to this Article XI, written notice thereof shall forthwith be given to the other party and the Transactions shall be terminated, without further action by either party. If this Agreement is terminated and the Transactions are abandoned as described in this Article XI, this Agreement shall become void and of no further force or effect, except for the provisions of (a) Section 7.01 relating to the obligation of Purchaser to keep confidential certain information and

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data obtained by it, (b) Section 7.02 relating to the obligation of Purchaser not to solicit or hire certain employees of Seller and its Affiliates, (c) Section 12.03 relating to certain expenses, (d) Section 12.04 relating to attorney fees and expenses, (e) Section 8.03 relating to publicity and (f) this Article XI. Nothing in this Article XI shall be deemed to release either party from any liability for any intentional and material breach by such party of the terms and provisions of this Agreement prior to such termination or to impair the right of either party to compel specific performance by the other party of its obligations under this Agreement.

ARTICLE XII
MISCELLANEOUS

SECTION 12.01 Assignment. This Agreement and the rights and obligations hereunder shall not be assignable or transferable by Purchaser or Seller (including by operation of law in connection with a merger, consolidation or sale of substantially all the assets of Purchaser or Seller) without the prior written consent of the other party hereto; provided, however, that (i) Seller may assign its rights and obligations hereunder to any transferee of all or substantially all of the assets of Seller, (ii) Seller may cause the performance of any of its obligations hereunder through one or more of Selling Affiliates, in each case, without the consent of Purchaser; (iii) Purchaser may designate, by written notice to Seller given not less than two (2) business days prior to the Closing, an Affiliate of which Purchaser owns not less than ninety percent (90%) of the outstanding ownership interests to acquire any or all of the Acquired Assets and (iv) Purchaser shall be entitled to assign any or all of its rights under this Agreement to any Affiliate of which Purchaser owns not less than ninety percent (90%) of the outstanding ownership interests provided that if such assignee shall subsequently cease to be an Affiliate of Purchaser then Purchaser will procure that prior thereto that company will re-assign those rights to Purchaser or to another Affiliate of Purchaser of which Purchaser owns not less than ninety percent (90%) of the outstanding ownership interests and provided, further, that no such assignment shall relieve Purchaser from any obligations hereunder. Any attempted assignment in violation of this Section 12.01 shall be void.

SECTION 12.02 No Third-Party Beneficiaries. Except as provided in Article X, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

SECTION 12.03 Expenses. Whether or not the Transactions are consummated, and except as otherwise specifically provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such costs or expenses.

SECTION 12.04 Attorney Fees. A party in breach of this Agreement shall, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement. The payment of such expenses is in addition to any other relief to which such other party may be entitled.

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SECTION 12.05 Amendments. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto. By an instrument in writing Purchaser, on the one hand, or Seller, on the other hand, may waive compliance by the other with any term or provision of this Agreement that such other party was or is obligated to comply with or perform. Any such waiver shall only be effective in the specific instance and for the specific and limited purpose for which it was given and shall not be deemed a waiver of any other provision of this Agreement or of the same breach or default upon any recurrence thereof. No failure on the part of any party to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

SECTION 12.06 Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by electronic mail (which is confirmed) or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and shall be deemed given when so delivered by hand, electronic mail, or if mailed, three (3) days after mailing (one business day in the case of overnight mail or overnight courier service), as follows:

(a) if to Purchaser,

Seattle Genetics, Inc.
21823 30th Drive SE
Bothell, WA 98021
Facsimile: (425) 527-4107
Attention: General Counsel
Email: legal@seagen.com

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

Summit Law Group, PLLC
315 Fifth Avenue South, Suite 1000
Seattle, WA 98104
Facsimile: (206) 676-7001
Attention: **[*]**
Email: **[*]**

(b) if to Seller,

Bristol-Myers Squibb Company
345 Park Avenue
New York, NY 10154
Facsimile: (212) 546-9562
Attention: General Counsel

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

Bristol-Myers Squibb Pharmaceutical Group
Route 206 & Province Line Road
Princeton, NJ 08540
Facsimile: (609) 252-7680
Attention: **[*]**
Email: **[*]**

Covington & Burling LLP
The New York Times Building, 620 Eight Avenue
New York, NY 10018
Facsimile: (646) 441-9012
Attention: **[*]**
Email: **[*]**

SECTION 12.07 Interpretation; Exhibits, Seller Disclosure Schedule; Certain Definitions.

(a) The definitions of the terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" when used in this Agreement is not exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". The words "exclusively used or held for use" shall be construed as "exclusively used or exclusively held for use". All terms defined in this Agreement shall have their defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein. Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein), (ii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iii) all references herein to Articles, Sections, Exhibits or Schedules shall be construed to refer to Articles, Sections, Exhibits and Schedules of this Agreement and (iv) the headings contained in this Agreement, the Seller Disclosure Schedule, other Schedules or any Exhibit and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The Seller Disclosure Schedule, all other Schedules and all Exhibits annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in the Seller Disclosure Schedule, any other Schedule or any Exhibit annexed hereto but not otherwise defined therein, shall have the meaning as defined in this Agreement. In the event of an ambiguity or a question of intent or interpretation, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement. References herein to a party include references to such party's successors and permitted assigns.

(b) For all purposes hereof:

"Accounts Payable" means all accounts payable of Seller or Selling Affiliates with respect to the operation of the Monte Villa Facility for which Seller or Selling Affiliates had services rendered, products sold or goods shipped from the supplier as of the end of the day immediately prior to the Closing Date.

"Accounts Receivable" means all accounts receivable, notes receivable and other indebtedness due and owed by any third party to Seller or Selling Affiliates with respect to the operation of at the Monte Villa Facility and occurring in the ordinary course of business as of the end of the day immediately prior to the Closing Date, including all trade accounts receivable representing amounts receivable in respect of goods shipped, products sold or services rendered prior to the day immediately prior to the Closing Date and the full benefit of any security for such accounts or debts.

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

"Affiliate" means, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person; and for the purposes of this definition, "control" when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Benefit Plan" means a pension, profit sharing, 401(k) retirement, employee stock ownership, deferred compensation, stock purchase, stock option or other equity based compensation plans, incentive, bonus, vacation, employment, independent contractor, consulting, change in control, severance, indemnification, loan, disability, hospitalization, sickness, death, medical insurance, dental insurance, life insurance or any other employee or fringe benefit plan, agreement, program, policy, trust, fund, contract or arrangement.

"business day" means any day, other than a Saturday or Sunday, on which commercial banks are not required or authorized to close in the City of New York.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"dollars" or "$" means lawful money of the United States of America.

"Employee Matters Letter" means an employee matter side letter substantially in the form accompanying this Agreement.

"Environmental Law" means any law, statute, regulation, rule, code, ordinance, or decree issued by any Governmental Entity and having the effect of law its local jurisdiction, relating to pollution, protection of the environment, protection of human health, or protection of natural resources, as enacted prior to the date hereof and as in effect on the date hereof.

"Environmental Permit" means any permit, license, registration, or other authorization issued under or pursuant to Environmental Laws.

"Facility Contractor" means each independent contractor of Seller or the Selling Affiliates who provides substantial services in connection with the operation of the Monte Villa Facility, being (A) those individuals set forth on Section 9.01 of the Seller Disclosure Schedule, as the same may be updated consistent with the terms of this Agreement and (B) such other independent contractors who may be engaged by Seller or the Selling Affiliate in connection with the operation of the Monte Villa Facility between the date hereof and the Closing Date and who are described by the above clause; provided that the term "Facility Contractor" does not include anyone designated as an "Excluded Contractor"

"Facility Employee" means each employee of Seller or the Selling Affiliates who spends at least 50% of his or her working time performing services in connection with the operation of the Monte Villa Facility, being (A) those individuals set forth on Section 9.01 of the Seller Disclosure Schedule, as the same may be updated consistent with the terms of this Agreement and (B) such other employees who may be hired by Seller or the Selling Affiliate in connection with the operation of the Monte Villa Facility between the date hereof and the Closing Date and who are described by the above clause; provided that the term "Facility Employee" does not include anyone designated as an "Excluded Employee".

"Facility Know-How" means Product Formulae, Manufacturing Know-How, technology, data, techniques, designs, process, methods and other know-how relating to the operation of the Monte Villa Facility.

"Governmental Entity" means any governmental, regulatory or administrative authority, agency, division, instrumentality or commission or any judicial or arbitral body.

"Hazardous Material" means any chemical, material, substance or waste regulated as hazardous or toxic pursuant to any Environmental Law due to its dangerous or deleterious properties or characteristics, including petroleum and asbestos.

"Intellectual Property" means (a) patents, patent applications and statutory invention registrations, together with all counterparts, reissues, divisions/divisionals, continuations, continuations-in part, extensions, provisional or supplemental protection certificates, renewals and reexaminations thereof, (b) trademarks, service marks, designs, trade dress, logos, slogans, trade names, business names, corporate names, Internet domain names, and all other indicia of origin, together with all translations, adaptations, derivations, and combinations thereof, and all trademark registrations, trademark applications, service mark registrations, service mark applications, domain name registrations and social media handles associated therewith, together with any extensions and renewals thereof and all goodwill associated therewith, (c) copyright registrations and copyright applications, together with any extensions and renewals thereof, (d) trademarks and

copyrights that are not the subject of a pending application for registration with, or that are not registered with, an appropriate trademark and copyright office and (e) technical, scientific, regulatory and other information, results, techniques and data, in whatever form and whether or not confidential, proprietary, patented or patentable, including any discovery or invention, whether or not patentable, invention disclosures, plans, processes, practices, methods, know how, ideas, concepts, test data (including pharmacological, toxicological and clinical test data), analytical and quality control data, formulae, specifications, marketing, pricing, distribution, cost, sales, and manufacturing data or descriptions (the items in this clause (e) being referred to collectively as the "Information").

"IT Know-How" means technology, data, techniques, designs, process, methods and other know-how relating to configuration and use of information technology systems and software used in connection with the operation of the Monte Villa Facility, including all issued or pending patents and all other applied for or registered Intellectual Property, and, for the avoidance of doubt, the actual information technology systems and software.

"knowledge" means (a) with respect to Seller or any Selling Affiliate, the current actual knowledge of the persons identified on Section 12.07(c) of the Seller Disclosure Schedule having **[*]** and (b) **[*]** knowledge of **[*]**, having made due enquiry; provided, however, that with respect to Sections 3.04, 6.07 and 8.09, knowledge of Purchaser shall mean current actual knowledge of such persons without any obligation of due enquiry on their part.

"Lease Termination" means a lease termination agreement effecting the termination of the Lease and all of parties' obligations thereunder, to be entered into by and between Seller or any Selling Affiliate and Purchaser on the Closing Date in a form reasonably acceptable to the parties.

"Manufacturing Know-How" means Information relating to the manufacture and production of any product.

"Material Adverse Effect" means any state of facts, change, development, condition, effect, event or occurrence that has had, or would reasonably be expected to have, a material adverse effect on the Acquired Assets, Assumed Liabilities or the operation of the Monte Villa Facility taken as a whole, or the ability of the Seller to consummate the Transactions. For purposes of this Agreement, "Material Adverse Effect" shall exclude any effects to the extent resulting from (i) changes in the United States economy or foreign economies in general, (ii) changes or prospective changes in U.S. GAAP or in any Applicable Law or applicable accounting regulations or principles or interpretations thereof, (iii) changes in industries relating to the operation of the Monte Villa Facility in general and not specifically relating to the operation of the Monte Villa Facility, (iv) conditions generally affecting financial, banking or securities markets (including any disruption thereof), (v) earthquakes, hurricanes, floods, tornadoes, storms, weather conditions, fires, power outages, epidemics or other natural disasters, (vi) political, regulatory, legislative or social conditions (including any outbreak or escalation of hostilities, acts of war or terrorism, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack or otherwise) (vii) any Facility Employees ceasing to be employed in connection with the operation of the Monte Villa Facility, (viii) the announcement by Seller of its intention to sell the Monte Villa Facility (including any loss of employees or any loss of, or any disruption in,

contractual or other relationships with any commercial counterparties, equity holders, employees or regulators as a result of such announcement), (ix) any failure by Seller or any Selling Affiliate to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the date of this Agreement (provided that this clause (ix) shall not prevent a determination that any facts underlying such failure to meet such projections, forecasts or predictions have resulted in a Material Adverse Effect (to the extent such facts are not otherwise excluded from this definition of Material Adverse Effect)), or (x) the execution and delivery of this Agreement (including the disclosure of the identity of Purchaser) or any Other Transaction Document and the consummation of the Transactions; provided, however, that with respect to clauses (i), (ii), (iii), (iv), (v) and (vi), such matter shall be considered to the extent (but solely the disproportionate extent) that it disproportionately affects the operation of the Monte Villa Facility or the Acquired Assets, as compared to similarly situated manufacturing plants in the pharmaceutical industry.

"Other Transaction Documents" means the Transaction Documents other than this Agreement.

"person" means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, Governmental Entity or other entity.

"Post-Closing Tax Period" means all taxable periods beginning and ending after the Closing Date and the portion beginning on the day after the Closing Date of any Straddle Period.

"Pre-Closing Tax Period" means all taxable periods ending on or before the Closing Date and the portion ending on the Closing Date of any Straddle Period.

"Product Formulae" means the specific percentages and specifications for the mixing and preparation of the ingredients used in the manufacture or production of a specific product, taken as a whole and not in part.

"Quality Agreement" means a quality agreement substantially in the form of Exhibit B.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment.

"Representatives" means directors, officers, Affiliates, agents, advisors and other representatives.

"Selling Affiliate" means each Affiliate of Seller that owns right, title and interest to any of the Acquired Assets or is liable for any of the Assumed Liabilities, in each case immediately prior to the Closing.

"Shared Contract" means all Contracts of Seller or any of its Affiliates relating in part to the operation of the Monte Villa Facility, but not exclusively related to, or exclusively used or held for use in connection with the operation of the Monte Villa Facility, and not otherwise a Transferred Contract.

"subsidiary" of any person means another person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, fifty percent (50%) or more of the equity interests of which) is owned directly or indirectly by such first person or by another subsidiary of such person.

"Supply Agreement" means a supply agreement substantially in the form of Exhibit C.

"Tax" or "Taxes" means all national, local and foreign taxes, duties and similar assessments, however denominated, including all interest, penalties and additions imposed with respect to such amounts.

"Tax Return" means any return, declaration, report or other information (including any amendments or attachments thereto) supplied or required to be supplied to a Governmental Entity with respect to Taxes.

"Transaction Documents" means (i) this Agreement, (ii) the Supply Agreement, (iii) the Quality Agreement, (iv) the Transitional Services Agreement, (v) the Lease Agreement, (vi) the Lease Termination and (vii) the Employee Matters Letter.

"Transactions" means the transactions contemplated by this Agreement.

"Transitional Services Agreement" means a transitional services agreement substantially in the form of Exhibit D, together with changes acceptable to both parties.

"U.S. GAAP" means generally accepted accounting principles in the United States, as in effect as of the date hereof.

(c) The following terms have the meanings given such terms in the Sections set forth below:

Term	Section
Accounts Payable	12.07(b)
Accounts Receivable	12.07(b)
Acquired Assets	1.02(a)
Acquisition	1.01
Actions	12.07(b)
Affiliate	12.07(b)
Applicable Laws	4.10
Assumed Liabilities	1.03(a)
Beneficiary	Exhibit A
BMS Names	7.05(d)
Bonus Year	Section 9.03(d)
business day	12.07(b)
Closing	2.01(a)
Closing Condition Failure	3.04
Closing Date	2.01(a)

Term	Section
Closing Date Amount	2.01(b)(i)
Code	12.07(b)
Confidential Information	5.04
Confidentiality Agreement	7.01
Continuation Period	Section 9.03
Contracts	1.02(a)(iii)
Cost-Effective Manner	10.08(a)(ii)
dollars	12.07(b)
Employee Matters Letter	12.07(b)
Environmental Law	12.07(b)
Environmental Permit	12.07(b)
Environmental Reports	4.11
Excluded Assets	1.02(c)
Excluded Contracts	1.02(c)(ix)
Excluded Environmental Liabilities	1.03(b)(vi)
Excluded Intellectual Property	1.02(c)(vi)
Excluded Inventory	1.02(c)(viii)
Excluded Liability	1.03(b)
Excluded Other Rights	1.02(c)(xi)
Excluded Permits	1.02(c)(x)
Excluded Personal Property	1.02(c)(vi)
Excluded Records	1.02(c)(xiii)
Excluded Tax Liability	1.03(b)(iii)
Facility Contractor	12.07(b)
Facility Employee	12.07(b)
Facility Know-How	12.07(b)
Facility Materials	7.05(a)
Governmental Entity	12.07(b)
Guaranty	Guaranty
Hazardous Material	12.07(b)
Inactive Employee	9.01(c)
Indemnification Agreement	Recitals
indemnified party	10.07(a)
indemnifying party	10.07(a)
Information	12.07(b)
Intellectual Property	12.07(b)
IT Know-How	12.07(b)
knowledge	12.07(b)
Lease	Recitals
Lease Amendment	Recitals
Lease Termination	12.07(b)
Lessor	Recitals
Liabilities	1.03(a)
Liens	4.02(a)

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Term	Section
Losses	10.01(a)
Manufacturing Know-How	12.07(b)
Material Adverse Effect	12.07(b)
Monte Villa Facility	Recitals
Original Lease	Recitals
Other Rights	1.02(a)(v)
Other Transaction Documents	12.07(b)
Outside Date	11.01(d)
Parent	Guaranty
Permits	1.02(a)(iv)
Permitted Liens	4.04(a)
person	12.07(b)
Personal Property	1.02(a)(i)
Post-Closing Tax Period	12.07(b)
Pre-Closing Tax Period	12.07(b)
Product Formulae	12.07(b)
Property	Recitals
PSA	Recitals
Purchaser 401(k) Plan	Section 9.04(b)
Purchase Price	1.01
Purchaser	Preamble
Purchaser Indemnitees	10.01(a)
Purchaser Party	7.02
Quality Agreement	12.07(b)
Transferred Records	1.02(a)(vi)
Records	1.02(a)(vi)
Record Retention Period	9.08
Release	12.07(b)
Remedial Action	10.08(a)
Representatives	12.07(b)
ROFR	Recitals
Seller	Preamble
Seller Disclosure Schedule	Article IV
Seller Disclosure Schedule Update	8.09(b)
Seller Incentive Plan	9.03(d)
Seller Indemnitees	10.02
Seller SIP	9.04(b)
Selling Affiliate	12.07(b)
Statement of Pro Forma Balances	4.13(a)
Straddle Period	8.06(c)
subsidiary	12.07(b)
Supply Agreement	12.07(b)
Support Services	8.05
Tax	12.07(b)

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Term	Section
Tax Claim	10.10(a)
Tax indemnified party	10.10(a)
Tax indemnifying party	10.10(a)
Tax Return	12.07(b)
Taxes	12.07(b)
Tenant	Recitals
Third Party Claim	10.07(a)
Transaction Documents	12.07
Transfer Taxes	1.03(a)(viii)
Transferred Contracts	1.02(a)(iii)
Transferred Employee	9.01(a)
Transferred Other Rights	1.02(a)(v)
Transferred Permits	1.02(a)(iv)
Transferred Personal Property	1.02(a)(i)
Transferred Software	1.02(a)(ii)
Transition Date	9.01
Transition Date Bonus Amount	9.03(d)
Transition Date Bonus Amount Schedule	9.03(d)
Transition Date Bonus Amount Transfer Date	9.03(d)
WARN Act	9.05

SECTION 12.08 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties hereto and delivered to the other party. Delivery of an executed counterpart of a signature page of this Agreement by ".pdf" or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 12.09 Entire Agreement. This Agreement, the Other Transaction Documents, the Confidentiality Agreement, and the Indemnification Agreement contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. Neither party shall be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein, in the Other Transaction Documents or in the Confidentiality Agreement.

SECTION 12.10 Severability. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by any Applicable Law or public policy, all other conditions and provisions of this Agreement shall nonetheless remain in full force and effect so long as the economic and legal substance of the Transactions is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in a mutually acceptable manner in order that the Transactions are consummated as originally contemplated to the fullest extent possible.

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SECTION 12.11 Enforcement. The parties hereto agree that irreparable damage would occur and that the parties hereto would not have any adequate remedy at law if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the Supreme Court of the State of New York sitting in New York County (and, if such Supreme Court of the State of New York shall be unavailable, in any other New York State court or in the United States District Court for the Southern District of New York), and any appellate court from any thereof, this being in addition to any other remedy to which any party is entitled at law or in equity.

SECTION 12.12 Consent to Jurisdiction. Each of Purchaser and Seller irrevocably submits to the exclusive jurisdiction of (a) the Supreme Court of the State of New York, New York County and (b) the United States District Court for the Southern District of New York, and any appellate court from any thereof, for the purposes of any suit, action or other proceeding arising out of this Agreement, the Other Transaction Documents or any transaction contemplated hereby or thereby, or for recognition or enforcement of any judgment, and each party irrevocably and unconditionally agrees that all claims in respect of any such suit, action or other proceeding may be heard and determined in such New York State or, to the extent permitted by Applicable Law, in such Federal court. Each of Purchaser and Seller agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County. Each of Purchaser and Seller further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 12.12. Each of Purchaser and Seller irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, the Other Transaction Documents or the Transactions in any court referred to in the first sentence of this Section 12.12 and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 12.13 Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement, any of the Other Transaction Documents or any transaction contemplated hereby or thereby. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce that foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the Other Transaction Documents, as applicable, by, among other things, the mutual waivers and certifications in this Section 12.13.

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SECTION 12.14 GOVERNING LAW. THIS AGREEMENT AND ALL CLAIMS OR CAUSES OF ACTION (WHETHER AT LAW, IN CONTRACT, IN TORT OR OTHERWISE) THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE TO THIS AGREEMENT OR THE NEGOTIATION, EXECUTION OR PERFORMANCE HEREOF SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES OF SUCH STATE.

SECTION 12.15 Waiver of Conflicts. Recognizing that Covington & Burling LLP has acted as legal counsel to Seller and its Affiliates prior to the Closing, and that Covington & Burling LLP intends to act as legal counsel to Seller and its Affiliates after the Closing, Purchaser hereby waives, on its own behalf and agrees to cause its Affiliates to waive, any conflicts that may arise in connection with Covington & Burling LLP representing Seller and/or its Affiliates after the Closing as such representation may relate to Purchaser, the operation of the Monte Villa Facility or the Transactions. In addition, all communications involving attorney-client confidences between Seller or its Affiliates and Covington & Burling LLP in the course of the negotiation, documentation and consummation of the Transactions shall be deemed to be attorney-client confidences that belong solely to Seller and its Affiliates. Accordingly, Purchaser shall not have access to any such communications, or to the files of Covington & Burling LLP relating to its engagement, whether or not the Closing shall have occurred.

* * * * *

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first written above.

BRISTOL-MYERS SQUIBB COMPANY

By: /s/ Brian P. Heaphy
Name: Brian P. Heaphy
Title: Executive Director, Business Development

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first written above.

SEATTLE GENETICS, INC.

By: /s/ Clay B. Siegall
Name: Clay B. Siegall, PhD
Title: President and CEO

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Exhibit 10.3

EXECUTION COPY

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LICENSE AND COLLABORATION AGREEMENT

by and between

Seattle Genetics, Inc.

and

Genmab A/S

Effective as of: October 7, 2011

CONTENTS

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LIST OF SCHEDULES

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LICENSE AND COLLABORATION AGREEMENT

This License and Collaboration Agreement is entered into as of October 7, 2011 by and between:

SEATTLE GENETICS, INC., a Delaware corporation, having its principal place of business at 21823 30th Drive S.E., Bothell, Washington 98021 (hereinafter referred to as "SGI")

and

GENMAB A/S, a Danish corporation with CVR no. 2102 3884, having a principal place of business at Bredgade 34, P.O. Box 9068, DK-1260 Copenhagen K, Denmark (hereinafter referred to as "Genmab").

