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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2022

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

SEAGEN INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

91-1874389
(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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, par value \$0.001

Trading Symbol(s)
SGEN

Name of each exchange on which registered
The Nasdaq Stock Market LLC

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 every Interactive Data File required to be submitted 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 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 ☐

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 October 24, 2022, there were 185,664,901 shares of the registrant's common stock outstanding.

Seagen Inc.
Quarterly Report on Form 10-Q
For the Quarter Ended September 30, 2022

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

Seagen Inc. Condensed Consolidated Balance Sheets (Unaudited) (In thousands, except par value)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 362,601	\$ 424,834
Short-term investments	1,401,101	1,735,202
Accounts receivable, net	486,755	389,256
Inventories	364,970	200,663
Prepaid expenses and other current assets	144,192	119,239
Total current assets	2,759,619	2,869,194
Property and equipment, net	230,302	210,073
Operating lease right-of-use assets	49,308	57,889
Intangible assets, net	243,332	260,593
Goodwill	274,671	274,671
Other non-current assets	61,846	47,184
Total assets	\$ 3,619,078	\$ 3,719,604
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 144,499	\$ 114,824
Accrued liabilities and other	581,499	454,030
Total current liabilities	725,998	568,854
Long-term liabilities:		
Operating lease liabilities, long-term	46,703	56,665
Other long-term liabilities	24,566	28,946
Total long-term liabilities	71,269	85,611
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 5,000 shares authorized; none issued	—	—
Common stock, \$0.001 par value, 250,000 shares authorized; 185,234 shares issued and outstanding at September 30, 2022 and 183,381 shares issued and outstanding at December 31, 2021	185	183
Additional paid-in capital	4,824,807	4,607,816
Accumulated other comprehensive income	2,995	1,179
Accumulated deficit	(2,006,176)	(1,544,039)
Total stockholders' equity	2,821,811	3,065,139
Total liabilities and stockholders' equity	\$ 3,619,078	\$ 3,719,604

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

Seagen Inc.
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues:				
Net product sales	\$ 428,089	\$ 366,459	\$ 1,242,889	\$ 1,016,385
Royalty revenues	43,904	41,028	111,194	104,542
Collaboration and license agreement revenues	38,307	16,573	80,179	23,593
Total revenues	510,300	424,060	1,434,262	1,144,520
Costs and expenses:				
Cost of sales	108,122	82,650	301,848	224,875
Research and development	384,605	459,092	986,518	924,378
Selling, general and administrative	210,378	180,281	604,862	505,253
Total costs and expenses	703,105	722,023	1,893,228	1,654,506
Loss from operations	(192,805)	(297,963)	(458,966)	(509,986)
Investment and other income, net	4,278	5,228	479	11,255
Loss before income taxes	(188,527)	(292,735)	(458,487)	(498,731)
Provision for income taxes	2,289	1,112	3,650	1,112
Net loss	\$ (190,816)	\$ (293,847)	\$ (462,137)	\$ (499,843)
Net loss per share - basic and diluted	\$ (1.03)	\$ (1.61)	\$ (2.51)	\$ (2.75)
Shares used in computation of per share amounts - basic and diluted	184,792	182,303	184,199	181,696
Comprehensive loss:				
Net loss	\$ (190,816)	\$ (293,847)	\$ (462,137)	\$ (499,843)
Other comprehensive income:				
Unrealized (loss) gain on securities available-for-sale, net of tax	(875)	37	(4,472)	(10)
Foreign currency translation gain (loss)	3,363	(6)	6,288	268
Total other comprehensive income	2,488	31	1,816	258
Comprehensive loss	\$ (188,328)	\$ (293,816)	\$ (460,321)	\$ (499,585)

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

Seagen Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(In thousands)

	Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity
	Shares	Amount				
Balances as of December 31, 2020	180,902	\$ 181	\$ 4,356,922	\$ 565	\$ (869,568)	\$ 3,488,100
Net loss	—	—	—	—	(121,420)	(121,420)
Other comprehensive loss	—	—	—	(71)	—	(71)
Issuance of common stock for stock option exercises and employee stock purchase plan	341	—	19,791	—	—	19,791
Restricted stock vested during the period, net	80	—	—	—	—	—
Share-based compensation	—	—	38,224	—	—	38,224
Balances as of March 31, 2021	181,323	181	4,414,937	494	(990,988)	3,424,624
Net loss	—	—	—	—	(84,576)	(84,576)
Other comprehensive income	—	—	—	298	—	298
Issuance of common stock for stock option exercises and employee stock purchase plan	359	1	13,200	—	—	13,201
Restricted stock vested during the period, net	184	—	—	—	—	—
Share-based compensation	—	—	37,727	—	—	37,727
Balances as of June 30, 2021	181,866	\$ 182	\$ 4,465,864	\$ 792	\$ (1,075,564)	\$ 3,391,274
Net loss	—	—	—	—	(293,847)	(293,847)
Other comprehensive income	—	—	—	31	—	31
Issuance of common stock for stock option exercises and employee stock purchase plan	384	—	22,440	—	—	22,440
Restricted stock vested during the period, net	551	1	(1)	—	—	—
Share-based compensation	—	—	45,057	—	—	45,057
Balances as of September 30, 2021	182,801	\$ 183	\$ 4,533,360	\$ 823	\$ (1,369,411)	\$ 3,164,955
Balances as of December 31, 2021	183,381	\$ 183	\$ 4,607,816	\$ 1,179	\$ (1,544,039)	\$ 3,065,139
Net loss	—	—	—	—	(136,494)	(136,494)
Other comprehensive loss	—	—	—	(755)	—	(755)
Issuance of common stock for stock option exercises and employee stock purchase plan	463	1	26,663	—	—	26,664
Restricted stock vested during the period, net	48	—	—	—	—	—
Share-based compensation	—	—	43,913	—	—	43,913
Balances as of March 31, 2022	183,892	184	4,678,392	424	(1,680,533)	2,998,467
Net loss	—	—	—	—	(134,827)	(134,827)
Other comprehensive income	—	—	—	83	—	83
Issuance of common stock for stock option exercises and employee stock purchase plan	298	—	14,960	—	—	14,960
Restricted stock vested during the period, net	179	—	—	—	—	—
Share-based compensation	—	—	54,129	—	—	54,129
Balances as of June 30, 2022	184,369	184	4,747,481	507	(1,815,360)	2,932,812
Net loss	—	—	—	—	(190,816)	(190,816)
Other comprehensive income	—	—	—	2,488	—	2,488
Issuance of common stock for stock option exercises and employee stock purchase plan	263	—	18,388	—	—	18,388
Restricted stock vested during the period, net	602	1	—	—	—	1
Share-based compensation	—	—	58,938	—	—	58,938
Balances as of September 30, 2022	185,234	\$ 185	\$ 4,824,807	\$ 2,995	\$ (2,006,176)	\$ 2,821,811

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

Seagen Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2022	2021
Operating activities:		
Net loss	\$ (462,137)	\$ (499,843)
Adjustments to reconcile net loss to net cash used by operating activities		
Share-based compensation	156,980	121,008
Depreciation	34,642	30,404
Amortization of intangible assets	17,261	17,271
Amortization of right-of-use assets	9,441	9,530
Amortization of premiums, accretion of discounts, and (gains) losses on debt securities	(1,129)	14,692
Losses (gains) on equity securities	9,747	(9,895)
Deferred income taxes	(221)	—
Changes in operating assets and liabilities		
Accounts receivable, net	(97,499)	(62,181)
Inventories	(164,307)	(65,239)
Prepaid expenses and other assets	(11,300)	(57,903)
Lease liability	(11,842)	(10,906)
Other liabilities	146,053	297,438
Net cash used by operating activities	(374,311)	(215,624)
Investing activities:		
Purchases of securities	(2,060,242)	(2,388,843)
Proceeds from maturities of securities	2,391,000	2,715,500
Payments for lessor-owned assets	(17,936)	—
Purchases of property and equipment	(48,095)	(38,755)
Net cash provided by investing activities	264,727	287,902
Financing activities:		
Proceeds from exercise of stock options and employee stock purchase plan	60,013	55,432
Net cash provided by financing activities	60,013	55,432
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(6,893)	(961)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(56,464)	126,749
Cash, cash equivalents, and restricted cash at beginning of period	424,834	558,424
Cash, cash equivalents, and restricted cash at end of period	\$ 368,370	\$ 685,173

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

Seagen Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Summary of significant accounting policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements reflect the accounts of Seagen Inc. and its wholly-owned subsidiaries (collectively “Seagen,” “we,” “our,” or “us”). All intercompany transactions and balances have been eliminated. Management has determined that we operate in one segment: the development and sale of pharmaceutical products on our own behalf or in collaboration with others. Substantially all of our assets and revenues are related to operations in the U.S.; however, we have multiple subsidiaries in foreign jurisdictions, including several subsidiaries in Europe.

The condensed consolidated balance sheet data as of December 31, 2021 were derived from audited financial statements not included in this quarterly report on Form 10-Q. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission, or SEC, and generally accepted accounting principles in the United States of America, or GAAP, for unaudited condensed consolidated financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The accompanying unaudited condensed consolidated financial statements reflect all adjustments consisting of normal recurring adjustments that, in the opinion of management, are necessary for a fair statement of our financial position and results of our operations as of and for the periods presented.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC.

The preparation of financial statements in accordance with GAAP requires us to make estimates, assumptions, and judgments that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The results of our operations for the three and nine month period ended September 30, 2022 are not necessarily indicative of the results to be expected for the full year or any other interim period.

Non-cash activities

We had \$16.6 million and \$9.9 million of accrued capital expenditures as of September 30, 2022 and December 31, 2021, respectively. Accrued capital expenditures are treated as a non-cash investing activity and, accordingly, have not been included in the condensed consolidated statement of cash flows until such amounts have been paid in cash.

Investments

We hold certain equity securities which are reported at estimated fair value based on quoted market prices. Changes in the fair value of equity securities are recorded in income or loss. The cost of equity securities for purposes of computing gains and losses is based on the specific identification method.