WITNESSETH

WHEREAS, SGI Controls (as defined below) intellectual property rights relating to certain technology useful for linking certain proprietary cytotoxic compounds to other molecules, such as antibodies capable of directing such cytotoxic compounds to specific tissues and/or cells;

WHEREAS, Genmab is engaged in research and development of biopharmaceutical products, including certain monoclonal antibodies and Controls intellectual property rights relating to certain technology useful for generating monoclonal antibodies and to the monoclonal antibodies so generated;

WHEREAS, SGI and Genmab are currently parties to the Prior Agreement (as defined below) pursuant to which they are conducting a research and development program relating to antibodies that bind specifically to Tissue Factor (as defined below) together with SGI's proprietary cytotoxic compound and linker technology;

WHEREAS, pursuant to the Prior Agreement, Genmab has the right to obtain an exclusive (subject to SGI's right to opt-in to co-development and co-commercialization) worldwide license under SGI's patent rights and know-how related to SGI's proprietary cytotoxic compound and linker technology to develop and commercialize Licensed Products (as defined below);

WHEREAS, SGI wishes to grant to Genmab such license;

WHEREAS, SGI wishes to obtain a right to opt-in to co-develop and co-commercialize with Genmab such Licensed Products; and

WHEREAS, Genmab wishes to grant to SGI such opt-in right.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the Parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions For the purposes of this Agreement the following words and phrases shall have the following meanings:

1.1.1 "**AAA**" has the meaning set forth in Section 23.3.1.

1.1.2 "**Acknowledgement**" has the meaning set forth in Section 3.1.2.

1.1.3 "**ADC**" or "**Antibody-Drug Conjugate**" means an Antibody that is linked to a cytotoxic compound and that contains, uses, is made using or is otherwise based on SGI Technology.

1.1.4 "**Adverse Event**" means any unfavorable and unintended medical occurrence in a human patient or subject who is administered a Licensed Product, including any undesirable sign (including abnormal laboratory findings of clinical concern), symptom or disease temporally associated with the use of such Licensed Product, whether or not considered related to such Licensed Product.

1.1.5 "**Affiliate**" of a Party means any corporation or other business entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with a Party. As used herein, the term "control" means the direct or indirect ownership of fifty percent (50%) or more of the stock having the right to vote for directors thereof or the ability to otherwise control the management thereof.

1.1.6 "**Agreement**" means this License and Collaboration Agreement, all amendments and supplements hereto and all schedules hereto, including the following:

Schedule A - SGI Patents. {Schedule to be further updated}

Schedule B - Research and GLP Grade Supply Fee Pricing List

Schedule C - Genmab In-Licenses

Schedule D - SGI research and development support prior to end of Phase I Clinical Trial

Schedule E - Genmab Development Plan and Genmab Budget

Schedule F - Genmab Patents

1.1.7 "**Alliance Manager**" has the meaning set forth in Section 3.3.

1.1.8 "**[*]**" means the portion of the **[*]** costs **[*]** by a Party that are attributable to that Party's **[*]** and **[*]**, **[*]**, **[*]**, or the equivalent of the foregoing to support **[*]** of a Collaboration Product, and the occupancy, facility and equipment (excluding **[*]** for **[*]** and **[*]**), **[*]** (to the extent not **[*]**) and its **[*]** and **[*]** necessary to support such **[*]**, and, in each case, which are **[*]** to such Party's **[*]** based on **[*]** or **[*]** or other **[*]** consistently applied by a Party. **[*]** shall not include any **[*]** attributable to **[*]**, including, by way of example, **[*]**, **[*]**, **[*]**, **[*]** and **[*]**. This definition of **[*]** will be further elaborated in the commercialization agreement described in Section 8.4.

1.1.9 "**Annual Maintenance Fee**" has the meaning set forth in Section 10.2.

1.1.10 "**Antibody**" or "**Antibodies**" means a monoclonal antibody or a derivative thereof identifiable by **[*]** with respect to Tissue Factor. For the purpose of the licenses granted to Genmab by SGI hereunder any Antibody when combined with **[*]** must specifically bind to Tissue Factor.

1.1.11 "**Applicable Law**" means any law or statute, any rule or regulation issued by a government authority (including courts and Regulatory Authorities), any GxP regulations or guidelines as well as and any judicial, governmental, or administrative order, judgment, decree or ruling, in each case as applicable to the subject matter and the parties at issue.

1.1.12 "**Approved Subcontractor**" means a subcontractor engaged by a Party that has been approved by the JSC to perform specific obligations of the subcontracting Party.

1.1.13 "**BMS**" means Bristol-Myers Squibb Company.

1.1.14 "**BMS Agreement**" means the License Agreement between BMS and SGI dated **[*]**, as amended.

1.1.15 "**Breaching Party**" has the meaning set forth in Section 17.3.

1.1.16 "**Calendar Quarter**" means any of the three-month periods beginning on January 1, April 1, July 1 or October 1 of any year.

1.1.17 "**Change of Control**" has the meaning set forth in Article 20.

1.1.18 "**Claims**" has the meaning set forth in Section 18.1.1.

1.1.19 "**Collaboration Accounting Policies**" means the accounting policies as agreed to by the Parties and approved by the JSC to be used in determining Joint Development Costs and Collaboration Product Profit, which will be, in all material respects, consistent with GAAP and any Applicable Laws of the United States.

1.1.20 "**Collaboration Product**" means an Exclusive Product as to which SGI has exercised its Opt-In Right to the extent that neither Party subsequently issues an Opt-Out Notice pursuant to Section 5.10. For clarity, a Collaboration Product is considered a Licensed Product.

1.1.21 "**Collaboration Product Profit**" means the profits or losses resulting from the Commercialization of a Collaboration Product and shall be **[*]** to the **[*]** of the Collaboration Product **[*]** the **[*]** to the **[*]**; provided, however, that any costs that would otherwise be included as a **[*]** but which, pursuant to the **[*]**, are **[*]** from **[*]** to determine the **[*]** of a **[*]**, shall not also be **[*]** as a **[*]** and thereby **[*]**. Collaboration Product Profit shall also include any **[*]** by a Party from a Third Party on **[*]** of, or in connection with **[*]** with respect to, a **[*]**.

1.1.22 "**Collaboration Product Trademark**" has the meaning set forth in Section 14.6.

1.1.23 "**Collaboration Program**" means the collaborative Development, manufacturing, Regulatory Approval and Commercialization activities undertaken pursuant to any Joint Development Plan or Commercialization Plan.

1.1.24 "**Commercialization**" or "**Commercialize**" means, with respect to a Collaboration Product, any and all activities to establish and maintain commercial sales for such Collaboration Product that are undertaken pursuant to a Commercialization Plan. These activities shall include: (a) the pre-launch marketing and launch activities for the Collaboration Product, (b) the marketing, promotion, distribution, offering for sale and selling of the Collaboration Product, (c) importing and exporting the Collaboration Product for commercial sale, and (d) manufacturing the Collaboration Product for commercial sale (except for scale-up activities prior to First Commercial Sale, which shall be considered Development activities), including inventory build to support the launch and making manufacturing improvements after launch; in each case in accordance with the applicable Commercialization Plan. When used as a verb, "Commercialize" means to engage in Commercialization.

1.1.25 "**Commercialization Expenses**" shall mean, with respect to a Collaboration Product, (a) **[*]**, (b) **[*]**, (c) **[*]**, (d) **[*]**, (e) **[*]**, (g) **[*]**, and (h) other costs as mutually agreed by the Parties, all allocated to such Collaboration Product and calculated in accordance with the Collaboration Accounting Policies, consistently applied. This definition of Commercialization Expenses will be further elaborated in the commercialization agreement described in Section 8.4.

1.1.26 "**Commercialization Plan**" means the commercialization plan for a Collaboration Product to be prepared and approved by the JSC from time to time and the related budget to be prepared and approved by the JSC for each calendar year during which it is anticipated that Commercialization activities will occur hereunder, to be updated as necessary during each calendar year, setting forth, among other things, a master plan for the Commercialization of the Collaboration Product as well as each Party's responsibilities in connection therewith.

1.1.27 "**Commercially Reasonable Efforts**" means, (a) with respect to the efforts to be **[*]** by a Party to **[*]** a **[*]**, the **[*]** and **[*]** that such Party would **[*]** to **[*]** a **[*]** under **[*]**, and (b) with respect to the **[*]** or **[*]** of a Licensed Product, the level of efforts and **[*]** substantially **[*]** to those efforts and **[*]** by a Party for a **[*]** of **[*]** and at a **[*]** in

its **[*]**, taking into account **[*]**, **[*]**, **[*]**, **[*]** of **[*]**, **[*]** ([*] taking into account the **[*]** of this Agreement), **[*]** and **[*]** and other relevant factors. Commercially Reasonable Efforts shall be determined on a **[*]** and **[*]** basis for a particular Licensed Product. In addition, it is anticipated that the **[*]** of **[*]** may be **[*]** for **[*]**, and may **[*]**, reflecting **[*]** in the **[*]** of such Licensed Product and the market(s) involved. Without limiting the forgoing, Commercially Reasonable Efforts with respect to a Licensed Product requires that the relevant Party: (i) **[*]** and consistently **[*]** to **[*]** for carrying out its obligations, and (ii) consistently **[*]** and implement decisions and **[*]** for the **[*]** of **[*]** with respect to such objectives.

1.1.28 "**Competing Product**" means: (a) at any time during the Term (i) when SGI holds an Opt-In Right for the first Exclusive Product or (ii) following an Opt-In Decision for such first Exclusive Product and prior to any applicable Opt-Out Date, any product for the treatment, prevention or diagnosis of conditions and diseases in humans containing a substance (such as a small molecule, peptide, protein, antibody, fusion protein, conjugate, **[*]** or other **[*]**, as well as any **[*]** of the foregoing) that **[*]** to **[*]** and (b) at all other times during the Term, any product for the treatment, prevention or diagnosis of conditions and diseases in humans containing an **[*]** that **[*]** to **[*]**.

1.1.29 "**Competing Program**" means a program intended to develop a **[*]**.

1.1.30 "**Confidential Information**" has the meaning set forth in Section 13.1.

1.1.31 "**Continuing Party**" has the meaning set forth in Section 5.10.1.

1.1.32 "**Control**" means, with respect to any information or intellectual property right, possession by a Party or its Affiliate of the ability to grant the right to access or use, or to grant a license or a sublicense to, or to use such information or intellectual property right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party.

1.1.33 "**Development**" or "**Develop**" means, with respect to a Collaboration Product, any and all clinical drug development activities and manufacturing activities undertaken pursuant to the relevant Joint Development Plan in order to develop a Collaboration Product up to and including obtaining Regulatory Approval for such Collaboration Product for an indication and to perform manufacturing scale up to enable commercial scale manufacturing prior to launch (except that inventory build shall be considered a Commercialization activity). These activities shall include preclinical research, stability testing, toxicology testing, formulation activities, reformulation activities, process development, manufacturing scale-up activities, development stage manufacturing, quality assurance/quality control development, clinical studies (including Phase III Studies, Phase III-B Studies, Phase IV Studies and other studies (e.g., pharmacovigilance programs and outcome studies) that the JSC considers necessary or economically justifiable) and other activities to obtain the applicable Regulatory Approvals; in each case in accordance with the applicable Joint Development Plan, as applicable. When used as a verb, "Develop" means to engage in Development.

1.1.34 "**Development Support Fees**" has the meaning set forth in Section 10.1.

1.1.35 "**Development Support Fees Report**" has the meaning set forth in Section 10.1.

1.1.36 "**[*]**" shall mean the following costs incurred by a Party or its Affiliates in the **[*]** of a **[*]**, to be further elaborated in the commercialization agreement described in Section 8.4: (a) **[*]** to be agreed upon by the Parties **[*]**, (b) **[*]** associated with **[*]**, and (c) **[*]**. For the avoidance of doubt, **[*]** shall not include **[*]** or **[*]**.

1.1.37 "**Drug Conjugation Materials**" means (a) the **[*]** or **[*]** attached to the linker **[*]** or **[*]**, and (b) any related raw materials and reagents SGI provided to Genmab pursuant to the Research Program or provides to Genmab pursuant to Section 4.4 or the Collaboration Program, in each case to the extent Controlled by SGI and included in or covered by the SGI Technology. Drug Conjugation Materials shall also include reagents and other tangible materials to the extent included in Program Inventions assigned to SGI pursuant to Section 14.1.2.

1.1.38 "**Drug Conjugation Technology**" means (a) methods that are useful in attaching the **[*]** or **[*]** to antibodies using the linker **[*]** or **[*]**, including the composition and methods of making and using such cytotoxic compound **[*]** or **[*]** and (b) any related assays and methods SGI provided to Genmab pursuant to the Research Program or provides to Genmab pursuant to Section 4.4 or the Collaboration Program, in each case to the extent Controlled by SGI.

1.1.39 "**Drug Master File**" or "**DMF**" means the file of information submitted to the FDA as set out in Code of Federal Regulations, Food and Drug Administration Part 314.420.

1.1.40 "**Effective Date**" means the date set forth in the first line of this Agreement.

1.1.41 "**Events of Force Majeure**" has the meaning set forth in Article 19.

1.1.42 "**Exclusive Product**" means a Licensed Product as to which an Opt-In Right has not arisen or, having arisen, has not been exercised within the Opt-In Period.

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

1.1.44 "**Field**" means monoclonal antibody targeting applications for the treatment and diagnosis of conditions and diseases in humans. The Parties acknowledge that **[*]** is **[*]** to **[*]**, including **[*]**.

1.1.45 "**Financial Representative**" has the meaning set forth in Section 5.5.1.

1.1.46 "**First Commercial Sale**" means, in each country of the Territory, the first commercial sale of a Licensed Product by a Party, their respective Affiliates or Sublicensees to a Third Party following, if required by law, Regulatory Approval and, when Regulatory Approval is not required by law, the first commercial sale in that country, in each case for use or consumption of such Licensed Product in such country by the general public. For the avoidance of doubt, any sale of Licensed Product by a Party for use in **[*]** shall be considered a commercial sale and shall be included in Net Sales.

1.1.47 "**FTE**" means the equivalent of a full-time employee of the Parties (including normal vacations, sick leave and other similar matters) in the country where such employee is based. FTEs shall be calculated based on the time an employee of the Parties spends working on a billable effort as recorded by such Parties' project time reporting system. An FTE is measured on the basis of **[*]** of **[*]** and **[*]**.

1.1.48 "**FTE Fees**" has the meaning set forth in Section 10.1.

1.1.49 "**GAAP**" means generally accepted accounting principles in the United States.

1.1.50 "**Genmab**" has the meaning set forth in the introduction to this Agreement.

1.1.51 "**Genmab ADC Know-How**" means all Program Inventions Controlled by Genmab using SGI Technology to the extent not disclosed or claimed by a Genmab Patent that are necessary for identifying, developing, making, using, offering for sale or selling ADCs.

1.1.52 "**Genmab ADC Patents**" means all patent applications and patents that are Controlled by Genmab that claim Genmab ADC Know-How as set forth in Schedule F, which shall be amended from time to time to reflect any other patents and patent applications.

1.1.53 "**Genmab Budget**" shall mean the budget attached to the Genmab Development Plan under Schedule E.

1.1.54 "**Genmab Development Plan**" means the manufacturing and clinical development plan for an Exclusive Product and related Genmab Budget. The initial version of the Genmab Development Plan and related Genmab Budget is set forth in Schedule E and may be amended at Genmab´s sole discretion prior to the beginning of the Opt-In Period.

1.1.55 "**Genmab In-Licenses**" means the agreements between Genmab and Third Parties as listed in Schedule C. Schedule C may be amended from time to time pursuant to Section 2.6.1.

1.1.56 "**Genmab Know-How**" means all technical information, processes, formulae, data, inventions, methods, chemical compounds, biological or physical materials, know-how and other trade secrets, in each case, that relate to (a) the composition, method of using or method of **[*]**, or (b) the composition, method of generating and making **[*]**, including the **[*]**, or (c) method of **[*]** and **[*]** technology, and that are Controlled by Genmab to the extent not disclosed or claimed by a Genmab Patent, including **[*]**.

1.1.57 "**Genmab Patents**" means:

(a) all patent applications and patents Controlled by Genmab that claim Genmab Know-How as set forth in Schedule F, which shall be amended from time to time to reflect any other patents and patent applications;

(b) any patents and patent applications covering Program Inventions that are assigned to Genmab pursuant to Section 14.1.2(a) and Genmab's interest in any Joint Patents pursuant to Section 14.1.2(c);

(c) any future patents issued from any patent applications referred to above and any future patents issued from any continuation, continuation-in part (to the extent Controlled by Genmab), or divisional of any of the foregoing patent applications or any patent applications from which the foregoing patents issued, in each case to the extent Controlled by Genmab; and

(d) any reissues, reexaminations, confirmations, renewals, registrations, substitutions, extensions, or counterparts of any of the foregoing, in each case to the extent Controlled by Genmab.

1.1.58 "**Genmab Product**" means a Unilateral Product as to which Genmab elects to be the Continuing Party in accordance with Section 5.10.

1.1.59 "**Genmab Technology**" means the Genmab Patents (including Genmab ADC Patents) and Genmab Know-How (including Genmab ADC Know-How).

1.1.60 "**Good Clinical Practice**" or "**GCP**" shall mean any and all laws, rules, regulations, guidelines and generally accepted standards and requirements regarding the ethical conduct of clinical trials, including without limitation the U.S. Code of Federal Regulations ("CFR") Title 21, ICH GCP Guidelines E6(R1), current step 4 version, dated 10 June 1996, as amended from time to time, national legislation implementing European Community Directive 2001/20/EC of 4 April 2001 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the implementation of good clinical practice in the conduct of clinical trials on medicinal products for human use, European Community Directive 2005/28/EC of 8 April 2005 laying down principles and detailed guidelines for good clinical practice as regards to investigational medicinal products for human use.

1.1.61 "**Good Laboratory Practice**" or "**GLP**" shall mean any and all laws, rules, regulations, guidelines and generally accepted standards and requirements regarding quality control for laboratories to ensure the consistency and reliability of results, including without limitation the CFR Title 21, national legislation implementing European Community Directive 2004/9/EC of 11 February 2004 on the inspection and verification of good laboratory practice (GLP) as amended and European Community Directive 2004/10/EC of 11 February

2004 on the harmonization of laws, regulations and administrative provisions relating to the application of the principles of good laboratory practice and the verification of their applications for tests on chemical substances as amended, OECD Series on Principles of Good Laboratory Practice and Compliance Monitoring.

1.1.62 "**Good Manufacturing Practice**" or "**GMP**" shall mean any and all laws, rules, regulations, guidelines and generally accepted standards and requirements regarding the quality control and manufacturing of pharmaceutical products, including without limitation the CFR Title 21, ICH GMP Guidelines Q7, current step 4 version, dated 10 November 2000, as amended from time to time, national legislation implementing European Community Directive 91/356/EEC of 13 June 1991 laying down the principles and guidelines of good manufacturing practice for medicinal products for human use as amended by European Community Directives 2003/94/EC, the Rules Governing Medicinal Products in the European Community, Volume 4, including annexes.

1.1.63 "**GxP**" means GCP, GLP or GMP or any combination thereof, as applicable.

1.1.64 "**IND**" means (a) an Investigational New Drug Application, or successor application, filed with the FDA or its equivalent in any country outside the United States where a regulatory filing is required or obtained to conduct a clinical trial; or (b) with respect to any country where a regulatory filing is not required or obtained to conduct a clinical trial, the first enrollment of a patient in the first trial involving the first use of a Licensed Product in humans.

1.1.65 "**Indemnified Party**" shall have the meaning set forth in Section 18.3.

1.1.66 "**Indemnitees**" shall have the meaning set forth in Section 18.1.1.

1.1.67 "**Indemnitor**" shall have the meaning set forth in Section 18.3.

1.1.68 "**[*]**" means all **[*]** and **[*]** by the Parties or their Affiliates for a Collaboration Product, which shall be calculated as a **[*]** of **[*]**, such **[*]** to be initially set during the calendar year of the **[*]** and any subsequent calendar year thereafter and calculated based on that Party's and its Affiliates' **[*]** in a **[*]** and **[*]** in such **[*]** during the calendar year in which the **[*]** occurs (the "**[*]**"). Such **[*]** shall also be adjusted by the Parties in the event that future **[*]** differs by **[*]** or more from the **[*]** currently being used by the Parties. Examples of **[*]** included in the calculation of the **[*]** include, but are not limited to, **[*]** and **[*]**, **[*]** of **[*]**, **[*]** and **[*]**.

1.1.69 "**Initiation**" means, with respect to a human clinical trial, the dosing of the first patient with a Licensed Product pursuant to the clinical protocol for the specified clinical trial.

1.1.70 "**IP and Trademark Costs**" means all costs relating to Joint Patents and Collaboration Product Trademarks as well as other costs indicated to be IP and Trademark Costs herein.

1.1.71 "**Joint Budget**" shall mean the budget attached to the Joint Development Plan. The initial Joint Budget will be provided by Genmab pursuant to Section 3.1.3.

1.1.72 "**Joint Development Cost Report**" shall have the meaning set forth in Section 11.2.1(a).

1.1.73 "**Joint Development Costs**" means, with respect to a Collaboration Product, the **[*]** and **[*]** costs **[*]** by a Party from the date of the relevant **[*]** to conduct Development for a Collaboration Product calculated in accordance with the Collaboration Accounting Policies, consistently applied. **[*]** will include **[*]** at the **[*]**, **[*]** (including taxes and duties), and **[*]** required to **[*]** related to the relevant **[*]**.

1.1.74 "**Joint Development Plan**" means the manufacturing and clinical development plan for a Collaboration Product. The initial Joint Development Plan will be provided by Genmab pursuant to Section 3.1.3.

1.1.75 "**Joint Development Team**" or "**JDT**" has the meaning set forth in Section 5.1.

1.1.76 "**Joint Patents**" has the meaning set forth in Section 14.2.4.

1.1.77 "**Joint Steering Committee**" or "**JSC**" has the meaning set forth in Section 3.2.1.

1.1.78 "**Lead Commercialization Party**" means, with respect to a territory **[*]**, the Party with responsibility for Commercialization activities in accordance with Section 8.2.

1.1.79 "**Lead Regulatory Party**" means, with respect to a territory **[*]**, the Party with the main responsibility for carrying out regulatory activities in accordance with Article 7.

1.1.80 "**Liabilities**" has the meaning set forth in Section 18.1.1.

1.1.81 "**Licensed Product**" means any and all products utilizing or incorporating an ADC:

(a) the manufacture, use, sale, offer for sale or import of which would infringe a Valid Patent Claim of any SGI Patent, Joint Patent or Genmab Patent, if not for a Party's ownership interest or the licenses granted in this Agreement; or

(b) which otherwise utilize, incorporate, derive from, relate to, are made using or are based on Genmab Technology or SGI Technology.

For clarity, "Licensed Product" means an Exclusive Product, Collaboration Product and/or a Unilateral Product (i.e., a Genmab Product or an SGI Product).

1.1.82 "**[*]**" means **[*]**.

1.1.83 "**Major Market Country**" means any of the following: **[*]**.

1.1.84 "**[*]**" means, collectively, **[*]**, a **[*]**, and its **[*]**.

1.1.85 "**[*]**" has the meaning set forth in Schedule C.

1.1.86 "**Net Sales**" means, as to each Calendar Quarter, the gross invoiced sales prices charged for all Licensed Products sold by or for a Party, including any sale of Licensed Product by a Party for use in a compassionate use or named patient program (the "Selling Party"), its Affiliates and Sublicensees to independent Third Parties during such Calendar Quarter, after deduction (if not already deducted in the amount invoiced) of the following items paid by the Selling Party, its Affiliates and Sublicensees during such Calendar Quarter with respect to sales of Licensed Products, provided and to the extent that such items are incurred or allowed and do not exceed reasonable and customary amounts in the market in which such sales occurred:

(a) trade, quantity and/or cash discounts, other distribution fees, allowances or rebates **[*]**, including **[*]**;

(b) credits or allowances **[*]** with respect to Licensed Products by reason of rejection, defects, recalls, returns, rebates, retroactive price reductions **[*]**;

(c) any tax, tariff, customs, duty or government charge (including any sales, value added, excise or similar tax or government charge, but excluding any income tax) levied on the sale, transportation or delivery of a Licensed Product **[*]**;

(d) any charges for freight, postage, shipping or transportation, or for insurance, **[*]**; and

(e) such other deductions in accordance with GAAP.