We invest our available cash primarily in debt securities. These debt securities are classified as available-for-sale, which are reported at estimated fair value with unrealized gains and losses included in accumulated other comprehensive income (loss) in stockholders' equity. Realized gains, realized losses and declines in the value of debt securities judged to be other-than-temporary are included in investment and other income, net. The cost of debt securities for purposes of computing realized and unrealized gains and losses is based on the specific identification method. Amortization of premiums and accretion of discounts on debt securities are included in investment and other income, net. Interest and dividends earned are included in investment and other income, net. Accrued interest receivable as of September 30, 2022 and December 31, 2021, were \$4.9 million and \$0.4 million, respectively, and were included in prepaid expenses and other current assets. We classify investments in debt securities maturing within one year of the reporting date, or where management's intent is to use the investments to fund current operations or to make them available for current operations, as short-term investments.

If the estimated fair value of a debt security is below its carrying value, we evaluate whether it is more likely than not that we will sell the security before its anticipated recovery in market value and whether evidence indicating that the cost of the investment is recoverable within a reasonable period of time outweighs evidence to the contrary. We also evaluate whether or not we intend to sell the investment. If the impairment is considered to be other-than-temporary, the security is written down to its estimated fair value. In addition, we consider whether credit losses exist for any securities. A credit loss exists if the present value of cash flows expected to be collected is less than the amortized cost basis of the security. Other-than-temporary declines in estimated fair value and credit losses are included in investment and other income, net.

Restricted Cash

As of September 30, 2022, we had \$5.8 million cash held in escrow restricted by a contractual agreement related to our Everett, Washington building construction project. The restricted cash was recorded in prepaid expenses and other current assets in the condensed consolidated balance sheet. We determine classification based on the expected duration of the restriction.

Our total cash, cash equivalents, and restricted cash, as presented in the condensed consolidated statements of cash flows, was as follows:

(dollars in thousands)	September 30, 2022	December 31, 2021	September 30, 2021	December 31, 2020
Cash and cash equivalents	\$ 362,601	\$ 424,834	\$ 685,173	\$ 558,424
Restricted cash included in prepaid expenses and other current assets	5,769	—	—	—
Total cash, cash equivalents, and restricted cash as presented in the condensed consolidated statements of cash flows	\$ 368,370	\$ 424,834	\$ 685,173	\$ 558,424

Intangible assets, net

Our intangible assets are primarily comprised of acquired TUKYSA technology. The following table presents the balances of our finite-lived intangible assets for the periods presented:

(dollars in thousands)	September 30, 2022	December 31, 2021
Gross carrying value	\$ 305,650	\$ 305,650
Less: accumulated amortization	(62,318)	(45,057)
Total	\$ 243,332	\$ 260,593

The following table presents our amortization expense related to acquired TUKYSA technology costs, included in cost of sales in our condensed consolidated statements of comprehensive loss, for the periods presented:

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Amortization expense	\$ 5,817	\$ 5,819	\$ 17,261	\$ 17,271

The weighted average remaining useful life of our finite-lived intangible assets was approximately 11 years as of September 30, 2022, and estimated future amortization expense related to acquired TUKYSA is \$5.8 million for the three months ending December 31, 2022, and TUKYSA technology costs is \$23.1 million for each of the years ending December 31, 2023 through December 31, 2027.

Revenue recognition - Net product sales

We sell our products primarily through a limited number of specialty distributors and specialty pharmacies in the U.S., and to a lesser extent, internationally. The delivery of our products represents a single performance obligation for these transactions and we record net product sales at the point in time when control is transferred to the customer, which generally occurs upon receipt by the customer. The transaction price for net product sales represents the amount we expect to receive, which is net of estimated government-mandated rebates and chargebacks, distribution fees, estimated product returns, and other deductions. Accruals are established for these deductions, and actual amounts incurred are offset against applicable accruals. We reflect these accruals as either a reduction in the related account receivable from the distributor or as an accrued liability, depending on the nature of the sales deduction. Sales deductions are based on management's estimates that consider payor mix in target markets and experience to-date. These estimates involve a substantial degree of judgment.

Outside of the U.S., the transaction price for net product sales represents the amount we expect to receive, which is net of estimated discounts, estimated government mandated rebates, distribution fees, estimated product returns, and other deductions. Accruals are established for these deductions, and actual amounts incurred are offset against applicable accruals. These estimates involve judgment in estimating net product sales.

U.S. government-mandated rebates and chargebacks: We have entered into a Medicaid Drug Rebate Agreement, or MDRA, with the Centers for Medicare & Medicaid Services. This agreement provides for a rebate based on covered purchases of our products. Medicaid rebates are invoiced to us by the various state Medicaid programs. We estimate Medicaid rebates using the expected value approach, based on a variety of factors, including payor mix and our experience to-date.

We have a Federal Supply Schedule, or FSS, agreement under which certain U.S. government purchasers receive a discount on eligible purchases of our products. In addition, we have entered into a Pharmaceutical Pricing Agreement with the Secretary of Health and Human Services, which enables certain entities that qualify for government pricing under the Public Health Services Act, or PHS, to receive discounts on their qualified purchases of our products. Under these agreements, eligible customers receive an applicable discount which is processed through the distributor as a chargeback. We estimate expected chargebacks for FSS and PHS purchases based on the expected value of each entity's eligibility for the FSS and PHS programs. We also review historical rebate and chargeback information to further refine these estimates.