All of the foregoing deductions from the gross invoiced sales prices of Licensed Products shall be determined in accordance with GAAP and shall be deemed to be a deduction from gross sales in the same period properly recorded as a sales deduction in the Parties' financial statements. In the event that the Selling Party, its Affiliates or Sublicensees make any adjustments to such deductions after the associated Net Sales have been reported pursuant to this Agreement, the adjustments shall be reported and reconciled in the next report and payment of any royalties due.

1.1.87 "**Non-Continuing Party**" has the meaning set forth in Section 5.10.

1.1.88 "**North America**" means the United States of America (and its territories and possessions, including the Commonwealth of Puerto Rico), Canada and Mexico.

1.1.89 "**Opt-In Period**" has the meaning set forth in Section 3.1.4.

1.1.90 "**Opt-In Right**" has the meaning set forth in Section 3.1.4.

1.1.91 "**Opt-In Decision**" has the meaning set forth in Section 3.1.4.

1.1.92 "**Opt-In Notice**" has the meaning set forth in Section 3.1.5.

1.1.93 "**Opt-Out Date**" has the meaning set forth in Section 5.10.

1.1.94 "**Opt-Out Notice**" has the meaning set forth in Section 5.10.

1.1.95 "**Parties**" means SGI and Genmab, and "**Party**" means either of them.

1.1.96 "**Paying Party**" has the meaning set forth in Section 10.6.

1.1.97 "**Phase I Clinical Trial**" means a human clinical trial, the primary objective of which is to determine preliminary safety in healthy individuals or patients. Such trial may also have secondary objectives such as, but not limited to, pharmacokinetic and preliminary efficacy parameters and may therefore be deemed also a Phase I/II Clinical Trial.

1.1.98 "**Phase II Clinical Trial**" means a controlled dose human clinical trial involving a sufficient number of patients with the disease or condition of interest to obtain sufficient efficacy and safety data of a candidate drug in the targeted patient population to support a Phase III Clinical Trial of a candidate drug for its intended use, and to define the optimal dosing regimen, such as trials referred to in 21 C.F.R.§312.21(b) and foreign equivalents.

1.1.99 "**Phase III Clinical Trial**" means a controlled, and usually multi-center, clinical trial, involving patients with the disease or condition of interest intended to obtain sufficient efficacy and safety data to support Regulatory Approval of a candidate drug whether or not designated as "Phase III".

1.1.100 "**Phase III-B Study**" means a clinical study which provides for product support (i.e., a clinical trial which is not required for receipt of initial Regulatory Approval but which may be useful in providing additional drug profile data or in seeking a label expansion) commenced before receipt of Regulatory Approval for the indication for which such trial is being conducted.

1.1.101 "**Phase IV Study**" means a post-marketing study to delineate additional information about a pharmaceutical product's risks, benefits, and optimal use, commenced after receipt of Regulatory Approval in the indication for which such Regulatory Approval was obtained, including a trial that would satisfy the requirements of 21 CFR 312.85.

1.1.102 "**Preliminary Opt-In Notice**" has the meaning set forth in Section 3.1.2.

1.1.103 "**Prior Agreement**" means the Research and Collaboration Agreement, effective as of **[*]**, as amended, by and between the Parties.

1.1.104 "**Program Inventions**" has the meaning set forth in Section 14.1.1.

1.1.105 "**Program Genmab Patents**" has the meaning set forth in Section **[*]**.

1.1.106 "**Program Support Term**" has the meaning set forth in Section 4.4.2.

1.1.107 "**Publication**" has the meaning set forth in Section 13.5.

1.1.108 "**[*]**" means a **[*]** with an **[*]**, the primary **[*]** of which is to determine **[*]** in **[*]**. Such **[*]** shall also have **[*]** such as, but not limited to, establishing **[*]**, **[*]** and **[*]**. Furthermore, such trial shall also test for preliminary evidence of **[*]** of **[*]**, in at least **[*]** with at least **[*]**, **[*]** and **[*]** that is envisaged to enable the **[*]** as outlined in Genmab Development Plan. Patients will be treated with at least **[*]** of **[*]** or until **[*]** or **[*]**. The **[*]** for the **[*]** results meeting shall include **[*]** and **[*]** after **[*]** of **[*]** or **[*]**, whichever is greater.

1.1.109 "**Regulatory Approval**" means final regulatory approval in a country **[*]** required to market a Licensed Product for a disease or condition in accordance with the Applicable Laws of a given country. In the United States, its territories and possessions, Regulatory Approval means approval of a New Drug Application ("NDA"), Biologics License Application ("BLA") or an equivalent by the FDA.

1.1.110 "**Requesting Party**" has the meaning set forth in Section 11.3.

1.1.111 "**Research Program**" means the research program conducted pursuant to the Prior Agreement.

1.1.112 "**Responding Party**" has the meaning set forth in Section 11.3.

1.1.113 "**ROW**" means all the countries of the world except for those in North America.

1.1.114 "**Royalty Reports**" has the meaning set forth in Section 10.6.1.

1.1.115 "**Royalty Term**" means

(a) on an Exclusive Product-by-Exclusive Product and country-by-country basis, the period commencing on the First Commercial Sale of the relevant Exclusive Product and ending upon the later to occur of:

(i) the tenth (10th) anniversary of the date of First Commercial Sale of such Exclusive Product in such country; or

(ii) the expiration of the last to expire Valid Patent Claim of the SGI Patents that would be infringed by the manufacture, use, sale, offer for sale or import of the Exclusive Product in such country, if not for the licenses granted hereunder; or

(b) on a Genmab Product-by-Genmab Product and country-by-country basis, the period commencing on the First Commercial Sale of the relevant Genmab Product and ending on the later to occur of:

(i) the tenth (10th) anniversary of the date of the First Commercial Sale of such Genmab Product in such country; or

(ii) the expiration of the last to expire Valid Patent Claim of the SGI Patents (including Joint Patents) or Genmab ADC Patents that would be infringed by the manufacture, use, sale, offer for sale or import of the Genmab Product in such country, if not for Genmab's ownership interest or the licenses granted hereunder; or

(c) on an SGI Product-by-SGI Product and country-by-country basis, the period commencing on the First Commercial Sale of the relevant SGI Product and ending on the later to occur of:

(i) the tenth (10th) anniversary of the date of the First Commercial Sale of such SGI Product in such country; or

(ii) the expiration of the last to expire Valid Patent Claim of any Genmab Patent (including any Genmab ADC Patents assigned to SGI pursuant to Section 14.2.4 and any Joint Patent) that would be infringed by the manufacture, use, sale, offer for sale or import of the SGI Product in such country if not for the assignment of the Genmab ADC Patents hereunder or the licenses granted hereunder.

1.1.116 "**[*]**" means a Party's **[*]** specific to a Collaboration Product, including without limitation the **[*]**.

1.1.117 "**Serious Adverse Events**" means any Adverse Event occurring at any dose in response to the administration of a Licensed Product that: (a) results in death or threatens life; (b) results in persistent or significant disability/incapacity; (c) results in or prolongs hospitalization; (d) results in a congenital anomaly or birth defect; or (e) is otherwise medically significant.

1.1.118 "**SGI**" has the meaning set forth in the introduction to this Agreement.

1.1.119 "**SGI Know-How**" means any and all technical information, processes, formulae, data, inventions, methods, chemical compounds, biological or physical materials, know-how and other trade secrets, in each case that are not in the public domain, that relate to or are useful to practice the Drug Conjugation Technology and that have been, or hereafter are, Controlled by SGI. SGI Know-How shall include Program Inventions assigned to SGI pursuant to Section 14.1.2 to the extent not disclosed or claimed by an SGI Patent.

1.1.120 "**SGI Patents**" means:

(a) any patents and patent applications listed in Schedule A to this Agreement to the extent that they claim Drug Conjugation Materials or Drug Conjugation Technology, which shall be amended from time to time to reflect any other patents and patent applications;

(b) any patents and patent applications covering Program Inventions that are assigned to SGI pursuant to Section 14.1.2(b) and SGI's interest in any Joint Patents pursuant to Section 14.1.2(c);

(c) any future patents issued from any patent applications referred to above and any future patents issued from any continuation, continuation-in part (to the extent Controlled by SGI), or divisional of any of the foregoing patent applications or any patent applications from which the foregoing patents issued, in each case to the extent Controlled by SGI; and

(d) any reissues, reexaminations, confirmations, renewals, registrations, substitutions, extensions, or counterparts of any of the foregoing, in each case to the extent Controlled by SGI.

1.1.121 "**SGI Product**" means a Unilateral Product as to which SGI elects to be the Continuing Party in accordance with Section 5.10.

1.1.122 "**SGI Technology**" means the Drug Conjugation Materials, Drug Conjugation Technology, SGI Patents and the SGI Know-How.

1.1.123 "**Sublicensee**" means any person or entity that is granted a sublicense under (a) the SGI Technology by Genmab or its Affiliates or (b) the Genmab Technology by SGI or its Affiliates in accordance with the terms of this Agreement.

1.1.124 "**Supply Fees**" has the meaning set forth in Section 10.1.

1.1.125 "**Team Leader**" has the meaning set forth in Section 5.1.

1.1.126 "**Term**" has the meaning set forth in Article 17.

1.1.127 "**Territory**" means North America and ROW.

1.1.128 "**Tissue Factor**" means the antigen having the NCBI Entrez Gene Symbol of F3 and an amino acid sequence corresponding to NCBI RefSeq accession number NP-001984, **[*]**.

1.1.129 "**Third Party**" means any person or entity other than Genmab, SGI and their respective Affiliates.

1.1.130 "**Third Party Collaboration Agreement**" means any agreement pursuant to which a Third Party is granted rights to commercialize (including to develop and commercialize) one or more Collaboration Products, including development agreements, collaboration agreements, marketing and marketing/distribution agreements, promotion agreements or other similar agreements, in each case in accordance with the provisions of Section 5.11.

1.1.131 "**Unilateral Product**" has the meaning set forth in Section 5.10. For clarity, a Unilateral Product must be within the definition of Licensed Product.

1.1.132 "**Valid Patent Claim**" means (a) an unexpired claim of an issued patent (including any extension thereof pursuant to patent term extension or a supplementary protection certification) which has not been found to be unpatentable, invalid or unenforceable by an unreversed and unappealable decision (including a decision that was not appealed within the time allotted for an appeal) of a court or other authority in the subject country; or (b) a claim of an application for a patent that has been **[*]**.

1.2 Certain Rules of Interpretation in this Agreement and the Schedules

1.2.1 Unless otherwise specified, all references to monetary amounts are to United States of America currency (U.S. Dollars).

1.2.2 The preamble to this Agreement and the descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of this Agreement or of such Articles or Sections.

1.2.3 The use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits.

1.2.4 The words "include" and "including" have the inclusive meaning of the phrases "without limitation" and "but not limited to".

1.2.5 Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next business day following if the last day of the period is not a business day in either of the jurisdictions of the Parties to make such payment or do such act.

1.2.6 Whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a business day in the United States of America or Denmark, such payment shall be made or action taken on the next business day following such day to make such payment or do such act.

ARTICLE 2 LICENSES

2.1 Licenses to Genmab

2.1.1 Exclusive Products. Subject to the terms of this Agreement (including SGI's Opt-In Right), SGI hereby grants to Genmab an exclusive (even as to SGI), royalty-bearing license under the SGI Technology, with the right to sublicense as permitted in Section 2.2, to develop, have developed, make, have made, import, use, offer for sale, have sold and sell Exclusive Products within the Field in the Territory. The license for an Exclusive Product shall continue for the Royalty Term of such Exclusive Product, unless SGI exercises its Opt-In Right for such Exclusive Product pursuant to Section 3.1 or it is earlier terminated pursuant to Article 17.

2.1.2 Collaboration Products. Upon the date of an Opt-In Notice and subject to the terms of this Agreement, SGI hereby grants Genmab a worldwide, co-exclusive (with SGI), royalty-free license, including the right to sublicense (as proposed by the JSC and approved by the written consent of the Parties and in accordance with Section 5.11), under the SGI Technology to (a) perform its obligations hereunder with respect to each Collaboration Product in accordance with the relevant Joint Development Plan, and (b) to develop, have developed, make, have made, import, use, offer for sale, have sold and sell such Collaboration Product within the Field in the Territory in accordance with the relevant Commercialization Plan. The license for a Collaboration Product shall continue, on a country-by-country basis, for so long as there are Development or Commercialization activities contemplated.

2.1.3 Unilateral Products. As of the Opt-Out Date following an Opt-Out Notice from SGI and subject to the terms of this Agreement, SGI hereby grants to Genmab an exclusive (even as to SGI), royalty-bearing license under the SGI Technology, with the right to sublicense as permitted in Section 2.2, to develop, have developed, make, have made, import, use, offer for sale, have sold and sell Genmab Products (i.e., a Unilateral Product for which Genmab is the Continuing Party) within the Field in the Territory. The license for a Genmab Product shall continue for the Royalty Term of such Genmab Product, unless it is earlier terminated pursuant to Article 17.

2.2 Genmab's Rights to Sublicense

2.2.1 For so long as SGI holds an Opt-In Right for an Exclusive Product, Genmab may not grant a sublicense of the license for such Exclusive Product granted to Genmab pursuant to this Agreement to a Third Party without **[*]**.

2.2.2 Subject to Section 2.2.1, Genmab shall have the right to grant a sublicense of the license for an Exclusive Product or Genmab Product granted to Genmab pursuant to this Agreement to any Affiliate or other Third Party, subject to the terms and conditions of the BMS Agreement. Genmab shall not have the right to sublicense the SGI Technology outside the scope of the license granted in Section 2.1.1 or 2.1.3, including no rights to develop further SGI Technology on a stand-alone basis or make or use SGI Technology to create antibody-drug conjugates that include or are based upon any antibodies that bind specifically to an antigen other than Tissue Factor.

2.2.3 Genmab agrees to contractually obligate any Sublicensee of an Exclusive Product or a Genmab Product to make all payments due to SGI pursuant to this Agreement, as well as to comply with all terms of this Agreement applicable to Genmab (including the BMS Agreement identified as applicable to Sublicensee). For the sake of clarification, such payments shall be made to Genmab and not directly to SGI. Genmab shall also require any such Sublicensee to agree in writing to keep books and records and permit either Genmab or SGI or both to audit the information concerning such books and records in accordance with the terms of this Agreement (and in accordance with the terms of the BMS Agreement as applicable). If one of the Parties conducts such an audit of the books and records of a Sublicensee without the other Party's participation, the Party conducting the audit shall upon the other Party's request share the results of such audit. In addition, a sublicense to an Affiliate must provide that it will automatically terminate if the relevant Sublicensee ceases to be an Affiliate of Genmab.

2.2.4 For sublicenses permitted hereunder granted for a Genmab Product or an Exclusive Product, Genmab shall (a) notify SGI of each sublicense granted (both to Affiliates and Third Parties) hereunder, and (b) provide SGI with the name and address of each Sublicensee (both Affiliates and Third Parties) and a description of the rights granted and the territory covered by each Sublicensee. Genmab hereby notifies SGI, and SGI hereby acknowledges that as of the Effective Date Genmab has granted sublicenses to its Affiliates, Genmab B.V., the Netherlands, and Genmab, Inc., New Jersey, USA, for the purposes of this Agreement and further that Genmab has entered into an agreement with **[*]** related to the **[*]** of **[*]**.

2.3 Compliance with the BMS Agreement

2.3.1 To the extent SGI Technology includes technology sublicensed under the BMS Agreement, Genmab, its Affiliates and Sublicensees shall comply with all obligations, covenants and conditions of the BMS Agreement, and any amendments thereto following written disclosure thereof to Genmab, that apply under the BMS Agreement. The Parties agree that BMS is a Third Party beneficiary to this Agreement to the extent SGI Technology includes technology sublicensed under the BMS Agreement and limited to those rights and obligations of this Agreement which SGI are obliged to impose on its sublicensees pursuant to the terms of the BMS Agreement.

2.3.2 SGI will not enter into any amendment to the BMS Agreement that imposes additional monetary or other obligations on Genmab or materially reduces the scope of the licenses granted to Genmab hereunder without the prior written consent of Genmab.

2.4 Licenses to SGI

2.4.1 Development Support for Exclusive Products. Subject to the provisions of this Agreement, Genmab hereby grants to SGI, during the Program Support Term, a non-exclusive, royalty-free, sublicenseable license under the Genmab Patents and Genmab Know-How in the Territory, to enable SGI solely to provide the support contemplated by Section 4.4.

2.4.2 Collaboration Products. Upon the date of SGI's Opt-In Notice and subject to the terms of this Agreement, Genmab shall grant to SGI a worldwide, co-exclusive (with Genmab), royalty-free license, including the right to sublicense (as proposed by the JSC and approved by the written consent of the Parties and in accordance with Section 5.11), under the Genmab Patents and Genmab Know-How to (a) perform its obligations hereunder with respect to each Collaboration Product in accordance with the relevant Joint Development Plan, and (b) to develop, have developed, make, have made, import, use, offer for sale, have sold and sell such Collaboration Product within the Field in the Territory in accordance with the relevant Commercialization Plan. The license for a Collaboration Product shall continue, on a country—by-country basis, for so long as there are Development or Commercialization activities contemplated.

2.4.3 Unilateral Products. As of the Opt-Out Date following an Opt-Out Notice from Genmab and subject to the terms of this Agreement, Genmab shall grant to SGI an exclusive (even as to Genmab), royalty-bearing license under the Genmab Patents and Genmab Know-How, with the right to sublicense as permitted in Section 2.5, to develop, have developed, make, have made, import, use, offer for sale, have sold and sell SGI Products (i.e., a Unilateral Product for which SGI is the Continuing Party) within the Field in the Territory. The license for an SGI Product shall continue for the Royalty Term of such SGI Product, unless it is earlier terminated pursuant to Article 17.

2.5 SGI's Rights to Sublicense

2.5.1 As of the Opt-Out Date following an Opt-Out Notice from Genmab, SGI shall have the right to grant a sublicense of the license for an SGI Product granted to SGI pursuant to this Agreement to any Affiliate or other Third Party, subject to the terms and conditions of the Genmab In-Licenses listed in Schedule C, as may be amended from time to time. SGI shall not have the right to sublicense the Genmab Patents and Genmab Know-How outside the scope of the license granted in Section 2.4.3.

2.5.2 SGI agrees to contractually obligate any Sublicensee to make all payments due to Genmab pursuant to this Agreement, as well as to comply with all terms of this Agreement applicable to SGI (including the Genmab In-Licenses identified as applicable to Sublicensee), for an SGI Product. For the sake of clarification, such payments shall be made to SGI and not directly to Genmab. SGI shall also require any such Sublicensee to agree in writing to keep books and records and permit either SGI or Genmab or both to audit the information concerning such books and records in accordance with the terms of this Agreement (and in accordance with the terms of any Genmab In-License as applicable). If one of the Parties

conducts such an audit of the books and records of a Sublicensee without the other Party's participation, the Party conducting the audit shall upon the other Party's request share the results of such audit. In addition, a sublicense to an Affiliate must provide that it will automatically terminate if the relevant Sublicensee ceases to be an Affiliate of SGI.

2.5.3 SGI shall for sublicenses permitted hereunder (a) notify Genmab of each sublicense granted hereunder and (b) provide Genmab with **[*]**.

2.6 Compliance with the Genmab In-Licenses

2.6.1 SGI, its Affiliates and Sublicensees shall comply with all obligations, covenants and conditions of the Genmab In-Licenses listed in Schedule C, as amended from time to time by Genmab following written disclosure thereof to SGI. The Parties agree that **[*]** and **[*]** are **[*]** to this **[*]** as the **[*]** are **[*]** to an **[*]** (as defined in the **[*]**).

2.6.2 Genmab will not enter into any amendment to a Genmab In-License that imposes additional monetary or other obligations on SGI or materially reduces the scope of the licenses granted to SGI hereunder without the prior written consent of SGI.

ARTICLE 3 OPT-IN TO CO-DEVELOPMENT AND CO-COMMERCIALIZATION

3.1 Opt-In

3.1.1 As soon as reasonably practicable after the database lock of the first **[*]** of each Exclusive Product, Genmab will begin providing SGI with all material information necessary or useful in making an Opt-In Decision as further specified in this Section 3.1

3.1.2 [*] shall invite **[*]** to **[*]** meeting to be held within **[*]**. At this meeting **[*]** will present (a) all relevant **[*]** to be included in the **[*]**, (b) a package summarizing the **[*]** conducted on such Exclusive Product (including providing **[*]** with **[*]** to the **[*]**), (c) a **[*]** and related **[*]** for such Exclusive Product (assuming for the purpose that it is a **[*]**) and a **[*]** for **[*]** in the **[*]** and **[*]** (i.e., the **[*]**), (d) a written report on the **[*]** for such **[*]**, including the **[*]** with a form and content as decided by **[*]**, but no less detailed than the **[*]** that **[*]** has prepared for its internal use and (e) information relating to **[*]** within the **[*]** of **[*]** and **[*]** to **[*]**, any **[*]** listing **[*]** within the **[*]** of **[*]** and **[*]** to **[*]**, and copies of **[*]** to and from the **[*]** for the **[*]**. SGI shall provide **[*]** with **[*]** stating its preliminary decision as to whether it wishes to opt-in ("Preliminary Opt-In Notice") within **[*]** days **[*]** the **[*]**, as such deadline may be extended in accordance with this Section 3.1.2. SGI may identify further information it **[*]** is **[*]** to be provided by Genmab. The **[*]** shall **[*]** this **[*]** until **[*]** is **[*]**, however, in no event should this **[*]** (including the provision of a **[*]**) extend beyond **[*]** days after the **[*]** of the **[*]**.

3.1.3 If SGI does not provide a Preliminary Opt-In Notice by the deadline (the extended deadline in Section 3.1.2 shall apply if **[*]** has identified further information and not yet received such information), Genmab shall then be entitled to proceed with the development of such Exclusive Product, however, SGI shall still be entitled to opt-in pursuant to

Section 3.1.5. If SGI subsequently provides an Opt-In Notice with respect to such Exclusive Product within the timeframe set forth in Section 3.1.5, then the **[*]** to **[*]** the **[*]** incurred by **[*]** in the **[*]** after the **[*]** of the **[*]** and until the **[*]** as if they had been **[*]**. If SGI provides a Preliminary Opt-In Notice by the deadline (the extended deadline in Section 3.1.2 shall apply if SGI has identified further information and not yet received such information), the Parties shall then proceed with the Development of such Collaboration Product in accordance with the Joint Development Plan and related Joint Budget and all parts of this Agreement pertaining to Collaboration Products shall apply subject to a final **[*]**; provided that **[*]** shall not be **[*]** to **[*]** for its **[*]** of the **[*]** incurred in the **[*]** in the event that subsequently it does not provide an **[*]**. If **[*]** after having provided **[*]** does not provide an **[*]** with respect to such **[*]** within the **[*]** set forth in Section 3.1.5, the **[*]** acknowledge that such a **[*]** shall not be deemed an **[*]**, but that the **[*]** in question shall go back to being **[*]** an **[*]**.

3.1.4 Genmab shall provide SGI with the **[*]**, including the **[*]**, **[*]**, **[*]**, **[*]** and **[*]** of **[*]** of the relevant Exclusive Product within **[*]** days after **[*]**. Simultaneously with **[*]** submission of the **[*]**, **[*]** shall notify SGI of any **[*]** or **[*]** with any **[*]** that relates to the Exclusive Product (other than a **[*]**) and shall to the extent possible provide **[*]** with a copy of any such agreement, provided, that, **[*]** may **[*]** from such agreement(s) any terms that are **[*]**, so long as the **[*]**, including, without limitation, **[*]** relating to **[*]** by **[*]**, scope of **[*]** and **[*]** terms, remain **[*]**. **[*]** shall make available suitably **[*]** to answer questions relating to any of the matters disclosed pursuant to this Section 3.1 prior to and during the **[*]**.

3.1.5 SGI shall have until **[*]** days after receipt of the **[*]** (the "Opt-In Period") to determine whether SGI will elect to opt-in (the "Opt-In Right") to co-fund the development and commercialization of the Exclusive Product (the "Opt-In Decision]").

3.1.6 If SGI exercises its Opt-In Right for an Exclusive Product, SGI shall provide written notice to Genmab of its Opt-In Decision prior to the expiration of the Opt-In Period for such Exclusive Product (the "Opt-In Notice"). Effective as of the date of such Opt-In Notice, (a) the Exclusive Product will be deemed to be a Collaboration Product, (b) Genmab's license]for the relevant Exclusive Product set forth in Section 2.1.1 will terminate and SGI will grant Genmab] a co-exclusive license with respect to the Collaboration Product on the terms set forth in Section 2.1.2, (c) Genmab will grant SGI a co-exclusive license with respect to such Collaboration Product on the terms set forth in Section 2.4.2, and (d) the Parties will **[*]** all Joint Development Costs, Commercialization Expenses and Collaboration Product Profit for such Collaboration Product, subject to the applicable terms of this Agreement and oversight of the JSC.

3.1.7 If **[*]** does not provide **[*]** with an **[*]** with respect to an Exclusive Product during the relevant **[*]**, then **[*]** shall have **[*]** to **[*]** with respect to such Exclusive Product and **[*]** shall **[*]** the **[*]** to **[*]** such Exclusive Product on its own granted pursuant to Section 2.1.1 and shall be obligated to pay **[*]** the **[*]**, **[*]** and **[*]** set forth in Article 10.

3.1.8 [*] agrees that the **[*]** disclosed pursuant to Section 3.1 shall be Confidential Information of **[*]** and to use such information solely for the purpose of making the **[*]**. SGI shall return all information disclosed pursuant to Section 3.1 to Genmab (and shall not keep any copies of such information) not later than **[*]** days after the **[*]** of the **[*]** unless **[*]** exercised its **[*]**.

3.2 Joint Steering Committee. The activities of the Parties with respect to Development and Commercialization of all Collaboration Products shall be overseen by a JSC as set forth in this Section 3.2.

3.2.1 Establishment of JSC. Promptly, but in no event later than **[*]**, following the Opt-In Notice, the Parties will establish a joint steering committee ("Joint Steering Committee" or "JSC"), which will have overall responsibility for overseeing the Development and Commercialization undertaken pursuant to this Agreement for any and all Collaboration Products during the Term. The JSC will be composed of **[*]** representatives from each Party. Either Party may change its representatives to the JSC upon prior written notice to the other Party in accordance with this Agreement. It is anticipated that the membership of the JSC may change over time in accordance with the development stage of the Collaboration Product(s). Each Party shall ensure that the representatives named by such Party for membership on the JSC have the requisite seniority level and expertise to oversee the activities of the collaboration during the Term. A chairman of the JSC shall be appointed for a one (1) year term. The chairmanship of the JSC shall alternate annually between Genmab and SGI, **[*]**.

3.2.2 Responsibilities. The JSC shall perform the following functions:

(a) Review and approve strategies for the Development of Collaboration Product(s), and provide direction to the Joint Development Team as provided herein.

(b) Review and approve amendments to the Joint Development Plan and Joint Budget, including in respect of further Development of the Collaboration Product(s) such as for any new indication or formulation.

(c) Review and approve the regulatory strategies for each Collaboration Product in the Territory, including design of the pivotal studies that are intended to support Regulatory Approval in such territories and ensuring that such strategies are compatible.

(d) Review and discuss the goals and strategy for the manufacture of each Collaboration Product.

(e) Approve protocols for, and prioritization of, clinical trials and indications for each Collaboration Product.

(f) Review and approve the goals and strategy for the Commercialization of each Collaboration Product, including prepare and approve an initial Commercialization Plan for each Collaboration Product.

(g) Oversee the Parties' activities with respect to Program Genmab Patents, Joint Patents, Genmab ADC Patents, Genmab ADC Know-How and Collaboration Product Trademarks.

(h) Establish subcommittees, as deemed necessary, and oversee such subcommittees, including the Joint Development Team. For example, the Parties anticipate that the JSC shall form a joint commercialization team in accordance with Section 8.4.

(i) Serve as the first forum for the settlement of disputes or disagreements that are unresolved by the Joint Development Team and any other subcommittee.

(j) Establish and implement out-licensing strategies to Third Parties as applicable.

(k) Approve the Collaboration Accounting Policies.

(l) Approve strategy for assigning sponsorship of clinical studies and related regulatory filings from one Party to the other Party or a Third Party.

(m) Approve strategy for winding down activities for Dormant Product(s). Any costs related thereto shall be considered Joint Development Costs and/or Commercialization Expenses.

(n) Perform such other functions as are specifically designated to the JSC in this Agreement or otherwise as agreed upon by the Parties.

3.2.3 Meetings. The JSC shall meet **[*]** on such dates and at such times as agreed to by SGI and Genmab, with all scheduled meetings to alternate between **[*]** and **[*]**, or at such other locations as determined by the JSC. If one Party requests the JSC to convene, then such meeting must be held within **[*]** of such request. Upon the determination of the JSC, any such meeting may be conducted by conference telephone or videoconference; provided, however, **[*]**. Meetings shall be effective only if at least **[*]** representatives of each Party are in attendance or participating in the meeting. Each Party may permit non-voting observers to attend meetings of the JSC as the JSC determines. **[*]** shall be responsible for **[*]** in connection with the meetings of the JSC. The then current Party in the chair of the JSC shall appoint its Alliance Manager to attend the meeting and record the minutes of the meeting in writing. Such minutes shall be circulated to the other Party's Alliance Manager no later than **[*]** following the meeting for review, comment and approval of the other Party. If no comments are received within **[*]** of the receipt of the minutes by a Party, unless otherwise agreed, they shall be deemed to be approved by such Party. Furthermore, if the Parties are unable to reach agreement on the minutes within **[*]** of the applicable meeting, the sections of the minutes which have been agreed between the Parties by that date shall be deemed approved and, in addition, each Party shall record in the same document its own version of those sections of the minutes on which the Parties were not able to agree.

3.2.4 Decisions; Actions Without Meeting. Any approval, determination or other action of the JSC shall **[*]** of the JSC, with each Party's representatives **[*]**. Action that may be taken at a meeting of the JSC also may be taken without a meeting if a written consent setting forth the action so taken is agreed in writing by all representatives to the JSC.

3.2.5 Authority. It shall be conclusively presumed that each voting member of the JSC has the authority and approval of such member's respective senior management in casting the vote described in Section 3.2.4 on matters as described in this Article 3. Notwithstanding the creation of the JSC, each Party to this Agreement shall retain the rights, powers and discretion granted to it hereunder, and the JSC shall not be delegated or vested with any such rights, powers or discretion unless such delegation or vesting is expressly provided for herein. The JSC shall not have power to amend or modify this Agreement, to change the time any payment is due from one Party to another, or to impose additional economic burdens on either Party beyond those specifically contemplated by this Agreement without the prior written consent of the Party on which such burden is imposed.

3.2.6 Subcommittees. The JSC may, from time to time, establish subcommittees not already dealt with pursuant to this Agreement. The JSC shall determine the charter, composition and other provisions relating to any such subcommittee in its discretion.

3.2.7 Disputes; Final Decision Making Authority. Any disputes or disagreements arising in the JSC that are unable to be resolved within **[*]** after the matter is first referred to the JSC shall be referred to the **[*]** of each Party for the current dispute for resolution. If the **[*]** are unable to resolve a matter within **[*]** after the matter is first referred to them, then the final decision on such matters shall be made **[*]** in accordance with Sections 23.3.1 to 23.3.3.

3.2.8 Dissolution. The JSC shall continue to operate after the end of the Collaboration Program to the extent needed in order to deal with any of the issues listed in Section 3.2.2. Following the end of the Collaboration Program, the JSC shall however not be obliged to convene at the times set forth in Section 3.2.3, but merely when needed in order to address the issues at hand. Once the JSC **[*]** that its responsibilities have been exhausted, then the JSC may dissolve itself.

3.3 Alliance Manager. No later than **[*]** calendar days following the Effective Date, each Party shall nominate one (1) representative to act as a central contact for that Party ("Alliance Manager"), to whom any relevant queries and comments can be addressed by the other Party and who will ensure that such queries and comments are further directed within his organization appropriately and promptly to ensure efficient communication and cooperation between the Parties. Either Party may replace its Alliance Manager at any time upon written notice to the other Party. In addition to the responsibilities of the Alliance Manager for Development and Commercialization of Collaboration Products as described in this Article 3, during the period from the Effective Date and until the end of the Opt-In Period the Alliance Managers shall coordinate regular meetings of cross—functional working groups from each Party, for the purpose of facilitating consultation by SGI on Genmab's development of Licensed Products. Each Party shall bear its own costs associated with such coordination and participation in such regular meetings.

3.4 Exclusivity

3.4.1 Except as expressly set forth in this Agreement, the **[*]** and their Affiliates shall work **[*]** with each other to develop and commercialize Exclusive Products (for which the **[*]** has not yet expired) and Collaboration Products solely in accordance with the terms of this Agreement. Each Party **[*]** to **[*]** or with Affiliates or Third Parties to **[*]**, **[*]**, and **[*]** any **[*]** that is not a Competing Product.

3.4.2 Except as expressly set forth in Section 3.4.3, neither Party nor any of their respective Affiliates shall, **[*]** or **[*]**, (a) **[*]**, **[*]** or otherwise **[*]** to any Competing Program or (b) **[*]** any Competing Product.

3.4.3 If either Party wishes, whether directly or indirectly, to (a) **[*]** or otherwise **[*]** to any Competing Program or (b) **[*]** any Competing Product, such Party shall notify the other Party in writing **[*]** describing the proposed Competing Program and/or Competing Product, and the Parties shall consider in good faith whether or not to **[*]** to **[*]** under which the Parties would **[*]** on the Competing Program or **[*]** the Competing Product.

3.4.4 In the period either prior to **[*]** first **[*]** or after any relevant **[*]**, **[*]** may use **[*]** to **[*]**, including **[*]** in studies designed to **[*]**, **[*]**, **[*]** or **[*]** an **[*]** with a **[*]** other than **[*]**, provided that such studies are **[*]** in nature. At any other time during the Term, neither Party **[*]** to **[*]** in such studies **[*]** the **[*]** of the other Party, such **[*]** not to be **[*]**. The Parties agree that any ongoing activities initiated prior to **[*]** may be finalized according to the contemplated plan.

3.4.5 Notwithstanding anything to the contrary in this Agreement, Genmab shall be **[*]** to **[*]** and **[*]**, **[*]** or with a **[*]**, a **[*]** (i.e. an **[*]** to a **[*]**) with specificity against **[*]** for **[*]** purposes. **[*]** shall ensure that any **[*]** with Third Parties pertaining to the **[*]**, **[*]** or **[*]** of such products contain provisions **[*]** the Parties to use such products to support the **[*]** and **[*]** of Licensed Products, if appropriate. At any time during the Term, **[*]** shall be permitted to use a **[*]** (i.e. an **[*]** to a **[*]**) with **[*]** for **[*]**. Following an **[*]** by **[*]** or if **[*]** does not exercise its **[*]** for the first Exclusive Product, **[*]** shall be permitted to **[*]**, alone or with **[*]**, a **[*]** (i.e. **[*]**) with **[*]** for any purpose. Following an **[*]** by **[*]** or if **[*]** does not exercise its **[*]** for the first Exclusive Product, **[*]** shall, **[*]** or with a **[*]**, be permitted to **[*]** such **[*]** (i.e. an **[*]**) with **[*]** for any purpose after the **[*]** anniversary of the date of **[*]** in a Major Market Country of an Exclusive Product or Genmab Product.

ARTICLE 4 DEVELOPMENT, COMMERCIALIZATION AND MANUFACTURING OF EXCLUSIVE PRODUCTS

4.1 Diligence. Genmab shall use Commercially Reasonable Efforts to develop, commercialize and market one or more Exclusive Products. Without limiting the foregoing, Genmab shall, as commercially prudent, (a) conduct **[*]**, (b) diligently obtain any necessary approvals to market such Licensed Products **[*]**, and (c) market such Exclusive Products **[*]**. Genmab shall comply with all Applicable Laws (including GLPs, GCPs and GMPs) in the development and commercialization of such Exclusive Products, and shall cause its Affiliates and Sublicensees to do the same.

4.2 Funding and Progress Reports. Except as expressly set forth herein, as between SGI and Genmab, Genmab shall be solely responsible for funding all costs of the research, development and commercialization of all Exclusive Products. Genmab shall keep SGI informed in a timely manner as to the progress of the development of each Exclusive Product. Beginning on January 30, 2012, and **[*]** thereafter within **[*]** days following the end of each **[*]**, Genmab shall provide SGI with a written report summarizing Genmab's significant activities performed and planned related to research and development of each Exclusive Product and status of clinical trials and applications for Regulatory Approval necessary for marketing the Exclusive Product, including anticipated milestones under Section 10.5.1. Such reports shall be deemed Genmab's Confidential Information for the purposes of Article 13.

4.3 Manufacturing. Except as otherwise expressly set forth in this Agreement, Genmab shall be responsible for all manufacturing and supply of Exclusive Products. Notwithstanding the foregoing, SGI shall upon request by Genmab provide documents or other information that SGI has created or possesses (or which are in the possession of a potential Third Party manufacturer contracted by SGI) that is necessary to support Genmab's (or any of its Affiliates', subcontractors' or Sublicensees') manufacturing or testing of Drug Conjugation Materials or Exclusive Products or to support Genmab in establishing and/or procuring Third Party arrangements for obtaining clinical and/or commercial supplies of Exclusive Products. Genmab shall **[*]** SGI for **[*]**. In the event Genmab requests SGI to provide any assistance beyond the limited activities described above or to supply any materials directly to Genmab, the Parties shall negotiate in good faith a separate agreement governing the terms of any such assistance or supply by SGI, including relevant prices and other such terms as may be appropriate and customary in agreements for providing such assistance or for supplying similar products at similar volumes.

4.4 SGI Development Support and Regulatory Assistance

4.4.1 General Support and Assistance. During the period from the Effective Date and until the end of the Opt-In Period, SGI shall use its Reasonable Commercial Efforts to provide full and timely assistance with the matters set forth in Schedule D, which are anticipated by the Parties to be the services needed by Genmab to ensure a timely and value-optimizing process of the development of the Exclusive Product up and until the expiry of the Opt-In Period.

4.4.2 Delivery of Drug Conjugation Materials. For a period of **[*]** after the Effective Date (the "Program Support Term"), SGI will (a) at Genmab's request and expense, deliver Drug Conjugation Materials and other relevant information and SGI Know-How to Genmab or to a subcontractor of Genmab at mutually agreed upon times and in mutually agreed upon quantities to enable Genmab or its subcontractor to attach such materials to Antibodies to

create ADCs; and (b) at Genmab's request, provide Genmab with the chemical structures for the Drug Conjugation Materials provided to Genmab to enable Genmab (or any of its Affiliates, subcontractors or Sublicensees) to manufacture Drug Conjugation Materials itself. In manufacturing and supplying Genmab with the Drug Conjugation Materials, SGI shall comply with all Applicable Laws of the jurisdiction in which manufacturing is performed (including GLPs, GCPs and GMPs, as appropriate) as well as adhere to SGI's standard technical specifications and shall cause its Affiliates and subcontractors to do the same in order to ensure the quality of the materials delivered. All Drug Conjugation Materials and other information provided by SGI to Genmab hereunder will be deemed Confidential Information of SGI pursuant to Article 13.

4.4.3 SGI Preparation of ADCs. At the request and expense of Genmab during the Program Support Term, SGI will prepare mutually agreed upon quantities of ADCs containing Drug Conjugation Materials using Antibodies supplied by Genmab to SGI, and shall deliver the resulting ADCs to Genmab.

4.4.4 Payment. Genmab shall pay SGI the amounts set forth in Section 10.1 for any assistance provided by SGI pursuant to this Section 4.4.

4.4.5 Disclosure of Drug Conjugation Technology. During the Program Support Term, SGI shall (a) disclose to Genmab such SGI Know-How as is required and is reasonably useful to enable Genmab to use the Drug Conjugation Materials and Drug Conjugation Technology to practice the license for an Exclusive Product on the terms, and subject to the conditions, of this Agreement and (b) upon Genmab's reasonable request and with adequate notice to SGI, make available to Genmab at SGI's facilities, SGI's personnel to provide a reasonable amount of technical assistance and training to Genmab's personnel. Genmab shall **[*]** to SGI for **[*]**.

4.4.6 SGI Regulatory and other Assistance. Genmab shall be solely responsible for, and shall solely own, all applications for Regulatory Approval with respect to each Exclusive Product. Should Genmab desire to file an IND or an application for Regulatory Approval, or equivalents of the foregoing, for an Exclusive Product, SGI agrees to provide at Genmab's request, any and all technical information SGI has created or possesses that is reasonably required by Genmab, including information relating to the chemical structure of the cytotoxic compound, linker and chemistry used to create the Exclusive Product, as well as documents related specifically to Drug Conjugation Technology that are necessary to compile the Chemistry Manufacturing and Controls section of an application for Regulatory Approval and any other relevant information SGI has created or possesses as the Parties may mutually agree. If SGI has a Drug Master File (DMF) with the FDA or equivalent that contains information useful to support an IND or application for Regulatory Approval, SGI shall so notify Genmab and allow Genmab the right of reference to the contents of such DMF. SGI shall have no obligation to provide any information contained in the DMF and may require the applicable Regulatory Authority to maintain such information as confidential. Prior to Genmab's Initiation of the **[*]**, SGI agrees to share with Genmab useful preclinical, clinical, CMC and regulatory experience and intelligence, that SGI is at liberty to share. The sharing of such information can

be by exchange of documents and/or through telephone or personal meetings. Genmab shall **[*]** SGI for **[*]**. In the event SGI agrees to provide regulatory assistance beyond the limited activities described above, the Parties shall negotiate in good faith a separate agreement governing the terms of any such regulatory assistance by SGI, including terms as may be appropriate and customary in agreements for similar types of regulatory assistance.

4.5 Adverse Events. Notwithstanding that Genmab shall be solely responsible for the clinical development and commercialization of each Exclusive Product, Section 7.5 shall apply to the reporting of Adverse Events and Serious Adverse Events relating to Exclusive Products.

ARTICLE 5 CO-DEVELOPMENT OF COLLABORATION PRODUCTS

5.1 Establishment of Joint Development Team. As soon as practicable, but in no event later than **[*]** days, after the Opt-In Notice the Parties shall establish a joint development team ("Joint Development Team" or "JDT"), to coordinate and implement all activities in the Joint Development Plan within the Joint Budget. One representative from each Party shall be designated as that Party's team leader (the "Team Leader") to act as primary JDT contact for that Party. The JDT shall consist of **[*]** representatives of each Party as are reasonably necessary to accomplish the goals of the JDT hereunder and each such representative may send a designate in his or her place as appropriate for a particular meeting. Either Party may replace any or all of its representatives at any time upon written notice to the other Party.

5.1.1 Responsibilities of the Joint Development Team. The JDT shall be responsible for:

(a) Preparing for approval by the JSC and thereafter implementing the annual updates to the Joint Development Plan and Joint Budget.

(b) Developing an overall strategy for the Development of the Collaboration Product(s) for review and approval by the JSC.

(c) Formulating any amendments to the Joint Development Plan (including allocation of Development activities between the Parties) and the Joint Budget for review and approval by the JSC.

(d) Making recommendations to the JSC for further Development of the Collaboration Product(s), including Development for new indications that are not in the then current Joint Development Plan.

(e) Making forecasts of clinical supplies requirements for Development of the Collaboration Product and reviewing the supply of Collaboration Product.

(f) Developing a strategy for approval by the JSC for assignment of sponsorship of clinical studies and related regulatory filings from one Party to the other Party or to a Third Party following an Opt-In Notice, Opt-Out Notice or otherwise in each country where clinical studies may be planned. Such strategy to include a policies and guidelines designed to enable an assignment, including in terms of agreements (such as but not limited to agreements with clinical research organizations, clinical trial agreements, pharmacy agreements), insurance and regulatory documents, prior to initiation of such clinical studies. In addition, developing a similar strategy for approval by the JSC for winding down activities for Dormant Products.

(g) Exchanging information regarding the conduct of ongoing Clinical Trials and the Development of the Collaboration Product(s) and the exercise and meeting of the Parties´ respective rights and obligations under the Joint Development Plan and this Agreement.

(h) Providing status updates to the JSC regarding Development activities.

(i) Overseeing and monitoring the selection of any contract manufacturers and negotiation of agreements with same.

(j) Functioning as a forum under which SGI and Genmab would exchange information to enable the Parties to manage the day-to-day aspects of the manufacturing and supply chain for the Collaboration Product, defending pre-approval inspections and establishing production capability at either contract manufacturers´ or the Parties' sites.

(k) Discussing and facilitating technology transfer to establish process at contract manufacturers´ sites, if necessary.

(l) Discussing and facilitating pre-approval inspection readiness of the manufacturing sites and ensuring adequate support of the inspections.

(m) Discussing process improvements and the associated CMC regulatory strategy including new formulations and process optimization.

(n) Liaising with the JSC regarding manufacturing.

(o) Performing such other functions as appropriate to further the purposes of this Agreement as determined by the Parties.

The JDT may designate sub-teams as appropriate to facilitate coordination and cooperation in key areas.

5.1.2 Procedures. For a one-year period beginning on the Opt-In Date, the Team Leader of **[*]** shall serve as the chairperson of the JDT. For each subsequent one-year period, the Team Leaders shall alternate as the chairperson of the JDT. The Parties shall meet not less than **[*]** on such dates and at such times as agreed to by the members of the JDT. The agenda for all JDT meetings must be established by mutual consent and the Party in the then

current chair shall send notice of such meetings, including the agenda therefore, to all JDT members; provided, however, that either Party may request that specific items be included in the agenda and may request that additional meetings be scheduled as needed. Meetings may be held telephonically or by video conference, **[*]**. **[*]** will **[*]** associated with holding and attending JDT meetings. A quorum of at least half the JDT members appointed by each Party shall be present at or shall otherwise participate in each JDT meeting. The Party hosting the meeting (or arranging the conference or video call) shall appoint one (1) person (who need not be a member of the JDT) to record the minutes of the meeting in writing. Such minutes shall be circulated to the Parties promptly following the meeting for review, comment and approval. If no comments are received within **[*]** of the receipt of the minutes by a Party, unless otherwise agreed, they shall be deemed to be approved by such Party. If the Parties are unable to reach agreement on the minutes within **[*]** of the applicable meeting, the sections of the minutes which have been agreed between the Parties by that date shall be deemed approved and, in addition, each Party shall record in the same document its own version of those sections of the minutes on which the Parties were not able to agree.

5.1.3 The JDT will **[*]**, with **[*]**. In the event that the JDT members do not **[*]** with respect to a **[*]** that is **[*]** of the JDT as **[*]**, but not **[*]** after they have met and **[*]**, such matter shall be referred to the JSC for resolution.

5.1.4 The JDT will cease operations and have no further function hereunder on the date on which the Parties are no longer jointly Developing any Collaboration Product.

5.2 Annual Updates to the Joint Development Plan. On **[*]**, or more frequently as necessary and agreed by the Parties, commencing no later than **[*]** after the date of an Opt-In Notice for an Exclusive Product (thereafter, a Collaboration Product), and in the subsequent calendar years not later than **[*]** (in order for the Parties to prepare their respective budgets for the coming **[*]**), the JDT shall review the Joint Development Plan and the related Joint Budget in order to make annual updates to the Joint Development Plan and Joint Budget for the then current calendar year, if any, plus the following **[*]** both to be approved by the JSC. In the event that the JDT cannot agree on an annual update to the Joint Development Plan and Joint Budget, or the JSC does not approve an amendment as proposed by the JDT, then the most recent version of the Joint Development Plan and Joint Budget will be deemed the Joint Development Plan and Joint Budget for the period, until the Parties are able to reach an agreement on any update to the Joint Development Plan and Joint Budget.