Distribution fees, product returns and other deductions: Our distributors charge a volume-based fee for distribution services that they perform for us. We allow for the return of product that is within a specified number of days of its expiration date or that is damaged. We estimate product returns based on our experience to-date using the expected value approach. We provide financial assistance to qualifying patients that are underinsured or cannot cover the cost of commercial coinsurance amounts through our patient support programs. Estimated contributions for commercial coinsurance under our patient assistance program, Seagen Secure, are deducted from gross sales and are based on an analysis of expected plan utilization. These estimates are adjusted as necessary to reflect our actual experience.

Revenue recognition - Royalty revenues

Royalty revenues primarily reflect amounts earned under the ADCETRIS collaboration with Takeda Pharmaceutical Company Limited, or Takeda. These royalties include commercial sales-based milestones and sales royalties that relate predominantly to the license of intellectual property. Sales royalties are based on a percentage of Takeda's net sales of ADCETRIS, with rates that range from the mid-teens to the mid-twenties based on annual net sales tiers. Takeda bears a portion of low single digit third-party royalty costs owed on its sales of ADCETRIS. This amount is included in royalty revenues. Amounts owed to our third-party licensors related to Takeda's sales of ADCETRIS are recorded in cost of sales. These amounts are recognized in the period in which the related sales by Takeda occur. Royalty revenues also reflect amounts from Genentech, Inc., a member of the Roche Group, or Genentech, earned on net sales of Polivy, and amounts from GlaxoSmithKline earned on net sales of Blenrep.

Revenue recognition - Collaboration and license agreement revenues

We have collaboration and license agreements for our technology with a number of biotechnology and pharmaceutical companies. Under these agreements, we typically receive or are entitled to receive upfront cash payments and progress- and sales-dependent milestones for the achievement by our licensees of certain events, and annual maintenance fees and support fees for research and development services and materials provided under the agreements. We also are entitled to receive royalties on net sales of any resulting products incorporating our technology. Generally, our licensees are solely responsible for research, product development, manufacturing and commercialization of any product candidates under these collaborations, which includes the achievement of the potential milestones. Since we may not take a substantive role or control the research, development or commercialization of any products generated by some of our licensees, we may not be able to reasonably estimate when, if at all, any potential future milestone payments or royalties may be payable to us by our licensees. As such, the potential future milestone payments associated with certain of our collaboration and license agreements involve a substantial degree of uncertainty and risk that they may never be received.

Collaboration and license agreements are initially evaluated as to whether the intellectual property licenses granted by us represent distinct performance obligations. If they are determined to be distinct, the value of the intellectual property licenses would be recognized up-front while the research and development service fees would be recognized as the performance obligations are satisfied. Variable consideration is assessed at each reporting period as to whether it is not subject to future reversal of cumulative revenue and, therefore, should be included in the transaction price. Assessing the recognition of variable consideration requires significant judgment. If a contract includes a fixed or minimum amount of research and development support, this also would be included in the transaction price. Changes to collaboration and license agreements, such as the extensions of the research term or increasing the number of targets or technology covered under an existing agreement, are assessed for whether they represent a modification or should be accounted for as a new contract.

We have concluded that the license of intellectual property in certain collaboration and license agreements is not distinct from the perspective of our customers at the time of initial transfer, since we often do not license intellectual property without related technology transfer and research and development support services. Such evaluation requires significant judgment since it is made from the customer's perspective. Our performance obligations under our collaborations may include such things as providing intellectual property licenses, performing technology transfer, performing research and development consulting services, providing reagents, ADCs, and other materials, and notifying the customer of any enhancements to licensed technology or new technology that we discover, among others. We determined our performance obligations under certain collaboration and license agreements as evaluated at contract inception were not distinct and represented a single performance obligation. Upfront payments are amortized to revenue over the performance period. Upfront payment contract liabilities resulting from our collaborations do not represent a financing component as the payment is not financing the transfer of goods or services, and the technology underlying the licenses granted reflects research and development expenses already incurred by us. For agreements beyond the initial performance period, we have no remaining performance obligations. We may receive license maintenance fees and potential milestones and royalties based on collaborator development and regulatory progress, which are recorded in the period achieved in the case of milestones, and during the period of the related sales for royalties.

When no performance obligations are required of us, or following the completion of the performance obligation period, such amounts are recognized upon transfer of control of the goods or services to the customer. Generally, all amounts received or due other than sales-based milestones and royalties are classified as collaboration and license agreement revenues. Sales-based milestones and royalties are recognized as royalty revenue in the period the related sale occurred.

We generally invoice our collaborators and licensees on a monthly or quarterly basis, or upon the completion of the effort or achievement of a milestone, based on the terms of each agreement. Deferred revenue arises from amounts received in advance of the culmination of the earnings process and is recognized as revenue in future periods as performance obligations are satisfied. Deferred revenue expected to be recognized within the next twelve months is classified as a current liability.

2. Revenue from contracts with customers

The following table presents our disaggregated revenue for the periods presented.