5.2.1 Content of Joint Development Plan. Each update of the Joint Development Plan for each Collaboration Product shall contain the specific Development objectives to be achieved during the first applicable calendar year and a less detailed description of objectives to be achieved in the second applicable calendar year, the specific activities to be performed by each of the Parties in connection with the Development of the Collaboration Product, the timelines for performing such activities and a detailed budget for performing such activities scheduled for the first applicable calendar year and a less detailed (i.e., "directional") budget for performing such activities scheduled for the second applicable calendar year. Each Joint Development Plan for each Collaboration Product shall be consistent with the other terms and conditions of this Agreement. For purposes of clarity the allocation of regulatory activities relating to the Development of a Collaboration Product shall be governed by Article 7.

5.3 Development Activities. Each Party shall use Commercially Reasonable Efforts to perform its obligations with respect to the Development of each Collaboration Product in accordance with the latest Joint Development Plan and Joint Budget and all such activities shall be conducted in accordance with all Applicable Laws, including as applicable, GCPs, GLPs and GMPs. As part of such efforts, each Party shall commit the personnel and facilities necessary to carry out its obligations under the latest Joint Development Plan. Neither SGI nor Genmab shall be required to undertake any activity relating to the Development of a Collaboration Product that it believes, in good faith, may violate any Applicable Law. The Parties acknowledge and agree that neither Party guarantees the success of the Development tasks undertaken hereunder.

5.4 Joint Development Costs

5.4.1 Unless otherwise provided in this Agreement, the Parties will share equally all Joint Development Costs for all Collaboration Products (which have been set forth in the Joint Development Plan and Joint Budget) with respect to the Development activities hereunder in accordance with the provisions of Article 11. The JDT shall review on a quarterly basis the Joint Development Costs against the Joint Budget for such expenses in the applicable calendar year. If in the course of such quarterly review the JDT determines that the actual amounts incurred for Joint Development Costs are likely to be higher than budgeted, the JDT shall refer such estimated overrun to the JSC for review and approval and the JSC shall then review the reasons for such potential overrun and determine whether such overrun is appropriate. The JSC may, if appropriate, amend the Joint Development Plan for a Collaboration Product to permit such overrun or to reduce such activities such that no overrun is expected. If any costs for the Development activities result in a budget overrun of the applicable and approved annual Joint Budget in excess of **[*]**, the JSC shall have the discretion to review such costs and designate them as Joint Development Costs. Where the JSC does not so designate excess Joint Development Costs, any such unapproved excess Joint Development Costs shall be borne by the Party incurring them. However, if the budget overrun is due to a delay or an advance in timing as to the planned activities, which activities are in accordance with the Joint Development Plan, then such excess Joint Development Costs shall be shared equally by the Parties regardless of which Party has incurred such costs.

5.4.2 The Parties agree that the mutual annual rate per FTE of either Party who performs development, consultation or support work for Collaboration Products as set forth in the then current Joint Development Plan and to be used when calculating the Joint Development Costs is **[*]**. Commencing upon the first (1st) anniversary of the Effective Date and upon every anniversary thereafter, the fee will be adjusted in accordance with the **[*]**.

5.5 Financial Representatives

5.5.1 Promptly, but in no event later than **[*]** days following the Opt-In Notice, each Party will appoint a representative (a "Financial Representative") with expertise in the areas of accounting, cost allocation, budgeting and financial reporting. Such Financial Representatives shall work under the direction of the JSC and provide services to and consult with the JDT, in order to address the financial, budgetary and accounting issues which arise in connection with the Joint Development Plan.

5.5.2 Each Financial Representative may be replaced at any time by the represented Party by providing written notice thereof to the other Party. The Financial Representatives will meet at least **[*]** or as they or the JSC may agree. The Financial Representatives shall agree upon the timing and agenda for all regular meetings. The location of regularly scheduled meetings shall alternate between the offices of the Parties, unless otherwise agreed. The first meeting shall be held at **[*]** offices. Meetings may be held telephonically or by video conference. One of the Financial Representatives shall record (or cause to have recorded) the minutes of the meeting in writing. Such minutes shall be circulated to the other Financial Representative promptly following the meeting for review, comment and approval. If no comments are received within **[*]** days of the minutes' receipt by the other Financial Representative, unless otherwise agreed, they shall be deemed to be approved by such Financial Representative. Following their approval, the minutes shall be provided to each Party's Team Leader.

5.5.3 Collaboration Accounting Policies. Promptly, but in no event later than **[*]** after the appointment of the Financial Representatives, the Financial Representative shall prepare the Collaboration Accounting Policies based on the principles as outlined in this Agreement for approval by the JSC. Any subsequent changes or deviations to the Collaboration Accounting Policies must be approved by the JSC.

5.6 Development Records. All work conducted by either Party in connection with the Development of a Collaboration Product under this Article 5 shall be completely and accurately recorded in sufficient detail and in good scientific manner. On reasonable notice, and at reasonable intervals, each Party shall have the right to inspect and copy all such records of the other Party reflecting Development done hereunder to the extent reasonably required to carry out its obligations and to exercise its rights hereunder. All such records shall be jointly owned by the Parties.

5.7 Audit

5.7.1 Joint Development Cost Records. For so long as any Development activities are conducted hereunder and for a period of **[*]** years thereafter, each Party shall keep and maintain, and shall require its Affiliates to keep and maintain, accurate and complete cost records of activities performed by each such Party (including Joint Development Costs incurred and FTEs utilized) in connection with its Development activities hereunder. Not more than once per calendar year, each Party shall have the right to engage an independent certified public accounting firm of internationally recognized standing and reasonably acceptable to the other Party, which shall have the right to examine in confidence the relevant books, records or other relevant reports, of such other Party and its respective Affiliates as may be reasonably necessary to determine and/or verify the accuracy of the reports submitted to the JSC in connection with the performance of a Party's Development obligations hereunder.

5.7.2 Procedure. Such examination shall be conducted, and each Party shall make its records available, during normal business hours, after at least **[*]** days prior written notice shall have been provided by the other Party, as applicable, and shall take place at the facility(ies) where such records are maintained. Each such examination shall be limited to pertinent books, records and reports for any year ending not more than **[*]** months prior to the date of request; provided, that, no Party shall be permitted to audit the same period of time **[*]**. Before permitting such independent accounting firm to have access to such books and records, the non-requesting Party may require such independent accounting firm and its personnel involved in such audit to sign a confidentiality agreement (in form and substance reasonably acceptable to such Party) as to any confidential information which is to be provided to such accounting firm or to which such accounting firm will have access while conducting the audit under this paragraph. The accounting firm shall provide both SGI and Genmab with a written report stating whether the reports submitted by SGI or Genmab, as applicable, are correct or incorrect and the specific details concerning any discrepancies. Such accounting firm may not reveal to the other Party any information learned in the course of such audit other than the amount of any such discrepancies. Each Party agrees that all such information shall be Confidential Information of the other Party and further agrees to hold in strict confidence all information disclosed to it in accordance with Article 13.

5.7.3 Cost of Audit. The Party initiating such audit shall bear the full cost of such audit unless such audit discloses that the actual expenses incurred in the conduct of a Party's obligations under a Joint Development Plan, as applicable, are lower than that reported by such Party by **[*]** percent (**[*]**%) or more, in which case the other Party shall reimburse the initiating Party for all costs incurred by the initiating Party in connection with such audit up to a maximum amount of $**[*]**. Furthermore, the amount in excess of the actual expenses shall be deducted from the Joint Development Costs reported by that Party and reconciled between the Parties.

5.8 Liability. In connection with conduct of the Development activities hereunder, each Party shall be responsible for, and hereby assumes, any and all risks of personal injury or property damage attributable to the negligent acts or omissions of that Party or its Affiliates, and their respective directors, officers, employees and agents.

5.9 Use of Approved Subcontractors. Either Party may perform some or all of its obligations under the Joint Development Plan for a Collaboration Product through one or more Approved Subcontractors; provided, that (a) none of the rights of the other Party hereunder are diminished or are otherwise adversely affected as a result of such subcontracting and (b) the Approved Subcontractor undertakes in writing all obligations of confidentiality and non-use regarding both Party's Confidential Information which are substantially the same as those undertaken by the Parties hereunder. In the event that a Party performs one or more of its obligations under the Joint Development Plan for a Collaboration Product through any such Approved Subcontractor, then such Party shall at all times be responsible for the performance by such Approved Subcontractor of such Party's obligations hereunder.

5.10 Right to Opt-Out of Co—Development and Co-Commercialization

5.10.1 Either Party shall have the right to terminate its co-funding obligation (the "Non-Continuing Party") for one or more Collaboration Products by providing irrevocable, written notice to the other Party (the "Continuing Party") of such election to terminate (the "Opt-Out Notice"). The effective date of such notice (the "Opt-Out Date") shall be the date **[*]** days after the date of the Opt-Out Notice.

5.10.2 Within **[*]** days after receipt of an Opt-Out Notice for a Collaboration Product, the Continuing Party shall notify the Non-Continuing Party in writing whether or not it elects to assume sole responsibility for, and all costs and obligations of, the continued Development and Commercialization of such Collaboration Product.

5.10.3 If the Continuing Party elects to assume sole responsibility for, and all costs and obligations of, the continued development and commercialization of the Collaboration Product, upon the election to continue: (a) such Collaboration Product will be deemed a "Unilateral Product"; (b) the Non-Continuing Party's license for the relevant Collaboration Product set forth in Section 2.1.2 or 2.4.2 will terminate and the Non-Continuing Party will grant the Continuing Party an exclusive license with respect to the Unilateral Product on the terms set forth in Section 2.1.3 or 2.4.3; (c) the Non-Continuing Party will not have any rights pursuant to Article 11, but instead will receive prospective milestone payments for events that occur after the effective date of such termination and royalties on Net Sales of such Unilateral Product pursuant to Article 10, and (d) promptly after the Continuing Party's election, the Parties will work together to transfer and assign all regulatory documents, contracts, materials and information that related to such former Collaboration Product to the Continuing Party or its designees to the extent necessary for the Continuing Party to assume such sole responsibility. The Non-Continuing Party will not be refunded or repaid any amounts it has paid for the Development of such former Collaboration Product. In addition, the Non-Continuing Party will remain responsible for its share of Joint Development Costs, as provided in Section 5.4, incurred with respect to such former Collaboration Product through **[*]** following the date of the Opt-Out Notice, to the extent such Joint Development Costs were incurred pursuant to the Joint Development Plan and Joint Budget and/or Commercialization Plan approved by the JSC prior to the date of the Opt-Out Notice (even if the relevant activities were included in the less detailed portion of such Joint Development Plan and Joint Budget addressing the second applicable year) with respect to activities that were continuing as of the date of the Opt-Out Notice. For **[*]** after the date of the Opt-Out Notice, the Non-Continuing Party shall provide development, consultation or support work for a Unilateral Product of the Continuing Party, as reasonably requested by the Continuing Party, and the Continuing Party shall pay for such work at the **[*]** as in force between the Parties at the Opt-Out Date.

5.10.4 If the Continuing Party does not elect to assume sole responsibility for, subject to Section 5.10.3, all costs and obligations of, the continued Development and Commercialization of the Collaboration Product with regards to Development activities that are not ongoing as of the Opt-Out Date, the provisions of Section 5.11 shall apply.

5.11 Third Party Collaboration Agreements. In the event the JSC determines to engage a Third Party to collaborate with the Parties with respect to the Development or Commercialization of a Collaboration Product, or in the event that both Parties wish to opt-out of Development of a Collaboration Product, the JSC shall determine the strategy, timing and other matters relating to finding such Third Party and entering into the appropriate Third Party Collaboration Agreement. At such time as the JSC determines to recruit a Third Party, the JSC shall determine whether to designate a Party to take the lead in negotiating and entering into the applicable Third Party Collaboration Agreement or to allocate such responsibilities between the Parties. If one Party is designated to take the lead in negotiating the Third Party Collaboration Agreement, such Party shall provide the other Party with term sheets and agreement drafts during the negotiations (including any proposed execution version) for review and comment and the designated Party shall not enter into any such Third Party Collaboration Agreement (or any amendment, waiver or other modification thereof) without the written approval of the other Party. All **[*]** received by the Parties **[*]** shall be **[*]**, provided that **[*]**. If neither Party wishes to continue the Development and Commercialization of a Collaboration Product, and the JSC decides not to license such Collaboration Product to a Third Party or if no good faith negotiation has commenced with a Third Party within **[*]** after the date of the Opt-Out Notice, then such Collaboration Product will be referred to as a "Dormant Product" and (a) notwithstanding anything to the contrary in Section 17.9.3 neither Party will have any right to use, manufacture, develop, sell, have sold or otherwise exploit for any purpose such Dormant Product and (b) all rights granted by the Parties to each other with respect to such Dormant Product shall revert to the granting Party except as set forth in Section 17.9.3.

ARTICLE 6 MANUFACTURE AND SUPPLY OF COLLABORATION PRODUCTS

6.1 Commercial Supply. As part of each Commercialization Plan for each Collaboration Product, the JSC shall determine which Party, or Third Party(ies), shall be responsible for manufacturing the Collaboration Product and the components thereof for commercial sale in the Territory **[*]**.

6.2 Supply Agreements

6.2.1 SGI or Genmab as Supplier. In the case where either SGI or Genmab agrees to be responsible for manufacturing a Collaboration Product (or any component thereof), the Parties shall enter into a supply agreement on customary and reasonable terms and conditions. Each such supply agreement shall provide, among other things, for a **[*]** for such Collaboration Product (or any component thereof) at a rate to be agreed upon by the Parties in such supply agreement, **[*]**.

6.2.2 Unilateral Products; Supply Cooperation. To the extent a Party manufactured a Collaboration Product (thereafter a Unilateral Product) or any component thereof prior to such Party's Opt-Out Date, such Party shall, at the request of the Continuing Party, continue to manufacture reasonable quantities of such Unilateral Product or component(s) thereof for a period not to exceed **[*]** from the date of the Opt-Out Notice, and shall cooperate with the Continuing Party to effectuate the smooth transition of such manufacture to the Continuing Party or to a Third Party selected by the Continuing Party. The provisions of this Section 6.2.2 are contingent on the Continuing Party paying the Non-Continuing Party for such manufacture at the rate to be agreed between the Parties in a separate supply agreement, which agreement shall also include other customary and reasonable terms.

6.2.3 Third Party as Supplier. In the case where the JSC elects to designate a Third Party to be responsible for manufacturing a Collaboration Product (or any component thereof), the Parties shall enter into a supply agreement with such Third Party on customary and reasonable terms and conditions. Each such supply agreement shall provide, among other things, for **[*]**. The JSC shall determine the strategy, timing and other matters relating to finding such Third Party and entering into the supply agreement. At such time as the JSC determines to recruit a Third Party, the JSC shall determine whether to designate a Party to take the lead in negotiating and entering into the supply agreement or to allocate such responsibilities between the Parties. If one Party is designated to take the lead in negotiating such agreement, such Party shall provide the other Party with **[*]**.

ARTICLE 7 REGULATORY MATTERS FOR COLLABORATION PRODUCTS

7.1 General

7.1.1 The JSC shall be responsible for the overall regulatory strategy and for overseeing, monitoring and coordinating the actions of the Lead Regulatory Parties, in particular the design of any pivotal clinical trial intended to support Regulatory Approval in both the United States and the major European countries (**[*]**) shall be agreed by the JSC. **[*]** shall be **[*]** and **[*]** shall be the **[*]**. Unless otherwise agreed by the JSC, a Lead Regulatory Party shall be responsible for all regulatory actions, communications and filings and submissions to, all applicable Regulatory Authorities with respect to a given Collaboration Product in its respective territory. The Parties agree that if a clinical trial is necessary for one market only (i.e., a confirmatory study), then the Lead Regulatory Party with such market in its territory shall be responsible for such clinical trial.

7.1.2 Unless otherwise agreed by the JSC, the Lead Regulatory Party for a territory shall be named "Sponsor" of the regulatory filing as per 21 CFR 312.3 (Part B) and/or 21 CFR 312.50 or similar rules and regulations with respect to such Collaboration Product in its respective territory. The Parties will work together to transfer and assign all regulatory documents, contracts, materials and Information that relates to a Collaboration Product to the Lead Regulatory Party for a territory or its designees to the extent necessary for the Lead Regulatory Party for a territory to assume such role.

7.2 Ownership of Regulatory Approvals. Unless otherwise proposed by the JSC and agreed to by the Parties, the Lead Regulatory Party shall own all INDs, BLAs and other Regulatory Approvals for a Collaboration Product in its territory for which it is responsible. The Lead Regulatory Party shall promptly license, transfer, provide a letter of reference with respect to, or take other action necessary to make available such Regulatory Approvals (including INDs and BLAs) to the other Party as may be reasonably necessary to enable such other Party to fulfill its Development and Commercialization obligations hereunder. SGI shall, in all cases, prepare, own and be responsible for the section of the applicable DMF that describes the Drug Conjugation Technology. Genmab may reference such section, but shall have no right, and SGI shall have no obligation, to provide any information contained in such DMF to Genmab and may require the applicable Regulatory Authority to maintain such information as confidential.

7.3 Regulatory Coordination

7.3.1 Responsibilities of Lead Regulatory Party. Subject to oversight by the JSC, the Lead Regulatory Party shall oversee, monitor and coordinate all regulatory actions, communications and filings with, and submissions to, all applicable Regulatory Authorities in its territory with respect to a Collaboration Product. The Lead Regulatory Party shall also be responsible for interfacing, corresponding and meeting with the applicable Regulatory Authorities in its territory with respect to a Collaboration Product. The Lead Regulatory Party will use its Commercially Reasonable Efforts to include **[*]** representatives of the other Party in all meetings and material telephone discussions between representatives of the Lead Regulatory Party and such Regulatory Authority related to a Collaboration Product.

7.3.2 Review of Correspondence. The Lead Regulatory Party shall provide the other Party with drafts of any material documents and other material correspondence to be submitted to a Regulatory Authority pertaining to a Collaboration Product, sufficiently in advance of submission so that the other Party may review and comment on such documents or other correspondence and have a reasonable opportunity to influence the substance of such submissions. The Lead Regulatory Party shall promptly provide the other Party with copies of any documents or other correspondence received from or submitted to a Regulatory Authority pertaining to a Collaboration Product.

7.4 Assistance. Each Party shall cooperate with the other Party to provide all reasonable assistance and take all actions reasonably requested by the other Party that are reasonably necessary to enable such Party to comply with any regulatory requirements under Applicable Law with respect to each Collaboration Product, including (a) obtaining and maintaining Regulatory Approvals, (b) submitting annual reports, (c) performing pharmacovigilance activities and (d) sharing any relevant regulatory intelligence. Such assistance and actions shall include, among other things, notifying the other Party within **[*]** of any information it receives from a Regulatory Authority which (i) raises any material concerns regarding the safety or efficacy of the Collaboration Product, (ii) indicates or suggests a potential material liability for either Party to Third Parties arising in connection with the Collaboration Product or (iii) is reasonably likely to lead to a recall or market withdrawal of the Collaboration Product.

7.5 Adverse Events relating to Licensed Products

7.5.1 Reporting to Government Authorities. Each Party shall, and shall cause its respective Affiliates to, furnish timely notice as required by Applicable Law (i.e., currently not later than **[*]** for deaths and immediately life-threatening Adverse Events and not later than **[*]** for Serious Adverse Events) to all competent governmental agencies in the Territory of all Adverse Events identified or suspected with respect to any Licensed Product administered, distributed, marketed and sold under authority of any IND or Regulatory Approval. Each Party shall provide the other Party with all necessary assistance in complying

with all Adverse Event reporting requirements established by, or required under, any applicable IND and/or Regulatory Approval in the Territory. Accordingly, each Party shall provide the other with timely information, in accordance with the time frames set forth below, on any Serious Adverse Events relating to any Licensed Product to the extent that such Serious Adverse Events could affect the Regulatory Approval for the Product, or relate to the safety, efficacy or potency of the Licensed Product.

7.5.2 Reporting to Other Party. Each Party shall, and shall cause its respective Affiliates to, furnish the other Party written notice of all Serious Adverse Events regarding any Licensed Product reported to such Party or its Affiliates. Each Party shall also use its **[*]** to obtain, and to furnish to the other Party hereto, such information reasonably sufficient to permit that other Party to evaluate such Serious Adverse Events of the Licensed Product, including, but not limited to, information about the affected patients, the circumstances surrounding the Serious Adverse Events, the consequences thereof and the sources of information. Each Party shall retain all documents, reports, studies and other materials relating to any and all such Serious Adverse Events, as the case may be. Upon reasonable written notice, each Party shall permit the other Party hereto to inspect, and to make copies of, all such documents, reports, studies and other materials, subject to all Applicable Laws regarding patient confidentiality, data protection and privacy.

7.5.3 Pharmacovigilance Agreement. Without limiting the generality of the foregoing, within **[*]** after the Opt-In Notice the Parties shall enter into a pharmacovigilance agreement detailing each Party's pharmacovigilance responsibilities in connection with the Collaboration Product. The first draft of this pharmacovigilance agreement will be provided by Genmab.

ARTICLE 8 COMMERCIALIZATION OF COLLABORATION PRODUCTS

8.1 Objectives for Commercialization of Collaboration Products. The Parties shall collaborate in Commercializing each Collaboration Product in accordance with the relevant Commercialization Plan with the objective of achieving the commercial potential of the Collaboration Product and sharing equally in (a) all Joint Development Costs and Commercialization Expenses and (b) any Collaboration Product Profit.

8.2 Lead Commercialization Parties. Genmab shall be the Lead Commercialization Party for the ROW and SGI shall be the Lead Commercialization Party for North America.

8.3 Preparation of Commercialization Plan. Promptly, but in no event later than **[*]** after the **[*]** of the first **[*]** with respect to each Collaboration Product, the JSC shall prepare and approve an initial Commercialization Plan for such Collaboration Product for the balance of the then current calendar year plus the following **[*]**.

8.4 Commercialization Team and Commercialization Agreement. The JSC shall, at an appropriate (in the JSC's discretion) time following an Opt-In Decision but no later than **[*]** after **[*]** of the **[*]** with respect to a Collaboration Product, establish a joint commercialization team to be responsible for the operations related to Commercialization of the

Collaboration Product. In addition, the Parties shall negotiate in good faith and enter into a separate global commercialization agreement, at least, **[*]** prior to the anticipated commercial launch of the Collaboration Product anywhere in the Territory, which shall be consistent with the applicable provisions of this Agreement, reflect any mechanism or structure agreed upon by the JSC pursuant to Section 11.4 and shall include customary provisions relating to joint commercialization, including, among others, the following matters: amendment to and updates of the Commercialization Plan, report and audit rights, promotional materials, recalls and medical inquiries, commercialization expenses, labeling, public statements and other information concerning the Collaboration Product, liability, indemnification, use of subcontractors and the responsibilities and powers of the joint commercialization team.

8.5 Co-Promotion Agreement. Notwithstanding the existence of a Lead Commercialization Party for a territory and in addition to the commercialization agreement described in Section 8.4, the Parties may utilize sales representatives employed by both of the Parties to co-promote Collaboration Products in a territory pursuant to a co-promotion agreement the terms of which shall be consistent with the applicable provisions of this Agreement and shall include customary provisions relating to co-promotion, including, among others, performance metrics, sales force compensation strategies, division of the applicable territory between the Parties' respective sales forces, sales force training and compliance with Applicable Laws. In any event, the Lead Commercialization Party in a territory shall be entitled to employ, at least, **[*]** of such co-promotion force in such territory. The Parties shall determine whether they wish to co-promote in a particular territory and negotiate and enter into a co-promotion agreement for such territory, at least, **[*]** prior to the anticipated commercial launch of the Collaboration Product in such territory.