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
ADCETRIS	\$ 218,521	\$ 184,791	\$ 601,449	\$ 529,275
PADCEV	105,330	95,031	329,114	247,194
TUKYSA	87,771	86,571	267,235	239,850
TIVDAK	16,467	66	45,091	66
Net product sales	\$ 428,089	\$ 366,459	\$ 1,242,889	\$ 1,016,385
Royalty revenues	\$ 43,904	\$ 41,028	\$ 111,194	\$ 104,542
Collaboration and license agreement revenues	\$ 38,307	\$ 16,573	\$ 80,179	\$ 23,593
Total revenues	\$ 510,300	\$ 424,060	\$ 1,434,262	\$ 1,144,520

3. Leases

We have operating leases for our office and laboratory facilities with terms that expire from 2023 through 2029. We recorded \$0.9 million and \$7.7 million right-of-use assets in exchange for lease liabilities, respectively, during the nine months ended September 30, 2022 and 2021, respectively. All of our significant leases include options for us to extend the lease term. None of our options to extend the rental term of any existing leases were considered reasonably certain as of September 30, 2022.

In June 2021, we entered into a lease agreement for an approximately 258,000 square foot building complex to be constructed by the landlord on approximately 20.5 acres of land in Everett, Washington. We intend to use the building for future manufacturing, laboratory, and office space. Under the terms of the lease, base rent is payable at an initial rate of \$4.0 million per year, subject to annual escalations of 3% during the initial term of 20 years. The lease commences on the date when construction and delivery of the building shell and related improvements by the landlord have been substantially completed. We will record a lease liability and right-of-use assets on our condensed consolidated balance sheet on the lease commencement date, which has not commenced as of September 30, 2022. We have an option to renew the lease for two additional terms of ten years each. In addition, we have an option to purchase the premises in the future.

Supplemental operating lease information was as follows:

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating lease cost	\$ 3,682	\$ 4,070	\$ 11,824	\$ 12,147
Variable lease cost	1,039	1,052	3,360	3,190
Total lease cost	<u>\$ 4,721</u>	<u>\$ 5,122</u>	<u>\$ 15,184</u>	<u>\$ 15,337</u>
Cash paid for amounts included in measurement of lease liabilities	\$ 4,089	\$ 4,372	\$ 12,838	\$ 12,429
			As of September 30,	
			2022	2021
Weighted average remaining lease term			5.4 years	6.1 years
Weighted average discount rate			5.0 %	5.1 %

Operating lease liabilities were recorded in the following captions of our condensed consolidated balance sheet as follows:

(dollars in thousands)	September 30, 2022	December 31, 2021
Accrued liabilities and other	\$ 13,857	\$ 13,905
Operating lease liabilities, long-term	46,703	56,665
Total	<u>\$ 60,560</u>	<u>\$ 70,570</u>

4. Net loss per share

Basic net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing net loss by the weighted average number of common shares and dilutive potential common shares outstanding during the period. Potentially dilutive common shares include incremental common shares issuable upon the vesting of unvested restricted stock units and the exercise of outstanding stock options, calculated using the treasury stock method.

We excluded the potential shares of common stock from the computation of diluted net loss per share because their effect would have been antidilutive. The following table presents the weighted average number of shares that have been excluded for all periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2022	2021	2022	2021
Stock options and RSUs	9,948	10,361	10,029	10,271

5. Fair value

We have certain assets that are measured at fair value on a recurring basis according to a fair value hierarchy that prioritizes the inputs, assumptions and valuation techniques used to measure fair value. The three levels of the fair value hierarchy are:

- | | |
|----------|---|
| Level 1: | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. |
| Level 2: | Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly. |
| Level 3: | Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. |

The determination of a financial instrument's level within the fair value hierarchy is based on an assessment of the lowest level of any input that is significant to the fair value measurement. We consider observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The fair value hierarchy of assets carried at fair value and measured on a recurring basis was as follows:

(dollars in thousands)	Fair value measurement using:			
	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
September 30, 2022				
Short-term investments—U.S. Treasury securities	\$ 1,401,101	\$ —	\$ —	\$ 1,401,101
Other non-current assets—equity securities	4,262	—	—	4,262
Total	\$ 1,405,363	\$ —	\$ —	\$ 1,405,363
December 31, 2021				
Short-term investments—U.S. Treasury securities	\$ 1,735,202	\$ —	\$ —	\$ 1,735,202
Other non-current assets—equity securities	14,009	—	—	14,009
Total	\$ 1,749,211	\$ —	\$ —	\$ 1,749,211

Our short-term debt investments portfolio only contains investments in U.S. Treasury and other U.S. government-backed securities. We review our portfolio based on the underlying risk profile of the securities and have a zero loss expectation for these investments. We also regularly review the securities in an unrealized loss position and evaluate the current expected credit loss by considering factors such as historical experience, market data, issuer-specific factors, and current economic conditions. During the three and nine months ended September 30, 2022 and 2021, we recognized no year-to-date credit loss related to our short- and long-term investments, and had no allowance for credit loss recorded as of September 30, 2022 or December 31, 2021.

Our debt securities consisted of the following:

(dollars in thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
September 30, 2022				
U.S. Treasury securities	\$ 1,405,759	\$ 9	\$ (4,667)	\$ 1,401,101
Contractual maturities (at date of purchase):				
Due in one year or less	\$ 1,389,962			\$ 1,385,424
Due in one to two years	15,797			15,677
Total	\$ 1,405,759			\$ 1,401,101
December 31, 2021				
U.S. Treasury securities	\$ 1,735,388	\$ 12	\$ (198)	\$ 1,735,202
Contractual maturities (at date of purchase):				
Due in one year or less	\$ 1,635,307			\$ 1,635,118
Due in one to two years	100,081			100,084
Total	\$ 1,735,388			\$ 1,735,202

6. Investment and other income, net

Investment and other income, net consisted of the following:

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
(Loss) gain on equity securities	\$ (2,669)	\$ 4,966	\$ (9,747)	\$ 9,895
Investment and other income, net	6,947	262	10,226	1,360
Total investment and other income, net	\$ 4,278	\$ 5,228	\$ 479	\$ 11,255

(Loss) gain on equity securities includes the realized and unrealized holding gains and losses on our equity securities. At times, we hold equity investments in certain companies acquired in relation to a strategic partnership. Shares held at the end of reporting periods are marked to market in our condensed consolidated financial statements, which can result in unrealized gains and losses.

7. Inventories

Inventories consisted of the following:

(dollars in thousands)	September 30, 2022	December 31, 2021
Raw materials	\$ 14,393	\$ 12,181
Work in process	292,472	152,635
Finished goods	58,105	35,847
Total	<u>\$ 364,970</u>	<u>\$ 200,663</u>

We capitalize our commercial inventory costs. Inventory that is deployed into clinical, research or development use is charged to research and development expense when it is no longer available for use in commercial sales.

8. Accrued liabilities

Accrued liabilities consisted of the following:

(dollars in thousands)	September 30, 2022	December 31, 2021
Employee compensation and benefits	\$ 133,880	\$ 139,052
Clinical trial and related costs	180,570	122,468
Technology acquisition fee	50,000	—
Contract manufacturing	17,118	21,867
Gross-to-net deductions and third-party royalties	100,936	81,316
Other	98,995	89,327
Total	<u>\$ 581,499</u>	<u>\$ 454,030</u>

In September 2022, we entered into an agreement with LAVA Therapeutics to develop and commercialize LAVA-1223, a preclinical gamma delta bispecific T-cell engager for EGFR-expressing solid tumors. We received an exclusive global license for LAVA-1223 and the opportunity to exclusively negotiate rights to apply LAVA's proprietary Gammabody™ platform on up to two additional tumor targets, for an upfront payment of \$50.0 million and potential milestones and royalties. The upfront payment was recorded in accrued liabilities as of September 30, 2022, and was paid in October 2022.

9. Share-based compensation

The following table presents our total share-based compensation expense for the periods presented:

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Research and development	\$ 31,328	\$ 20,991	\$ 77,850	\$ 55,187
Selling, general and administrative	27,610	24,066	79,130	65,821
Total share-based compensation expense	<u>\$ 58,938</u>	<u>\$ 45,057</u>	<u>\$ 156,980</u>	<u>\$ 121,008</u>

As of September 30, 2022, there was \$261.1 million of unrecognized compensation cost related to unvested options and restricted stock unit awards, excluding our LTIPs and performance-based awards, net of forfeitures. The estimated unrecognized compensation expense related to our performance-based LTIPs was approximately \$70 million as of September 30, 2022.

10. Income taxes

For the three and nine months ended September 30, 2022, we had taxable profits in the U.S. as a result of amendments to IRC Section 174, which took effect January 1, 2022 pursuant to the 2017 Tax Cuts and Jobs Act. We recorded an income tax provision for the three and nine months ended September 30, 2022 of \$2.3 million and \$3.6 million, respectively, primarily related to estimated state tax liabilities for which there were limitations on the use of existing state tax carryforwards. We had existing federal tax carryforwards sufficient to offset any federal liability. Our income tax provision also reflected taxable profits in foreign jurisdictions partially offset by a foreign valuation allowance release. Our effective tax rate for the three and nine months ended September 30, 2022 of approximately 1.2% and 0.8%, respectively, differed from the federal statutory rate primarily because we have provided a valuation allowance against substantially all our deferred tax assets.

For the three and nine months ended September 30, 2021, we recorded an income tax provision of \$1.1 million, primarily related to the generation of taxable profits in foreign jurisdictions as a result of our global expansion. For the nine months ended September 30, 2021, our effective tax rate of approximately 0.2% differed from the federal statutory rate primarily because we have provided a valuation allowance against substantially all our deferred tax assets.

11. Legal matters

We are engaged in multiple legal disputes with Daiichi Sankyo Co. Ltd., or Daiichi Sankyo.

Dispute over ownership of intellectual property

We have been in a dispute with Daiichi Sankyo regarding the ownership of certain technology used by Daiichi Sankyo in its cancer drug ENHERTU® (fam-trastuzumab deruxtecan-nxki) and certain product candidates. We believe that the linker and other ADC technology used in ENHERTU and these drug candidates are improvements to our ADC technology, the ownership of which, we contended, was assigned to us under the terms of a 2008 collaboration agreement between us and Daiichi Sankyo, or the Daiichi Sankyo Collaboration Agreement.

On November 4, 2019, Daiichi Sankyo filed a declaratory judgment action in the United States District Court for the District of Delaware, alleging that we are not entitled to the intellectual property rights under dispute, in an attempt to have the dispute adjudicated in federal court. The case has been stayed and administratively closed by court order.