8.6 Commercialization Activities. Each Party shall use Commercially Reasonable Efforts to perform its obligations with respect to the Commercialization of each Collaboration Product in accordance with the applicable Commercialization Plan, commercialization agreement and, if any, co-promotion agreement, and all such activities shall be conducted in accordance with all Applicable Laws, including GxPs. As part of such efforts, each Party shall commit the personnel and other resources necessary to carry out its obligations under the Commercialization Plan. Neither Party shall be required to undertake any activity relating to the Commercialization of a Collaboration Product that it believes, in good faith, may violate any Applicable Law.

ARTICLE 9 DEVELOPMENT, COMMERCIALIZATION AND MANUFACTURING OF UNILATERAL PRODUCTS

9.1 Diligence. The Continuing Party (assuming an election to continue with sole development and commercialization) shall use Commercially Reasonable Efforts to develop, manufacture and commercialize Unilateral Products. Genmab shall have sole responsibility for making all decisions regarding the development, manufacture and marketing of Genmab Products and SGI shall have sole responsibility for making all decisions regarding the development, manufacture and marketing of SGI Products.

9.2 Conduct. The Continuing Party (assuming an election to continue with sole development and commercialization) shall comply with all Applicable Laws (including GxPs to the extent applicable) in the development and commercialization of Unilateral Products, and shall cause its Affiliates and Sublicensees to do the same.

9.3 Funding and Progress Reports. Except as expressly set forth herein, as between SGI and Genmab, Genmab shall be solely responsible for funding all costs of the development and commercialization of Genmab Products and SGI shall be solely responsible for funding all costs of the development and commercialization of SGI Products. The Parties shall keep each other informed in a timely manner and no later then **[*]** in the subsequent calendar year as to the progress of the development of Unilateral Products in the previous calendar year.

9.4 Manufacturing. Except as otherwise expressly set forth in this Agreement, Genmab shall be responsible for all manufacturing and supply of Genmab Products and SGI shall be responsible for all manufacturing and supply of SGI Products.

9.5 Regulatory

9.5.1 Genmab shall be solely responsible for, and shall solely own, all applications for Regulatory Approval with respect to Genmab Products and SGI shall be solely responsible for, and shall solely own, all applications for Regulatory Approval with respect to SGI Products. If ownership of a regulatory filing for a former Collaboration Product cannot be assigned to the Continuing Party under Section 5.10 in any country, the Non-Continuing Party shall grant to the Continuing Party a permanent, exclusive and irrevocable right of access and reference to such regulatory filing for such former Collaboration Product in such country.

9.5.2 Should the Continuing Party desire to file an IND or an application for Regulatory Approval, or equivalents of the foregoing, for a Genmab Product or SGI Product (as the case may be), the Non-Continuing Party will provide regulatory assistance as described in Section 4.4, mutatis, mutandis.

ARTICLE 10 FEES, MILESTONES AND ROYALTIES FOR EXCLUSIVE PRODUCTS AND UNILATERAL PRODUCTS

10.1 FTE Fees for Exclusive Products. Genmab shall pay SGI at an annual rate of **[*]** per FTE who performs development, consultation or support work for Exclusive Products as requested by Genmab pursuant to this Agreement (the "FTE Fees"). Commencing upon the first (1st) anniversary of the Effective Date and upon every anniversary thereafter, the FTE Fees will be adjusted in accordance with the **[*]**. Genmab shall also pay SGI for all Drug Conjugation Materials supplied by SGI to Genmab hereunder for Exclusive Products at the rates set forth in Schedule B, which rates may not be increased during the Program Support Term (the "Supply Fees"). The FTE Fees and the Supply Fees are collectively referred to herein as the "Development Support Fees". Within **[*]** after the end of each Calendar Quarter, SGI shall submit a report to Genmab supporting the calculation of the Development Support Fees due for such Calendar Quarter (a "Development Support Fees Report"). Genmab shall pay all Development Support Fees to SGI within **[*]** of receipt of each Development Support Fees Report.

10.2 Annual Maintenance Fee. Commencing upon the **[*]** of the Effective Date following the expiration of the Opt-In Period without exercise of SGI's Opt-In Right for the first Exclusive Product and upon every **[*]** thereafter until Genmab receives the **[*]** for an Exclusive Product in the Territory, Genmab shall pay, within **[*]** days after having **[*]** an **[*]**, an annual maintenance fee to SGI in the sum of **[*]** by **[*]** of immediately **[*]** (the "Annual Maintenance Fee"). Notwithstanding the foregoing, the Annual Maintenance Fee will be **[*]** by the **[*]** of any **[*]** by **[*]** under **[*]** of this Agreement during the **[*]** period preceding the date on which the Annual Maintenance Fee is due. Annual Maintenance Fees shall not be **[*]** or **[*]** except as set forth in this Section 10.2.

10.3 Royalties

10.3.1 Royalties Payable on Net Sales of Exclusive Products with Patent Protection. In partial consideration for the license for Exclusive Products granted to Genmab herein, during the Royalty Term and subject to Section 10.4, Genmab shall pay to SGI royalties on the aggregate Net Sales of all Exclusive Products the manufacture, use, sale, offer for sale or import of which would, but for the licenses granted hereunder, infringe a Valid Patent Claim described in Section 1.1.115(a)(ii) on a country-by-country basis. Such royalties shall be paid at the following rates as set forth below:

[*]

10.3.2 Royalties Payable on Net Sales of Exclusive Products without Patent Protection. In partial consideration for the license for Exclusive Products granted to Genmab herein, during the Royalty Term and subject to Section 10.4, Genmab shall pay to SGI royalties on the aggregate Net Sales of all Exclusive Products the manufacture, use, sale, offer for sale or import of which would not infringe a Valid Patent Claim described in Section 1.1.115(a)(ii) on a country-by-country basis. For the avoidance of doubt such royalties shall only be paid for the ten (10) year period or for the remainder of the ten (10) year period as prescribed in Section 1.1.115(a)(i). Such royalties shall be paid at the following rates as set forth below:

[*]

10.3.3 Royalties Payable on Net Sales of Unilateral Products with Patent Protection. In partial consideration for the license for Unilateral Products granted to the Continuing Party herein, during the Royalty Term and subject to Section 10.4, the Continuing Party shall pay to the Non-Continuing Party royalties on aggregate Net Sales of Unilateral Products the manufacture, use, sale, offer for sale or import of which would (i) but for Genmab's ownership interest or for the licenses granted hereunder, infringe a Valid Patent Claim described in Section 1.1.115(b)(ii) with respect to a Genmab Product on a country-by-country basis or (ii) but for the assignment of the Genmab ADC Patents hereunder or the licenses granted hereunder infringe a Valid Patent Claim described in Section 1.1.115(c)(ii) with respect to a SGI Product on a country-by-country basis. Such royalties shall be paid at the following rates as set forth below:

(a) If the Opt-Out Date is prior to or on the date of **[*]** of the **[*]** of the Unilateral Product, **[*]** percent (**[*]**%); and

(b) If the Opt-Out Date is after the date of **[*]** of the **[*]** of the Unilateral Product, **[*]** percent (**[*]**%).

10.3.4 Royalties Payable on Net Sales of Unilateral Products without Patent Protection. In partial consideration for the license for Unilateral Products granted to the Continuing Party herein, during the Royalty Term and subject to Section 10.4, the Continuing Party shall pay to the Non-Continuing Party royalties on the aggregate Net Sales of all Unilateral Products the manufacture, use, sale, offer for sale or import of which would not infringe a Valid Patent Claim described in Section 1.1.115(b)(ii) with respect to a Genmab Product on a country-by country-basis or Section 1.1.115(c)(ii) with respect to a SGI Product on a country-by-country basis. For the avoidance of doubt such royalties shall only be paid for the ten (10) year period or for the remainder of the ten (10) year period as prescribed in Section 1.1.115(b)(i) or Section 1.1.115(c)(i), as applicable. Such royalties shall be paid at the following rates as set forth below:

(a) If the Opt-Out Date is prior to or on the date of **[*]** of the **[*]** of the Unilateral Product, **[*]** percent (**[*]**%); and

(b) If the Opt-Out Date is after the date of **[*]** of the **[*]** of the Unilateral Product, **[*]** percent (**[*]**%).

10.3.5 No Cumulative Royalties; Aggregation and Allocation of Net Sales for Determining Royalty Rate Breakpoints.

(a) In no event shall royalties under more than one of Section 10.3.1 or 10.3.2 (for Exclusive Products) or Section 10.3.3 or 10.3.4 (for Unilateral Products) be payable for the same Licensed Product in a country; however, the **[*]** of the applicable **[*]** shall be **[*]** but, for clarity such royalty rates shall not be cumulative.

(b) All Net Sales in the Territory whether covered by Section 10.3.1 or 10.3.2 (for Exclusive Products) or Section 10.3.3 or 10.3.4 (for Unilateral Products) shall be aggregated for purposes of determining which royalty rate set forth in Section 10.3.1 (for Exclusive Products) or Section 10.3.3 (for Unilateral Products) is payable.

10.3.6 Acknowledgement Regarding Royalty Structure. In establishing the royalty structure of this Section 10.3, the Parties recognize the substantial value of the various actions and investments undertaken by SGI and Genmab, respectively, prior to the Effective Date. Such value is significant and in addition to the value of SGI's grant to Genmab of the license for Licensed Products pursuant to Section 2.1, and in addition to the value of Genmab's grant to SGI of the license for Licensed Products pursuant to Section 2.4, respectively, as it enables the rapid and effective development and commercialization of Licensed Products in the

Territory. Further, the Parties acknowledge and agree that, for their mutual convenience and after considering other alternatives, the payments to SGI and, with respect to an SGI Product, Genmab set forth in this Agreement and the timing of payments (including the duration of the Royalty Term) are an appropriate and mutually convenient way of compensating SGI and, with respect to an SGI Product, Genmab.

10.4 Royalty Offsets

(a) Subject to Sections 10.4(b), (c) and (d), Genmab or, in the case of a Unilateral Product (i.e., Genmab Products and SGI Products), the Continuing Party (i.e., Genmab or SGI) shall be solely responsible for paying all amounts, including any license fees, milestones and royalties owed to Third Parties by either Genmab or SGI on account of developing and commercializing Exclusive Products or Unilateral Products, including any royalties owed due to use of the SGI Technology or Genmab Technology.

(b) Notwithstanding Section 10.4(a), on a Calendar Quarter-by-Calendar Quarter and country-by-country basis, Genmab shall be entitled to offset **[*]** percent (**[*]**%) of any **[*]** for **[*]** that are **[*]** pursuant to Section 10.3.1 or 10.3.2 for such Exclusive Product, excluding any royalties owed under the BMS Agreement. SGI represents and warrants that all royalties owed to BMS pursuant to the BMS Agreement are described in this Agreement. Notwithstanding anything to the contrary in this Section 10.4, in no event shall the royalty payments due and payable to SGI pursuant to Section 10.3.1 or 10.3.2 with respect to an Exclusive Product in any Calendar Quarter and country be reduced by more than **[*]** percent (**[*]**%) (on a tier-by-tier basis) of the royalty otherwise due to SGI if no royalties were payable to Third Parties.

(c) Notwithstanding Section 10.4(a), on a Calendar Quarter-by-Calendar Quarter and country-by-country basis, Genmab shall be entitled to offset **[*]** percent (**[*]**%) of any royalties payable by Genmab to Third Parties for intellectual property rights that are necessary with respect to a Genmab Product against the royalties that would otherwise be payable to SGI pursuant to Section 10.3.3 or 10.3.4 for such Genmab Product, excluding any royalties owed under the BMS Agreement. Notwithstanding anything to the contrary in this Section 10.4, in no event shall the royalty payments due and payable to SGI pursuant to Section 10.3.3 or 10.3.4 with respect to a Genmab Product in any Calendar Quarter and country be reduced by more than **[*]** percentage points on any royalty tier. For the avoidance of doubt the minimum royalty rate payable to SGI pursuant to Section 10.3.3(a) is **[*]** percent (**[*]**%), the minimum royalty rate payable to SGI pursuant to Section 10.3.3(b) is **[*]** percent (**[*]**%), the minimum royalty rate payable to SGI pursuant to Section 10.3.4(a) is **[*]** percent (**[*]**%) and the minimum royalty rate payable to SGI pursuant to Section 10.3.4(b) is **[*]** hundredths percent (**[*]**%).

(d) Notwithstanding Section 10.4(a), on a Calendar Quarter-by-Calendar Quarter and country-by-country basis, SGI shall be entitled to offset **[*]** of any royalties payable by SGI to Third Parties for intellectual property rights that are necessary with respect to a SGI Product against the royalties that would otherwise be payable to Genmab pursuant to

Section 10.3.2 for such SGI Product, excluding any royalties owed under the Genmab In-Licenses and any other agreements disclosed to SGI pursuant to Section 3.1 to the extent that the relevant royalty obligation was disclosed at such time. Genmab represents and warrants that as of the Effective Date all Third Party royalties owed pursuant to the Genmab In-Licenses are described in Schedule C. It is contemplated that Genmab will **[*]** with **[*]** for the use of **[*]** and **[*]** for **[*]**. Notwithstanding anything to the contrary in this Section 10.4, in no event shall the royalty payments due and payable to Genmab pursuant to Section 10.3.2 with respect to an SGI Product in any Calendar Quarter and country be reduced by more than **[*]** percentage points on any royalty tier. For the avoidance of doubt the minimum royalty rate payable to Genmab pursuant to Section 10.3.3(a) is **[*]** percent (**[*]**%), the minimum royalty rate payable to Genmab pursuant to Section 10.3.3(b) is **[*]** percent (**[*]**%), the minimum royalty rate payable to Genmab pursuant to Section 10.3.4(a) is **[*]** percent (**[*]**%) and the minimum royalty rate payable to Genmab pursuant to Section 10.3.4(b) is **[*]** percent (**[*]**%).

10.5 Milestone Payments

10.5.1 Milestone Payments by Genmab relating to Exclusive Products. As partial consideration for the licenses, rights and privileges granted to it hereunder, Genmab shall promptly inform SGI of the achievement of any of the below milestones and pay to SGI the following milestone payments within **[*]** of the first occurrence of each event set forth below with respect to the first Exclusive Product to achieve such event, whether such events are achieved by Genmab, its Affiliates or Sublicensees, as follows:

[*]

10.5.2 If any of the milestone events in **[*]** above is achieved before the milestone event in (a) above, then payment for the milestone event in (a) shall be deemed to become due within thirty (30) days after the achievement of either of the milestone events in **[*]** above. For the avoidance of doubt if an Exclusive Product is replaced by a back-up candidate only such milestones not already paid for an Exclusive Product shall become payable for the back-up candidate.

10.5.3 Milestone Payments by Continuing Party relating to Unilateral Products. As partial consideration for the licenses, rights and privileges granted to it hereunder, the Continuing Party shall promptly inform the Non-Continuing Party of the achievement of any of the below milestones and pay to the Non-Continuing Party the following milestone payments within **[*]** of the first occurrence of each event set forth below with respect to the first Unilateral Product to achieve such event, whether such events are achieved by the Continuing Party, its Affiliates or Sublicensees, as follows:

[*]

10.5.4 If any of the milestone events in **[*]** above is achieved before the milestone event in (a) above, then payment for the milestone event in (a) shall be deemed to become due within **[*]** days after the achievement of either of the milestone events in **[*]** above. No payment shall be due for any of the milestone events above that occurred before the Opt-Out Date for the relevant Collaboration Product. For the avoidance of doubt if a Unilateral Product is replaced by a back—up candidate only such milestones not already paid for the Unilateral Product shall become payable for the back-up candidate.

10.6 Royalty Reports, Exchange Rates

10.6.1 Royalty Reports. During the Royalty Term, any Party paying royalties hereunder (the "Paying Party") shall furnish to the non-Paying Party, with respect to each Calendar Quarter, a written report showing, on a consolidated basis in reasonably specific detail and on a country-by-country basis, (a) the Net Sales of Exclusive Products or Unilateral Products sold by the Paying Party, its Affiliates and its Sublicensees in the Territory during the corresponding Calendar Quarter including a description of the credits and offsets deducted on a product-by-product and country-by-country basis to calculate Net Sales; (b) the royalties payable in U.S. dollars, if any, which shall have accrued hereunder based upon such Net Sales of Exclusive Products or Unilateral Products; (c) the withholding taxes, if any, required by law to be deducted in respect of such royalties; (d) the dates of the First Commercial Sale of each Exclusive Product or Unilateral Product in each country in the Territory, if it has occurred during the corresponding Calendar Quarter; and (e) the exchange rates (as determined pursuant to Section 12.1.2) used in determining the royalty amount expressed in U.S. dollars (collectively, "Royalty Reports").

10.6.2 Report Due Date. Royalty Reports and royalty payments shall be due on the **[*]** following the end of the Calendar Quarter to which such Royalty Report relates. The Parties shall keep complete and accurate records in sufficient detail to properly reflect all gross sales and Net Sales and to enable the royalties payable hereunder to be determined.

10.6.3 Exchange Rates. With respect to sales of Exclusive Products or Unilateral Products invoiced in U.S. dollars, the gross sales, Net Sales, and royalties payable shall be expressed in U.S. dollars. With respect to sales of Exclusive Products or Unilateral Products invoiced in a currency other than U.S. dollars, the gross sales, Net Sales and royalties payable shall be expressed in the currency of the invoice issued by the Party making the sale together with the U.S. dollars equivalent of the royalty due, calculated as described in Section 12.1.2.

ARTICLE 11 FINANCIAL PROVISIONS FOR COLLABORATION PRODUCTS

11.1 Joint Development Costs. Unless otherwise provided in this Agreement, during the Term, SGI and Genmab shall share equally (50:50) all Joint Development Costs.

11.2 Reporting and Payment of Joint Development Costs

11.2.1 Reports

(a) Within **[*]** after the end of each Calendar Quarter during which any Development activities are performed hereunder, each Party's Financial Representative shall prepare a report showing the actual Joint Development Costs incurred or accrued for each Collaboration Product, including but not limited to all FTEs utilized (with appropriate supporting information) during such Calendar Quarter (the "Joint Development Cost Report").

(b) The Joint Development Cost Reports will be in such form as the JSC may reasonably agree from time to time.

(c) Within **[*]** of the receipt of both Parties' Joint Development Cost Reports, the JSC (or the Party appointed by the JSC) shall provide to each Party one consolidated financial report for the Joint Development Costs consistent with Collaboration Accounting Principles. The total costs incurred by both Parties shall, subject always to Section 5.4.1, be divided equally, with a subsequent balancing payment by one Party to the other to the extent necessary so that each Party bears its appropriate share of such Joint Development Costs. The Party that is due for reimbursement of Joint Development Costs in the preceding Calendar Quarter shall invoice the other Party. Such balancing payments by one Party to reimburse the other Party's expenditures for Joint Development Costs for the purposes of cost sharing under this Agreement shall be paid within **[*]** following **[*]** of the **[*]**. In the event that Parties disagree with the reported costs and any over/under spend, approval shall be required by the JSC (or its delegates) following receipt of the report by the JSC (or its delegates). A decision by the JSC or its delegates shall be required within **[*]** following its receipt of the consolidated report. Based on the JSC's decision the Party due for reimbursement shall invoice the other Party and payment shall be made within **[*]** of **[*]** of the **[*]**. Where the JSC does not so agree with the reported costs or over/under spend, any such unapproved spend shall be borne **[*]**.

11.3 Audits. Upon the written request of a Party (the "Requesting Party") and not more than **[*]**, the other Party (the "Responding Party") will permit an independent certified public accounting firm of nationally recognized standing, selected by the Requesting Party and reasonably acceptable to the Responding Party, at the Requesting Party's expense, to have access during normal business hours to the records of the Responding Party as may be reasonably necessary to verify the accuracy of the reports provided under Article 11, for any year ending not more than **[*]** prior to the date of such request. The provisions of Section 5.7.2 and Section 5.7.3 shall apply with respect to such inspection and the costs of such inspection, mutatis, mutandis.

11.4 Reporting and Payment of Commercialization Expenses and Collaboration Product Profit. The Parties shall mutually agree, through the JSC, a mechanism or structure under which they will share equally (50:50) in all Collaboration Product Profit created by each Collaboration Product. In reaching this agreement the Parties shall also define and mutually agree, through the JSC, the appropriate arrangements for making reports and payments between the Parties.

11.5 Collaboration Product Profit Term. Unless this Agreement is earlier terminated pursuant to Article 17, the Parties shall share Collaboration Product Profit hereunder with respect to each Collaboration Product until each such Collaboration Product is permanently withdrawn from, and is no longer being sold anywhere in, the Territory.

11.6 Other Research Expenses, Joint Development Costs and Commercialization Expenses. For purposes of clarity, the Parties hereto agree and acknowledge that all expenses attributable to a Collaboration Product that are not set forth in a Joint Development Plan or a Commercialization Plan (as each may be amended by the JSC from time to time) as Joint Development Costs or Commercialization Expenses, or otherwise approved by the JSC pursuant to Section 5.4.1, shall be borne **[*]**.

11.7 Utilization of Internal Resources. The Parties agree and acknowledge that, unless specifically agreed otherwise, it is intended that the activities under each Joint Development Plan and each Commercialization Plan, when taken as a whole for a given calendar year, shall be allocated and assigned to each Party such that the internal resources devoted to, and participation by the Parties in, the Development and Commercialization activities hereunder, taken as a whole, shall be substantially equal on an ongoing basis for such calendar year. The JSC may propose amendments to the Joint Development Plan and the Commercialization Plan for a Collaboration Product as necessary to maintain substantial equality in resources devoted to, and participation by the Parties in, such activities for review and approval by the JSC.

ARTICLE 12 PAYMENT TERMS; BOOKS AND RECORDS; TAX

12.1 Payment Terms

12.1.1 Currency. All payments hereunder will be in United States dollars in immediately available funds and will be made by wire transfer to such bank account as payee may designate in writing from time to time.

12.1.2 Exchange. All amounts accruing in a currency other than United States dollars will be expressed in such currency and converted to United States dollars using an exchange rate equal to the **[*]** of the **[*]** as **[*]** by **[*]** or, if **[*]** is not available, another mutually agreed source of exchange rates during the applicable Calendar Quarter for which payments are being made. The conversion calculations will be provided in any statement reporting converted amounts.

12.1.3 Late Fee. Any undisputed payments or portions thereof due hereunder which are not paid on the date such payments are due under this Agreement will bear interest at a **[*]** to the **[*]** of (a) **[*]** on the first day of each Calendar Quarter in which such payments are overdue, plus **[*]**, or (b) the **[*]**, calculated on the number of days such payment is delinquent, compounded **[*]**.

12.1.4 Legal Restrictions. If at any time legal restrictions prevent the prompt remittance of any monies owed with respect to a Licensed Product in any jurisdiction, payment shall be made through such lawful means or methods as the Parties shall reasonably determine.

12.2 Record Keeping. In accordance with GAAP consistently applied, each Party and its Affiliates will maintain, and will use Commercially Reasonable Efforts to cause its permitted Sublicensees, contractors and agents to maintain, books of account and accurate records relating to each Licensed Product and all amounts payable or receivable under this Agreement, in sufficient detail to permit the other Party to confirm the correctness of such items. All books of account and records will be maintained for a period not less than relevant time permitted for audit of such accounts and records pursuant to this Agreement and for any applicable tax period.

12.3 Tax Matters. Except as otherwise provided below, all amounts due from any paying Party to any receiving Party under this Agreement are gross amounts. The paying Party shall be entitled to deduct the amount of any withholding taxes payable or required to be withheld by it, its Affiliates, licensees, or Sublicensees (as applicable) to the extent such paying Party, its Affiliates, licensees, or Sublicensees (as applicable) actually pay such withheld amounts to the appropriate governmental authority on behalf of the receiving Party. The paying Party shall use Commercially Reasonable Efforts to minimize any such taxes, levies or charges required to be withheld on behalf of the receiving Party. The paying Party promptly shall deliver to the receiving Party proof of payment of all such taxes, levies and other charges, together with copies of all communications from or with such governmental authority with respect thereto, and shall cooperate with the receiving Party in seeking any related tax credits that may be available to the receiving Party with respect thereto.