On November 12, 2019, we submitted an arbitration demand to the American Arbitration Association seeking, among other remedies, a declaration that we are the owner of the intellectual property rights under dispute, monetary damages, and a running royalty. On April 27, 2020, the arbitrator confirmed the dispute should be resolved in arbitration. The arbitration hearing was conducted in June 2021 and April 2022. On August 12, 2022, the arbitrator ruled in favor of Daiichi Sankyo, citing statute of limitations and disagreement with us on the interpretation of the contract. The Daiichi Sankyo Collaboration Agreement provides that judgment rendered by an arbitrator shall include costs of arbitration, reasonable attorneys' fees and reasonable costs for expert and other witnesses. On September 14, 2022, Daiichi Sankyo submitted a petition for approximately \$58 million for reimbursement of its legal fees and costs associated with the arbitration. We filed an opposition to Daiichi Sankyo's request on October 12, 2022.

While we oppose any fees being awarded to Daiichi Sankyo, a liability between approximately \$14-58 million is reasonably estimable. We have recorded an estimate of our liability for these fees towards the low end of the range in accrued liabilities and selling, general and administrative expenses in our condensed consolidated financial statements as of and for the period ended September 30, 2022. It is reasonably possible the arbitrator will render an award pursuant to Daiichi Sankyo's request that is different from what we have accrued or estimated and that we will need to adjust our estimate in future periods pursuant to the arbitrator's award.

Patent infringement

On October 19, 2020, we filed a complaint in the United States District Court for the Eastern District of Texas to commence an action for infringement of our U.S. Patent No. 10,808,039, or the '039 Patent, by Daiichi Sankyo's importation into, offer for sale, sale, and use in the United States of the cancer drug ENHERTU. The remedies sought in this action include, among other remedies, a judgment that Daiichi Sankyo infringed one or more valid and enforceable claims of the '039 Patent, monetary damages and a running royalty.

Daiichi Sankyo (as well as Daiichi Sankyo, Inc. and AstraZeneca Pharmaceuticals, LP, or AstraZeneca) subsequently filed an action on November 13, 2020 in the U.S. District Court for the District of Delaware seeking a declaratory judgment that ENHERTU does not infringe the '039 Patent. The Delaware action has been stayed by court order.

Daiichi Sankyo, Inc. and AstraZeneca also filed two petitions for post-grant review on December 23, 2020 and January 22, 2021 with the U.S. Patent and Trademark Office, or USPTO, seeking to have claims of the '039 Patent cancelled as unpatentable. On June 24, 2021, the USPTO issued a decision denying both petitions for post-grant review. On April 7, 2022, the USPTO granted a request on rehearing and instituted two post-grant review proceedings, but on July 15, 2022, the USPTO issued a new decision denying post-grant review of the claims asserted in the patent infringement action.

On April 8, 2022, a jury in the United States District Court for the Eastern District of Texas found that Daiichi Sankyo willfully infringed the asserted claims of the '039 Patent with its ENHERTU product, and also found that the asserted claims were not invalid. The jury further awarded damages of \$41.8 million for infringement from October 20, 2020 through March 31, 2022. The U.S. District Court for the Eastern District of Texas also denied Daiichi Sankyo's claim that the '039 Patent should be unenforceable under the equitable theory of prosecution laches, entered judgment in favor of us based on the jury's verdict that Daiichi Sankyo willfully infringed the '039 Patent consisting of pre-trial damages in the sum of \$41.8 million, and awarded us pre- and post-trial interest and costs. We have requested a royalty in the range of 10-12% on Daiichi Sankyo's future sales of ENHERTU in the United States through November 5, 2024, the current expiration date of the '039 Patent, as well as \$12 million for reimbursement of our reasonable attorneys' fees. Pursuant to ASC 450, awards of this nature must be either realized or realizable to be reflected in the company's financial statements. No amounts related to these patent infringement matters have been reflected in our condensed consolidated financial statements as of September 30, 2022.

As a result of these disputes, we have incurred and will continue to incur litigation expenses. In addition, from time to time, we may become involved in other lawsuits, claims and proceedings relating to the conduct of our business, including those pertaining to the defense and enforcement of our patent or other intellectual property rights and our contractual rights. These proceedings are costly and time consuming, and they may subject us to claims which may result in liabilities or require us to take or refrain from certain actions. Additionally, successful challenges to our patent or other intellectual property rights through these proceedings could result in a loss of rights in the relevant jurisdiction and may allow third parties to use our proprietary technologies without a license from us or our collaborators.

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

This Quarterly Report on Form 10-Q, including the following discussion of our financial condition and results of operations, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. All statements other than statements of historical facts are "forward-looking statements" for purposes of these provisions, including those relating to future events or our future financial performance and financial guidance. In some cases, you can identify forward-looking statements by terminology such as "may," "might," "will," "should," "expect," "plan," "anticipate," "project," "believe," "estimate," "predict," "potential," "intend" or "continue," the negative of terms like these or other comparable terminology, and other words or terms of similar meaning in connection with any discussion of future operating or financial performance. These statements are only predictions. All forward-looking statements included in this Quarterly Report on Form 10-Q are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements except as required by law. Any or all of our forward-looking statements in this document may turn out to be wrong. Actual events or results may differ materially. Our forward-looking statements can be affected by inaccurate assumptions we might make or by known or unknown risks, uncertainties and other factors. We discuss many of these risks, uncertainties and other factors in this Quarterly Report on Form 10-Q in greater detail under the heading "Part II Item 1A—Risk Factors." We caution investors that our business and financial performance are subject to substantial risks and uncertainties.