12.4 This Article 12 shall be applicable to all Licensed Products.

ARTICLE 13 CONFIDENTIALITY

13.1 Non-Disclosure Obligations. Except as otherwise provided in this Article 13, during the Term and for a period of **[*]** thereafter, each Party shall maintain in confidence, and use only for purposes as expressly authorized and contemplated by this Agreement, all confidential or proprietary information, data, documents or other materials supplied by the other Party under this Agreement and marked or otherwise identified as "Confidential". Confidential Information of SGI shall include SGI Know-How, Drug Conjugation Technology, SGI's interest in any Program Inventions, whether or not marked "Confidential." Confidential Information of Genmab shall include Genmab Technology, the contents, terms and conditions of Genmab's In-Licenses, and Genmab's interest in any Program Inventions, whether or not marked "Confidential". Notwithstanding anything to the contrary in this Article 13 or this Agreement, Confidential Information of SGI related to drug and linker manufacturing, including release assay information, shall be maintained in confidence indefinitely unless publicly disclosed by SGI or permitted to be disclosed by SGI pursuant to Section 13.2(b). Confidential Information of a Party may also include information relating to such Party's research programs, development, marketing and other business practices and finances. For purposes of this Agreement, information and data described above together with all information and data designated as Genmab Confidential Information or Seattle Genetics Confidential Information under the Prior Agreement shall be hereinafter referred to as "Confidential Information." Each Party shall use at least the same standard of care as it uses to protect its own Confidential Information to ensure that its and its Affiliates' employees, agents, consultants and clinical investigators only make use of the other Party's Confidential Information for purposes as expressly authorized and contemplated by this Agreement and do not disclose or make any unauthorized use of such Confidential Information.

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

13.2 Permitted Disclosures. Notwithstanding the foregoing, but subject to the last sentence of this Section 13.2, the provisions of Section 13.1 shall not apply to information, documents or materials that the receiving Party can conclusively establish:

(a) Have become published or otherwise entered the public domain other than by breach of this Agreement by the receiving Party or its Affiliates.

(b) Are permitted to be disclosed by prior written consent of the other Party.

(c) Have become known to the receiving Party by a Third Party, that is not breaching any duty of confidentiality by disclosing the same and provided such Confidential Information was not obtained by such Third Party directly or indirectly from the other Party under this Agreement or the Prior Agreement on a confidential basis.

(d) Prior to disclosure under this Agreement, was already in the possession of the receiving Party, its Affiliates or Sublicensees, as demonstrated by written records provided such Confidential Information was not obtained directly or indirectly from the other Party under this Agreement or the Prior Agreement.

(e) Is independently developed by or for the receiving Party by its employees or contractors without making use of the other Party's Confidential Information under this Agreement or the Prior Agreement.

(f) Are required to be disclosed by the receiving Party to comply with any Applicable Law, or are reasonably necessary to authorizations to conduct clinical trials with, and to seek Regulatory Approval of, Licensed Product(s), provided that the receiving Party shall wherever possible provide prior written notice of such disclosure to the other Party and take reasonable and lawful actions to avoid or minimize the degree of disclosure. The Parties agree that nothing in this Section 13.2(f) is intended to require a Party to not comply with any Applicable Law.

(g) Subject to Section 14.2.1 and 14.2.2, are required solely to the extent reasonably necessary in a patent application claiming Program Inventions made hereunder to be filed with the United States Patent and Trademark Office and/or any similar foreign agency, provided that the Party filing the patent shall provide at least thirty (30) days prior written notice of such disclosure to the other Party and take reasonable and lawful actions to avoid or minimize the degree of disclosure.

(h) Are disclosed to a Sublicensee as permitted hereunder, provided that such Sublicensee is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein.

(i) Are disclosed to a bona fide collaborator or manufacturing, development or sales contractor or partner or to another Third Party for purposes as expressly authorized and contemplated by this Agreement, but only to the extent directly relevant to the collaboration, partnership or contract and provided that such collaborator, partner or contractor is then subject to obligations of confidentiality and limitations on use of such Confidential Information substantially similar to those contained herein.

Notwithstanding the disclosures permitted under subsections (f)-(i), if the information, documents or materials covered by such subsection is otherwise protected by obligations of confidentiality, then the confidentiality obligations of Section 13.1 shall still apply.

13.3 Terms of the Agreement. Genmab and SGI shall not disclose any terms or conditions of this Agreement to any Third Party without the prior consent of the other Party, except as required by Applicable Law or to comply with rules of a securities exchange or regulatory authority, in which case the disclosing Party shall provide notice to the other Party and take reasonable and lawful actions to avoid or minimize the degree of such disclosures. Notwithstanding the foregoing, each Party may disclose the terms and conditions of this Agreement, without such consent, to advisors, existing and potential investors, licensees, assignees and/or acquirers on a need-to-know basis under circumstances that reasonably ensure the confidentiality thereof.

13.4 Press Releases and Other Disclosures to Third Parties. Neither SGI nor Genmab will, without the prior consent of the other, issue any press release or make any other public announcement or furnish any statement to any person or entity (other than either Parties' respective Affiliates) concerning the existence of this Agreement, its terms and the transactions contemplated hereby, except for (a) disclosures made in compliance with Sections 13.2 and 13.3, and (b) disclosures made to attorneys, consultants, and accountants retained to represent the Parties in connection with the transactions contemplated hereby.

13.5 Publications. Neither Party may publish, present or announce results of ADCs or Collaboration Products developed hereunder either orally or in writing (a "Publication") without complying with the provisions of this Section 13.5. The other Party shall have **[*]** from receipt of a proposed Publication to provide comments and/or proposed changes to the publishing Party. The publishing Party shall take into account the comments and/or proposed changes made by the other Party on any Publication and shall agree to designate employees or others acting on behalf of the other Party as co-authors on any Publication describing results to which such persons have contributed in accordance with standards applicable to authorship of scientific publications. If the other Party reasonably determines that the Publication would entail the public disclosure of such Party's Confidential Information and/or of a patentable invention upon which a patent application should be filed prior to any such disclosure, submission of the concerned Publication to Third Parties shall be delayed for such period as may be reasonably necessary for deleting any such Confidential Information of the other Party (if the other Party has requested deletion thereof from the proposed Publication), and/or the drafting and filing of a patent application covering such invention, provided such additional period shall not exceed **[*]** from the date the publishing Party first provided the proposed Publication to the other Party. For clarity, Section 13.2(f), but not this Section 13.5, is intended to apply to any announcements required by either Party under Applicable Law, including but not limited to notifications to the relevant stock exchanges.

ARTICLE 14 INVENTIONS AND PATENTS

14.1 Ownership of Inventions

14.1.1 Disclosure of Inventions. Each Party shall promptly disclose to the other Party the making, conception or reduction to practice of any inventions directly arising out of activities conducted under this Agreement ("Program Inventions"). Program Inventions shall also comprise inventions relating to ADCs and uses thereof described in the Genmab ADC Patents filed prior to the Effective Date of this Agreement and as listed in Schedule F.

14.1.2 Ownership of Program Inventions. All right, title and interest in all Program Inventions that are discovered, made or conceived as part of the activities conducted pursuant to this Agreement shall be owned as follows:

(a) Genmab shall own all Program Inventions that (i) are invented solely by one or more employees, agents or consultants of Genmab and **[*]** (ii) are invented solely or jointly by employees, agents or consultants of Genmab and/or SGI and **[*]**. To the extent that any such Program Inventions **[*]** shall have been invented by SGI employees and/or are owned by SGI, SGI hereby assigns all of its right, title and interest therein to Genmab. An "Improvement Invention to Genmab Material" (as defined in the Prior Agreement) shall be deemed a Program Invention owned by Genmab.

(b) SGI shall own all Program Inventions that (i) are invented solely by one or more employees, agents or consultants of SGI and **[*]** or (ii) are invented solely or jointly by employees, agents or consultants of Genmab and/or SGI and **[*]**. To the extent that any Program Inventions **[*]** shall have been invented by Genmab and are owned by Genmab, Genmab hereby assigns all of its right, title and interest therein to SGI. An "Improvement Invention to Seattle Genetics Material/Technology" (as defined in the Prior Agreement) shall be deemed a Program Invention owned by SGI.

(c) Except as set forth in Sections 14.1.2(a) and 14.1.2(b), Genmab and SGI shall jointly own all other Program Inventions.

(d) Inventorship, for purposes of this Agreement, shall be determined in accordance with U.S. laws of inventorship.

14.2 Patent Prosecution and Maintenance

14.2.1 SGI shall be responsible for and shall control the preparation, filing, prosecution, grant, maintenance and defense of all SGI Patents including SGI Program Inventions but excluding SGI's share in Joint Patents. SGI shall, at its sole expense, prepare, file, prosecute and maintain such SGI Patents in good faith consistent with its customary patent policy and its reasonable business judgment, and shall consider in good faith the interests of Genmab in so doing.

14.2.2 Genmab shall be responsible for and shall control the preparation, filing, prosecution, grant, maintenance and defense of all Genmab Patents, but excluding Genmab's share in Joint Patents and further excluding Program Genmab Patents, but only to the extent required in this Sections 14.2.3 to 14.2.5. Genmab shall, at its sole expense, prepare, file, prosecute and maintain such Genmab Patents in good faith consistent with its customary patent policy and its reasonable business judgment, and shall consider in good faith the interests of SGI in so doing.

14.2.3 Subject to the oversight of the JSC under Section 3.2.2(g), Section 14.3 and Section 14.2.4 in the event SGI exercises its Opt-In Right, each Party shall be responsible for and shall control the preparation, filing, prosecution, grant, maintenance and defense, of any patents and patent applications claiming Program Inventions owned solely by it in accordance with Section 14.1.2 and shall, at its sole expense, prepare, file, prosecute and maintain such patent rights in good faith consistent with its customary patent policy and its reasonable business judgment.

14.2.4 If SGI exercises its Opt-In Right, the Parties agree that all Genmab ADC Patents shall continue to be owned by Genmab, but shall be prepared, filed, prosecuted and maintained by **[*]** at the shared cost of both Parties. Following any Opt-Out Notice by Genmab and provided that SGI elects to continue with the Development and Commercialization of the Collaboration Product (thereafter an SGI Product), then such Genmab ADC Patents shall be assigned to SGI and subject to any obligations pursuant to the Genmab In-Licenses with respect to such Genmab ADC Patents. SGI may at its sole expense, prepare, file, prosecute and maintain such patent rights in good faith consistent with its customary patent policy and its reasonable business judgment. Following any Opt-Out Notice by SGI and provided that Genmab elects to continue with the Development and Commercialization of the Collaboration Product (thereafter a Genmab Product), then Genmab shall, at its sole expense, prepare, file, prosecute and maintain such patent rights in good faith consistent with its customary patent policy and its reasonable business judgment.

14.2.5 In case of a Genmab ADC Patent assigned to SGI pursuant to Section 14.2.4, if SGI decides not to continue prosecuting any such patent right in whole or in part, then SGI shall promptly so notify Genmab (which notice shall be at least **[*]** before any relevant deadline for such patent right). Thereafter, Genmab shall have the right to prosecute or maintain such patent right at its sole expense. If Genmab elects to prosecute or maintain such patent right, **[*]**. Such patent shall **[*]**.

14.2.6 Patents and patent applications claiming Program Inventions owned jointly by both Parties in accordance with Section 14.1.2(c) ("Joint Patents") shall be prepared, filed, prosecuted and maintained by **[*]**. The cost **[*]** shall be borne equally by the Parties in case of a Collaboration Product and shall be deemed IP and Trademark Costs.

14.2.7 If either Party decides not to continue prosecuting any Joint Patents or not to maintain any Joint Patent, then such Party shall promptly so notify the other Party (which notice shall be at least **[*]** before any relevant deadline for such Joint Patent). Thereafter, the other Party shall have the right to prosecute or maintain such Joint Patent, at such Party's sole expense. If the other Party elects to prosecute or maintain such Joint Patent, such Party can request that the Joint Patent be transferred to the sole ownership of such Party at such Party's cost. Such Joint Patent that is only being prosecuted or maintained by one Party **[*]**.

14.2.8 The Parties shall at all times fully cooperate with each other in order to reasonably implement the foregoing provisions of this Section 14.2 and to handle any further activities under the Joint Patents outside the scope of this Agreement, including without limitation licenses to Third Parties. Such cooperation may include each Party's execution of necessary legal documents, coordinating, filing and/or prosecution of applications to avoid potential issues during prosecution (including novelty, enablement, estoppel and double patenting, execution of amendments and documents for reliance on the CREATE Act, if needed), and the assistance of each Party's relevant personnel. Without limiting the foregoing, it is understood that even if a Party is permitted to reference the other Party's technology in a patent application pursuant to this Agreement, the filing Party **[*]**. If the non-filing Party determines **[*]** the Parties shall cooperate in accordance with this Section 14.2.8 to determine a strategy that would protect each Party's interests, including, without limitation, delaying the filing or co-owning such patent application, as the case may be. Except as otherwise expressly authorized in this Agreement, Genmab shall not disclose and/or claim in any patent application, patent or publication any **[*]** without SGI's prior written consent. Except as otherwise expressly authorized in this Agreement, SGI shall not disclose and/or claim in any patent application, patent or publication any **[*]** without Genmab's prior written consent.

14.2.9 Common Interest Disclosures. With regard to any information or opinions disclosed pursuant to this Agreement by one Party to the other regarding intellectual property and/or technology owned by Third Parties, SGI or Genmab (or their respective Affiliates), SGI and Genmab agree that they have a common legal interest in coordinating prosecution of their respective patent applications, as set forth in this Article 14, and in determining whether, and to what extent, Third Party intellectual property rights may affect the conduct of the development, manufacturing, marketing and/or sale of Licensed Products, and have a further common legal interest in defending against any actual or prospective Third Party claims based on allegations of misuse or infringement of intellectual property rights relating to the development, manufacturing, marketing and/or sale of Licensed Products. Accordingly, SGI and Genmab agree that all such information and opinions obtained by SGI and Genmab from each other will be used solely for purposes of the Parties' common legal interests with respect to the conduct of the Agreement. All information and opinions will be treated as protected by the attorney-client privilege, the work product privilege, and any other privilege or immunity that may otherwise be applicable. By sharing any such information and opinions, neither Party intends to waive or limit any privilege or immunity that may apply to the shared information and opinions. Neither Party shall have the authority to waive any privilege or immunity on behalf of the other Party without such other Party's prior written consent, nor shall the waiver of privilege or immunity resulting from the conduct of one Party be deemed to apply against any other Party.

14.3 Enforcement of Patents

14.3.1 **[*]** shall have the **[*]** to determine the appropriate course of action to enforce the **[*]** or otherwise abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce such **[*]** to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the **[*]** shall in good faith **[*]**. All monies recovered upon the final judgment or settlement of any such suit to enforce any such **[*]** with respect to the **[*]** shall be allocated first to **[*]**, second to **[*]**, and finally any remaining amounts shall be **[*]**. **[*]** shall fully cooperate with **[*]** in any such action **[*]**, to enforce the **[*]**.

14.3.2 If **[*]** fails to exercise its rights under Section 14.3.1 to take any action to enforce the **[*]** or control any litigation with respect to such **[*]** within a period of **[*]** days **[*]** after the Parties receive reasonable notice of the infringement of the **[*]**, then **[*]** shall have the **[*]** to bring and control any such action by counsel of its own choice, **[*]**, to enter into or permit, the settlement of any such litigation or other enforcement action with respect to the **[*]**. In such case, all monies recovered upon the final judgment or settlement of any such suit to enforce any **[*]** shall be **[*]** allocated first to **[*]**, second to **[*]**, and finally any remaining amounts shall be **[*]**. In such a case, **[*]** shall cooperate fully with **[*]**, in its efforts to enforce the **[*]**. In no event may **[*]** without **[*]** prior written consent.

14.3.3 **[*]** shall have the **[*]**, to determine the appropriate course of action to enforce **[*]**, or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce the **[*]**, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to the **[*]**. All monies recovered upon the final judgment or settlement of any such suit to enforce any **[*]** shall be **[*]**. **[*]** shall fully cooperate with **[*]**, in any action to enforce the **[*]**. In the case of a **[*]** rights under this Section 14.3.3 shall be **[*]**. In the case of an **[*]**, if **[*]** fails to exercise its rights under this Section 14.3.3 to take any action to enforce the **[*]** or control any litigation with respect to the **[*]** within a period of **[*]** days **[*]** after the Parties receive reasonable notice of the infringement of the **[*]**, then **[*]** shall have the **[*]** to bring and control any such action by counsel of its own choice, **[*]** and permit, the settlement of any such litigation or other enforcement action with respect to the **[*]**. In such case, all monies recovered upon the final judgment or settlement of any such suit to enforce any **[*]** shall be **[*]**, allocated first to **[*]**, second to **[*]**, and finally any remaining amounts shall be **[*]**. In such a case, **[*]** shall cooperate fully with **[*]**, in its efforts to enforce the **[*]**. In no event may **[*]** without **[*]** prior written consent.

14.3.4 **[*]** shall have the **[*]**, to determine the appropriate course of action to enforce **[*]**, or otherwise to abate the infringement thereof, to take (or refrain from taking) appropriate action to enforce such **[*]**, to control any litigation or other enforcement action and to enter into, or permit, the settlement of any such litigation or other enforcement action with respect to such **[*]**. All monies recovered upon the final judgment or settlement of any such suit to enforce such Genmab Patents shall be **[*]**. **[*]** shall fully cooperate with **[*]**, in any action to enforce the **[*]**. In the case of **[*]**, if **[*]** fails to exercise its rights under this

Section 14.3.3 to take any action to enforce such **[*]** or control any litigation with respect to **[*]** within a period of **[*]** days **[*]** after the Parties receive reasonable notice of the infringement of such **[*]**, then **[*]** shall have the right to bring and control any such action by counsel of its own choice, **[*]**, to permit the settlement of any such litigation or other enforcement action with respect to such **[*]**. In such case, all monies recovered upon the final judgment or settlement of any such suit to enforce such **[*]** shall be **[*]** allocated first to **[*]**, second to **[*]**, and finally any remaining amounts shall be **[*]**. In such a case, **[*]** shall cooperate fully with **[*]**, in its efforts to enforce such **[*]**. In no event may **[*]** without **[*]** prior written consent.

14.3.5 In the event either Party becomes aware of **[*]**, it shall promptly notify the other Party and the Parties shall determine a mutually agreeable course of action. In no event shall **[*]** without **[*]** prior written consent.

14.4 Prior SGI Patent Rights. Notwithstanding anything to the contrary in this Agreement, with respect to any **[*]** that are subject to the **[*]**, the rights and obligations of the Parties under Section 14.2 and 14.3 shall be **[*]**.

14.5 Prior Genmab Patent Rights. Notwithstanding anything to the contrary in this Agreement, with respect to any **[*]**, the rights and obligations of the Parties under Section 14.2 and 14.3 shall be **[*]**.

14.6 Product Trademarks. The Parties' shall propose and through the JSC select the trademark, trade dress, logos and slogans under which each Collaboration Product shall be exclusively marketed (each a "Collaboration Product Trademark"). The Parties shall register the Collaboration Product Trademark and shall take all such actions as are required to continue and maintain in full force and effect the trademarks and the registrations thereof as well as enforce such trademarks and registrations. The Parties shall jointly own the trademarks which are specifically directed to Collaboration Products and each Party shall execute all documents and take all actions as are reasonably requested by the other Party to effectuate such joint ownership in such trademarks unless such joint ownership would not be practicable in any such jurisdiction, in which case the Lead Commercialization Party shall have sole ownership. Collaboration Product Trademarks shall be used only pursuant to the terms of this Agreement and any applicable co-promotion agreement to identify, and in connection with the marketing of, Collaboration Products and shall not be used by either Party to identify, or in connection with the marketing of, any other products. In case a Party Opts-Out it shall be obliged to assign its title to and interest in the Collaboration Product Trademarks to the Continuing Party free of charge, provided the Continuing Party pays the costs of assignment.

ARTICLE 15 INFRINGEMENT ACTIONS BROUGHT BY THIRD PARTIES

15.1 Collaboration Product. If **[*]**, is sued by **[*]** for infringement of **[*]** in connection with activities relating to the manufacture, use, handling, storage, Development, Commercialization or other disposition of a **[*]** shall promptly notify **[*]** within **[*]** days of its receipt of notice of such suit. The notice shall set forth **[*]**. The Parties shall then meet to discuss **[*]**, provided, that (a) if such infringement relates primarily to **[*]**, then **[*]** shall have the first right to control such suit in close consultation with **[*]** and (b) if such infringement

relates primarily to **[*]**, then **[*]** shall have the first right to control such suit in close consultation with **[*]**. In no event may **[*]** without the express written consent of **[*]**. To the extent a claim is subject to **[*]** the procedure in **[*]** must be followed. Each Party will **[*]** for its activities which are outside the scope of this Agreement.

15.2 Defense Costs. If the alleged infringement relates to **[*]**, all reasonable costs associated with the defense of the action will **[*]**, and any payment due **[*]** as damages or in settlement **[*]** will be **[*]**. Any settlement that requires **[*]** will require prior written approval of **[*]**.

15.3 Exclusive Product, Genmab Product. If **[*]**, is sued by **[*]** claiming infringement of a Third Party's patent in connection with activities relating to the manufacture, use, handling, storage, development, commercialization or other disposition of **[*]** shall be **[*]** for the defense **[*]**. To the extent such claimed infringement or any part thereof relates to **[*]** shall have the first right to control the defense against such claims of infringement **[*]**, provided that **[*]** shall be **[*]**. For clarity, **[*]** shall have the right to control the defense against any claims of infringement not related to **[*]**. If **[*]** chooses not to defend against claims of infringement related to **[*]**, then **[*]** shall have the right to control such defense on its own.

15.4 SGI Product. If **[*]**, is sued by **[*]** claiming infringement of a Third Party's patent in connection with activities relating to the manufacture, use, handling, storage, development, commercialization or other disposition of **[*]** shall be **[*]** for the defense **[*]**. To the extent such claimed infringement or any part thereof relates to **[*]** shall have the first right to control the defense against such claims of infringement **[*]**, provided that **[*]** shall be entitled to participate in such defense. For clarity, **[*]** shall have the right to control the defense against any claims of infringement not relating to **[*]**. If **[*]** chooses not to defend against claims of infringement related to the **[*]**, then **[*]** shall have the right to control such defense on its own.

ARTICLE 16 REPRESENTATIONS AND WARRANTIES

16.1 Representations and Warranties

16.1.1 This Agreement has been duly executed and delivered by each Party and constitutes the valid and binding obligation of each Party, enforceable against such Party in accordance with its terms, except as enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium or other laws relating to or affecting creditors' rights generally and by general equitable principals. The execution, delivery and performance of this Agreement has been duly authorized by all necessary action on the part of each Party, its officers and directors.

16.1.2 The execution, delivery and performance of the Agreement by each Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.

16.1.3 SGI represents and warrants that as of the Effective Date:

(a) it has the right to grant the licenses granted herein;

(b) the SGI Technology licensed hereunder is free and clear of any security interests, claims, encumbrances or charges of any kind;

(c) it has not assigned and/or granted licenses, nor shall it assign and/or grant licenses, to the SGI Technology or a Licensed Product to any Third Party that would restrict or impair the rights granted to Genmab hereunder;

(d) to its **[*]**, without **[*]**, **[*]** of any Third Parties would be **[*]** by **[*]** the Drug Conjugation Materials and Drug Conjugation Technology licensed hereunder, furthermore, to its **[*]**, **[*]**, **[*]** of any Third Party exist with **[*]** after **[*]** with claims covering Antibody-Drug Conjugates that incorporate such Drug Conjugation Materials and Drug Conjugation Technology for the treatment of cancer;

(e) to its **[*]**, no Third Party has **[*]** the SGI Technology using an antibody drug conjugate that binds to Tissue Factor;

(f) it shall not invoke any dominant patent or patent application owned or controlled by, or licensed to, it or its Affiliates to in any way **[*]** the rights and/or licenses granted hereunder; and

(g) the SGI Technology licensed hereunder constitutes all of SGI's intellectual property rights necessary or useful to develop, have developed, make, have made, import, use, offer for sale, have sold or sell the Drug Conjugation Materials and Drug Conjugation Technology as contemplated to be used in a Licensed Product.

16.1.4 Genmab represents and warrants that as of the Effective Date:

(a) it has the right to grant the licenses granted herein;

(b) the Genmab Technology licensed hereunder is free and clear of any security interests, claims, encumbrances or charges of any kind;

(c) it has not assigned and/or granted licenses, nor shall it assign and/or grant licenses, to the Genmab Technology with regard to a Licensed Product to any Third Party that would restrict or impair the rights granted to SGI hereunder;

(d) apart from the information previously disclosed in writing to SGI, it has **[*]** of any **[*]** of any **[*]** by the **[*]** from **[*]** to **[*]**; furthermore, to **[*]** no **[*]** of any **[*]** with **[*]** after **[*]** with **[*]** (i) the **[*]** denoted **[*]** or **[*]** or (ii) a **[*]** the **[*]** denoted **[*]** or **[*]** for the treatment of **[*]**;

(e) to its **[*]**, no Third Party has **[*]** the Genmab Technology using an antibody that binds to Tissue Factor;

(f) it has notified SGI in writing of all **[*]**;

(g) it shall not invoke any dominant patent or patent application owned or controlled by, or licensed to, it or its Affiliates to in any way restrict the rights and/or licenses granted hereunder; and

(h) the Genmab Technology licensed hereunder constitutes all of Genmab's intellectual property rights necessary or useful to develop, have developed, make, have made, import, use, offer for sale, have sold or sell an Antibody as contemplated to be used in a Licensed Product.

16.2 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THE KNOW-HOW, CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY RIGHTS PROVIDED BY EACH PARTY ARE PROVIDED "AS IS" AND EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND EXPRESS OR IMPLIED, INCLUDING BY OPERATION OF LAW OR BY STATUTE OR OTHERWISE, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICES, IN ALL CASES WITH RESPECT THERETO.

16.2.1 EXCEPT AS MAY BE OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NONE OF THE PARTIES MAKE ANY REPRESENTATIONS AND GRANT NO WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, REGARDING THE ANTIBODIES, DRUG CONJUGATION MATERIALS OR ANY ADCS, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

16.3 Performance by Affiliates. The Parties recognize that each may perform some or all of its obligations under this Agreement through Affiliates, provided, however, that each Party shall remain responsible and be a guarantor of the performance by its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance.

ARTICLE 17 TERM AND TERMINATION

17.1 Term. The term of this Agreement (the "Term") shall commence on the Effective Date and be valid and in force until terminated pursuant to the Articles 17 or 19.

17.2 Termination by Genmab. Genmab shall have the right, at any time after the first anniversary of the Effective Date other than the period (a) following an Opt-In Decision and prior to any applicable Opt-Out Date or (b) during which SGI is developing or commercializing an SGI Product, to terminate this Agreement in its entirety by providing not less than **[*]** days' prior written notice to SGI of such termination. For clarity, as regards termination without cause following an Opt-In Decision and prior to any applicable Opt-Out Date, Section 5.10 will apply where a Party wishes to cease collaborating with the other Party.

17.3 Termination for Cause. Either Party may terminate this Agreement for breach by the other Party (the "Breaching Party") of any material provision of the Agreement or in the case of a license, a breach of a material provision related to such license, including diligence obligations, if, in the event that the breach is by its nature capable of being cured, the Breaching Party has not cured such breach within thirty (30) days after notice thereof (or in the event any breach is incapable of being cured in such time period, if the Breaching Party commences a cure within such thirty (30) days period and diligently pursues the cure to completion).

17.4 Termination if Genmab Challenges SGI Patents. SGI may terminate this Agreement for cause at any time after thirty (30) days written notice to Genmab of its intent to so terminate if Genmab, its Affiliates or Sublicensees, challenges the validity, enforceability, patentability or scope of a claim of any SGI Patent. Any such termination shall not become effective if Genmab has withdrawn such action before the end of the above notice period, provided such withdrawal effectively terminates the action and has not materially adversely affected any of SGI's rights under the Agreement.

17.5 Termination if SGI Challenges Genmab Patents. Genmab may terminate this Agreement for cause at any time after thirty (30) days written notice to SGI of its intent to so terminate if SGI, its Affiliates or Sublicensees, challenges the validity, enforceability, patentability or scope of a claim of any Genmab Patent. Any such termination shall not become effective if SGI has withdrawn such action before the end of the above notice period, provided such withdrawal effectively terminates that action and has not materially adversely affected any of Genmab's rights under the Agreement.

17.6 Termination Upon Insolvency. Either Party may terminate this Agreement if, at any time, (a) the other Party shall file in any court or agency pursuant to any statute or regulation of any state, country or jurisdiction, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of that Party or of its assets, (b) such other Party proposes a written agreement of composition or extension of its debts, (c) such other Party shall be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within **[*]** after the filing thereof, (d) such other Party shall propose or be a party to any dissolution or liquidation, or (e) such other Party shall make an assignment for the benefit of its creditors. Notwithstanding the foregoing, the Parties intend for this Agreement and the licenses granted herein to come within Section 365(a) of the United States Bankruptcy Code, and notwithstanding the bankruptcy or insolvency of SGI, this Agreement and the licenses granted herein shall remain in full force and effect so long as Genmab shall remain in material compliance with the terms and conditions hereof.

17.7 Termination of BMS Agreement. All rights and obligations under the BMS Agreement sublicensed under this Agreement shall terminate upon forty-five (45) days prior written notice by SGI if Genmab performs any action that would constitute a breach of any material provision of the BMS Agreement and fails to cure such breach within such forty-five

(45) day period (or in the event any breach is incapable of being cured in such time period, if Genmab commences a cure within such forty-five (45) day period and diligently pursues the cure to completion); provided, however, that such cure period may be extended by mutual written consent of the Parties. All rights and obligations under the BMS Agreement shall automatically terminate if Genmab fails to maintain the insurance required under the BMS Agreement. SGI shall maintain the BMS Agreement for the term of this Agreement.

17.8 Termination of Genmab In-Licenses. All rights and obligations under a Genmab In License sublicensed under this Agreement shall terminate upon sixty (60) days prior written notice by Genmab if SGI performs any action that would constitute a breach of any material provision of such Genmab In License Agreement and fails to cure such breach within such sixty (60) day period (or in the event any breach is incapable of being cured in such time period, if SGI commences a cure within such sixty (60) day period and diligently pursues the cure to completion); provided, however, that such cure period may be extended by mutual written consent of the Parties. Genmab shall ensure that the Exclusive Antigen License for Tissue Factor with **[*]** is maintained for the term of this Agreement.

17.9 Effect of Expiration and Termination

17.9.1 Except where explicitly provided within this Agreement, termination of this Agreement for any reason, or expiration of this Agreement, will not affect any: (a) obligations, including payment of any royalties or other sums which have accrued as of the date of termination or expiration, and (b) rights and obligations which, from the context thereof, are intended to survive termination or expiration of this Agreement, including provisions of Articles 1, 13, 14, 15, 18 (as to actions arising during the term of this Agreement or in the course of a Party practicing any licenses retained by such Party thereafter), 22 and 23, Sections 5.7, 11.3 and 17.9 and any payment obligations pursuant to Article 10 and 11 incurred prior to termination.

17.9.2 Upon termination of this Agreement for any reason, all licenses granted by one Party to the other hereunder, including all licenses for Exclusive Products, Collaboration Products and Unilateral Products, and all sublicenses granted to Affiliates or Third Parties by a Party hereunder will immediately terminate.

17.9.3 Upon any termination of this Agreement by Genmab pursuant to Section 17.2 or by SGI pursuant to Sections 17.3, 17.4, 17.6 or 17.7, or in the case of a Dormant Product (provided that at the time of the Collaboration Product becoming a Dormant Product no Licensed Products are in development or are being commercialized by either Party), Genmab shall to the extent necessary grant to SGI a worldwide, non-exclusive, irrevocable, sublicensable license in the Territory under the Genmab ADC Know-How and Genmab ADC Patents to make, have made, use, sell, offer to sell and import products incorporating antibody drug conjugates other than the ADCs included herein in the Territory. For the avoidance of doubt such license shall not give SGI the right to use any Antibody (or sequence information of such Antibody) included in this Agreement.

17.9.4 Upon the expiration of the Royalty Term:

(a) SGI shall grant, and shall by this provision be deemed to have granted, to Genmab a royalty-free, perpetual, worldwide, nonexclusive license to use the Joint Patents and SGI Technology to make, use, sell, offer for sale and import Exclusive Products or Genmab Products, as applicable, with no further obligation to SGI; and

(b) Genmab shall grant, and shall by this provision be deemed to have granted, to SGI a royalty-free, perpetual, worldwide, nonexclusive license to use the Joint Patents and Genmab Technology to make, use, sell, offer for sale and import SGI Products, with no further obligation to Genmab.

17.9.5 In the event that a Party is commercializing Licensed Products under this Agreement, and in accordance with the foregoing provisions of this Article a license is terminated then such Party shall be entitled to, and the licenses shall be deemed to survive to the extent necessary for such Party to wind down the activities in an orderly manner, including the right to sell off inventory, but in no event for a period longer than **[*]** from the effective date of termination.

ARTICLE 18 INDEMNITY

18.1 Direct Indemnity for Non-Collaboration Products

18.1.1 With respect to Genmab Products, SGI Products and Exclusive Products, each Party shall defend, indemnify and hold harmless the other Party, its Affiliates and their respective directors, officers, employees and agents (collectively, the "Indemnitees") from and against all liabilities, losses, damages, and expenses, including reasonable attorneys' fees and costs, (collectively, the "Liabilities") resulting from all Third Party claims, suits, actions, terminations or demands (collectively, the "Claims") that are incurred, relate to or arise out of (a) the breach of any material provision of this Agreement by the indemnifying Party, including a breach of any representation or warranty made by such Party in this Agreement, or (b) the gross negligence, recklessness or willful misconduct of the indemnifying Party in connection with the performance of its obligations hereunder.

18.1.2 Genmab shall defend, indemnify and hold harmless the SGI Indemnitees from and against all Liabilities resulting from all Claims that are incurred, relate to or arise out of the development, manufacture or commercialization of Exclusive Products or Genmab Products by SGI for Genmab or by Genmab, its Affiliates or Sublicensees, including any failure to test for or provide adequate warnings of adverse side effects, or any manufacturing defect in any Exclusive Product or Genmab Product; except to the extent such Liabilities must be indemnified by SGI pursuant to Sections 18.1.1.

18.1.3 SGI shall defend, indemnify and hold harmless the Genmab Indemnitees from and against all Liabilities resulting from all Claims that are incurred, relate to or arise out of the development, manufacture or commercialization of SGI Products by Genmab for SGI or by SGI, its Affiliates or Sublicensees, including any failure to test for or provide adequate warnings of adverse side effects, or any manufacturing defect in any SGI Product; except to the extent such Liabilities must be indemnified by Genmab pursuant to Sections 18.1.1

18.2 Collaboration Products

18.2.1 Each Party hereby agrees to indemnify, defend, and hold harmless the other Party' Indemnitees from and against any and all Liabilities, incurred as a result of any Claims relating to the manufacture, use, handling, storage, Development, Commercialization or other disposition of any Collaboration Product by the indemnifying Party, its Affiliates, employees, agents or Sublicensees, but only to the extent such Claims result from: (a) the gross negligence, recklessness or willful misconduct of the indemnifying Party, its Affiliates, employees, agents or Sublicensees; or (b) any breach by the indemnifying Party of any material provision of this Agreement, including a breach of any representation or warranty made by such Party in this Agreement; except, in each case, to the comparative extent of any such Claim resulting from the gross negligence or willful misconduct of the Indemnitees.

18.2.2 Except for those Claims subject to Section 18.2.1, the Parties shall share equally any Liabilities in connection with: (a) any Claim brought against either Party by a Third Party resulting directly or indirectly from the manufacture, use, handling, storage, Development, Commercialization or other disposition of any given Collaboration Product (in the same manner as the Parties share Product Profit); and (b) the defense or settlement of claims of infringement of Third Party patent rights in accordance with the procedures set forth in Article 15.

18.2.3 If either Party receives notice of a Claim with respect to any Collaboration Product, such Party shall inform the other Party in writing as soon as reasonably practicable. The Parties shall confer through the JSC how to respond to the Claim and how to handle the Claim in an efficient manner. In the absence of such an agreement, each Party shall have the right to take such action as it deems appropriate, subject to Section 18.3.

18.3 Procedure. A Party (the "Indemnified Party") that intends to claim indemnification under this Article 18 shall promptly provide notice to the other Party (the "Indemnitor") of any Liability or action in respect of which the Indemnified Party intends to claim such indemnification, which notice shall include a reasonable identification of the alleged facts giving rise to such Liability, and the Indemnitor shall have the right to participate in, and, to the extent the Indemnitor so desires, jointly with any other Indemnitor similarly noticed, to assume the defense thereof with counsel selected by the Indemnitor. However, notwithstanding the foregoing, the Indemnified Party shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnified Party, unless the representation of such Indemnified Party by the counsel retained by the Indemnitor would be inappropriate due to actual differing interests between such Indemnified Party and any other party represented by such counsel in such proceedings, in which case the reasonable fees and expenses shall be paid by the Indemnitor. The Indemnified Party cannot settle any Liability for which it intends to claim indemnification by the Indemnitor without the prior consent of the Indemnitor. Any settlement of a Liability for which any Indemnified Party seeks to be indemnified, defended or held harmless under this Article 18 that could adversely affect the Indemnified Party shall be subject to prior consent of such Indemnified Party, provided that such consent shall not be withheld unreasonably.

18.4 Limitations on Liability. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES ARISING FROM THIS AGREEMENT OR FOR ANY AMOUNTS REPRESENTING LOSS OF PROFITS OR LOSS OF BUSINESS, WHETHER THE BASIS OF THE LIABILITY IS BREACH OF CONTRACT, TORT, STATUTES, OR ANY OTHER LEGAL THEORY, AND WHETHER SUCH FIRST PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR NOT.

ARTICLE 19 FORCE MAJEURE

19.1 No Party (or any of its Affiliates) shall be held liable or responsible to the other Party (or any of its Affiliates), or be deemed to have defaulted under or breached the Agreement, for failure or delay by such Party in fulfilling or performing any term of the Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party (or any of its Affiliates), including fire, floods, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, acts of God, earthquakes, or omissions or delays in acting by any governmental authority (collectively, "Events of Force Majeure"); provided, however, that the affected Party shall promptly advise the other Party of the existence of such Event of Force Majeure and shall exert all Commercially Reasonable Efforts to eliminate, cure or overcome any such Event of Force Majeure and to resume performance of its obligations promptly. Notwithstanding the foregoing, to the extent that an Event of Force Majeure continues for a period in excess of **[*]**, the affected Party shall promptly notify in writing the other Party of such continued Event of Force Majeure and within **[*]** of the other Party's receipt of such notice, the Parties shall negotiate in good faith either (a) a resolution of the Event of Force Majeure, if possible, (b) an extension by mutual agreement of the time period to resolve, eliminate, cure or overcome such Event of Force Majeure, (c) an amendment of this Agreement to the extent reasonably possible, or (d) an early termination of this Agreement. If a solution under subsection (a)-(d) has not been reached after four (4) months of the other Party's receipt of such notice, then the Party not affected shall be entitled to give notice to the affected Party to terminate this Agreement, specifying the date (which shall not be less than **[*]** after the date on which the notice of termination is given) on which termination will take effect. Such a termination notice shall be irrevocable, except with the consent of both Parties, and upon termination the provisions of Section 17.9 shall apply.

ARTICLE 20 ASSIGNMENT

20.1 This Agreement may not be assigned or otherwise transferred, nor, except as expressly provided hereunder, may any right or obligations hereunder be assigned or transferred to any Third Party by either Party without the consent of the other Party, such consent not to be unreasonably withheld; provided, however, that **[*]**. Any permitted assignee shall assume all rights and obligations of its assignor under this Agreement; provided, however, that **[*]** shall not be **[*]**. Any attempted assignment of this Agreement not in accordance with this Article 20 shall be void and of no effect.

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ARTICLE 21 SEVERABILITY

21.1 Each Party hereby agrees that it does not intend to violate any public policy, statutory or common laws, rules, regulations, treaty or decision of any government agency or executive body thereof of any country or community or association of countries. Should one or more provisions of this Agreement be or become invalid, the Parties hereto shall substitute, by mutual consent, valid provisions for such invalid provisions, that in their economic effect, are sufficiently similar to the invalid provisions that it can be reasonably assumed that the Parties would have entered into this Agreement based on such valid provisions. In case such alternative provisions cannot be agreed upon, the invalidity of one or several provisions of this Agreement shall not affect the validity of this Agreement as a whole, unless the invalid provisions are of such essential importance to this Agreement that it is to be reasonably assumed that the Parties would not have entered into this Agreement without the invalid provisions.

ARTICLE 22 INSURANCE

22.1 During the Term and thereafter for the period of time required below, each Party shall maintain on an ongoing basis comprehensive general liability insurance in the minimum amount of **[*]** Dollars ($**[*]**) per occurrence and **[*]** Dollars ($**[*]**) annual aggregate combined single limit for bodily injury and property damage liability. Commencing not later than **[*]** days prior to the first use in humans of any Collaboration Product, Exclusive Product or Genmab Product and thereafter for the period of time required below, Genmab shall obtain and maintain on an ongoing basis products liability insurance (including contractual liability coverage on Genmab's indemnification obligation under this Agreement) in the amount of at least **[*]** Dollars ($**[*]**) per and in an annual aggregate combined single limit for bodily injury and property damage liability. Commencing not later than **[*]** days prior to the first use in humans of any Collaboration Product or SGI Product, and thereafter for the period of time required below, SGI shall obtain and maintain on an ongoing basis products liability insurance (including contractual liability coverage on SGI's indemnification obligations under this Agreement) in the amount of at least **[*]** Dollars ($**[*]**) per occurrence and in an annual aggregate combined single limit for bodily injury and property damage liability. All of such insurance coverage shall be maintained with an insurance company or companies having an A.M. Best rating of "A-" or better and an aggregate deductible not to exceed **[*]** Dollars ($**[*]**) per occurrence. Upon the Effective Date and not later than **[*]** prior to the first use in humans of the first Collaboration Product, Exclusive Product, Genmab Product or SGI Product, as the case may be, each Party shall provide to other Party a certificate(s) evidencing all required coverage hereunder. Each Party shall maintain such insurance coverage without interruption during the Term and for a period of at least **[*]** thereafter. Each Party's insurance shall name **[*]** on the products liability insurance required hereunder. Each Party shall provide the other Party at least forty **[*]**' prior written notice of any cancellation or material change in the insurance policy. The cost of insurance required by this Article 22 with respect to the Collaboration Product shall be treated as a Joint Development Cost or an "other cost" for the purposes of calculating Commercialization Expenses, as applicable.

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ARTICLE 23 MISCELLANEOUS

23.1 Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the Parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery, first class air mail or courier), first class air mail or courier, postage prepaid (where applicable), addressed to such other Party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the address or in accordance with this Section 23.1 and (except as otherwise provided in this Agreement) shall be effective upon receipt by the addressee. Notices shall be deemed to have been received (a) on the date delivered if delivered personally; (b) on the date received if sent by certified or registered mail, return receipt requested, postage prepaid; (c) on the first business day after the date sent if sent by recognized overnight courier (or two-day courier, if next-day service is unavailable); or (d) on the date transmitted if sent via facsimile (with confirmation of receipt generated by the transmitting machine).

If to SGI:
[*]
[*]
[*]
[*]
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[*]

Invoices to SGI: **[*]**

If to Genmab:
[*]
[*]
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With a copy to:
[*]
[*]
[*]
[*]
[*]
[*]
[*]
[*]

Invoices to Genmab: **[*]**

23.2 Applicable Law. The Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of law principles thereof that may dictate application of the laws of any other state, or the United States as applicable.

23.3 Dispute Resolution. The Parties agree that they shall seek to resolve any dispute or disagreement that arises between Genmab on the one hand and SGI on the other in respect of this Agreement that is not resolved by the JSC pursuant to the procedure set forth in Section 3.2.7.

23.3.1 Any dispute not resolved by the procedure set forth in Section 3.2.7 shall be submitted by the Parties for resolution by an arbitral body in New York, New York in accordance with the then current commercial arbitration rules of the American Arbitration Association ("AAA") except as otherwise provided herein. The Parties shall choose one (1) arbitrator each and by mutual agreement one (1) arbitrator within thirty (30) days of receipt of notice of the intent to arbitrate. The mutually appointed arbitrator shall be chairman of the arbitration body. If all arbitrators are not appointed within the times herein provided or any extension of time that is mutually agreed upon, the AAA shall make such appointment within thirty (30) days of such failure. The judgment rendered by the arbitrators shall include costs of arbitration, reasonable attorneys' fees and reasonable costs for expert and other witnesses. Nothing in this Agreement shall be deemed as preventing either Party from seeking injunctive relief (or any other equitable or provisional remedy). If the issues in dispute involve scientific, technical or commercial matters, any arbitrator chosen hereunder shall have educational training and/or industry experience sufficient to demonstrate a reasonable level of relevant scientific, medical and industry knowledge.

23.3.2 In the event of a dispute regarding any payments owing under this Agreement, all undisputed amounts shall be paid promptly when due and the balance, if any, promptly after resolution of the dispute with interest in accordance with Section 12.1.3.

23.3.3 Notwithstanding the foregoing, any disputes relating to inventorship or the validity, enforceability or scope of any patent or trademark rights (except for a dispute relating to the remedy under Section 17.4 or 17.5) shall be submitted for resolution by a court of competent jurisdiction.

23.4 Entire Agreement. This Agreement and the Prior Agreement contains the entire understanding of the Parties with respect to the specific subject matter hereof. All express or implied agreements and understandings, either oral or written, heretofore made, including the Prior Agreement, are expressly superseded by this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by both Parties hereto.

23.5 Independent Contractors. SGI and Genmab each acknowledge that they shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture, agency or any type of fiduciary relationship. Neither SGI nor Genmab shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior consent of the other Party to do so.

23.6 Affiliates. Each Party shall cause its respective Affiliates to comply fully with the provisions of this Agreement to the extent such provisions specifically relate to, or are intended to specifically relate to, such Affiliates, as though such Affiliates were expressly named as joint obligors hereunder.

23.7 Waiver. The waiver by either Party hereto of any right hereunder or the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

23.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

SEATTLE GENETICS, INC.

By: /s/ Clay B. Siegall
Name: Clay B. Siegall
Title: President & CEO

GENMAB A/S

By: /s/ Jan van de Winkel
Name: Jan van de Winkel
Title: President & CEO

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SGI PATENTS

[*]

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Research and GLP Grade Supply Fee Pricing List

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GENMAB IN-LICENSES

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SGI RESEARCH AND DEVELOPMENT SUPPORT PRIOR TO END OF PHASE I CLINICAL TRIAL

[*]

{2 pages omitted}

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GENMAB DEVELOPMENT PLAN AND GENMAB BUDGET

[*]

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GENMAB PATENTS

[*]

{9 pages omitted}

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Exhibit 31.1

CERTIFICATIONS

I, Clay B. Siegall, certify that:

1. I have reviewed this Amendment No. 1 to the Quarterly Report on Form 10-Q/A of Seattle Genetics, Inc.; and

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.

Date: April 13, 2018

/s/ Clay B. Siegall

Clay B. Siegall
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Todd E. Simpson, certify that:

1. I have reviewed this Amendment No. 1 to the Quarterly Report on Form 10-Q/A of Seattle Genetics, Inc.; and

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.

Date: April 13, 2018

/s/ Todd E. Simpson

Todd E. Simpson
Chief Financial Officer
(Principal Financial and Accounting Officer)