Overview

Seagen is a biotechnology company that develops and commercializes targeted therapies to treat cancer. We are commercializing ADCETRIS®, or brentuximab vedotin, for the treatment of certain CD30-expressing lymphomas, PADCEV®, or enfortumab vedotin-efv, for the treatment of certain metastatic urothelial cancers, TUKYSA®, or tucatinib, for the treatment of certain metastatic HER2-positive breast cancers, and TIVDAK®, or tisotumab vedotin-tftv, for the treatment of certain metastatic cervical cancers. We are also advancing a pipeline of novel therapies for solid tumors and blood-related cancers designed to address unmet medical needs and improve treatment outcomes for patients. Many of our programs, including ADCETRIS, PADCEV and TIVDAK, are based on our antibody drug conjugate, or ADC, technology that utilizes the targeting ability of monoclonal antibodies to deliver cell-killing agents directly to cancer cells.

Third quarter 2022 highlights and recent developments

Business Highlights

- Reported increases across all components of revenue for the third quarter and year-to-date in 2022 as compared to the prior year periods, including 17% and 22% growth in net product sales for the periods, respectively.
- Entered into a corporate transaction for an innovative bispecific technology candidate that is directed toward a target not readily addressable by an ADC, adding to our portfolio of targeted drug therapies.
- Extended the geographic reach of TIVDAK with a new partnership for the development and commercialization in mainland China, Hong Kong, Macau, and Taiwan.
- Presented positive results for PADCEV and TUKYSA pivotal clinical trials that supported supplemental applications to the U.S. Food and Drug Administration, or FDA, for potential label expansion. We also submitted a supplemental application for ADCETRIS based on data demonstrating an overall survival benefit in advanced Hodgkin lymphoma for inclusion in the label.
- Opened an Investigational New Drug, or IND, application for an immuno-oncology product candidate.
- Published annual Corporate Responsibility Report.

Details on these and other accomplishments are as follows:

Corporate Development

- In September 2022, we entered into an agreement with LAVA Therapeutics to develop and commercialize LAVA-1223, a preclinical gamma delta bispecific T-cell engager for EGFR-expressing solid tumors. We received an exclusive global license for LAVA-1223 and the opportunity to exclusively negotiate rights to apply LAVA's proprietary Gammabody™ platform on up to two additional tumor targets, for an upfront payment of \$50.0 million and potential milestones and royalties.
- In September 2022, we announced an exclusive collaboration and license agreement with Zai Lab for the development and commercialization of TIVDAK in mainland China, Hong Kong, Macau, and Taiwan.

Product and Pipeline Highlights

PADCEV

- In September 2022, we, Astellas and Merck announced the presentation of data from the phase 1b/2 EV-103 clinical trial (also known as KEYNOTE-869) Cohort K evaluating PADCEV in combination with Merck's anti-PD-1 therapy KEYTRUDA as first-line treatment in patients with unresectable locally advanced or metastatic urothelial cancer who are ineligible to receive cisplatin-based chemotherapy at the European Society for Medical Oncology Congress. The results for the combination demonstrated an encouraging overall response rate of 64.5% and a manageable safety profile. The median duration of response was not reached. The results served as the basis for a supplemental Biologics License Application, or sBLA, submitted to the FDA, in October 2022 under the FDA's Accelerated Approval Program.

TUKYSA

- In July 2022, we presented positive results from the pivotal phase 2 MOUNTAINEER trial evaluating TUKYSA in combination with trastuzumab in patients with previously treated HER2-positive metastatic colorectal cancer at the American Society of Clinical Oncology Gastrointestinal Cancer Symposium.
- In July 2022, the FDA granted TUKYSA Breakthrough Therapy designation for use in combination with trastuzumab for the treatment of adult patients with unresectable or metastatic HER2-positive colorectal cancer who have previously received fluoropyrimidine-, oxaliplatin-, and irinotecan-containing chemotherapy. The designation is based on results of the MOUNTAINEER trial.
- In September 2022, the FDA accepted for Priority Review the supplemental New Drug Application, or sNDA, seeking accelerated approval for TUKYSA in combination with trastuzumab for adult patients with HER2-positive colorectal cancer who have received at least one prior treatment regimen for unresectable or metastatic disease. The sNDA submission is based on the results of the pivotal phase 2 MOUNTAINEER trial, and the FDA target action date under the Prescription Drug User Fee Act, or PDUFA, is January 19, 2023.

ADCETRIS

- In September 2022, longer-term follow-up data from the phase 3 ECHELON-1 clinical trial demonstrating that ADCETRIS in combination with chemotherapy resulted in a 41% reduction in risk of death versus standard of care in patients with previously untreated advanced Hodgkin lymphoma were submitted in an sBLA to the FDA for inclusion in the label.
- In September 2022, based on the overall survival benefit of ADCETRIS in combination with chemotherapy that was demonstrated in the ECHELON-1 trial, the National Comprehensive Cancer Network®, or NCCN, Clinical Practice Guidelines in Oncology, or NCCN Guidelines®, for Hodgkin lymphoma were updated elevating the ADCETRIS combination to Category 1, Preferred treatment option for adults with previously untreated Stage III or IV Hodgkin lymphoma with no known neuropathy. Category 1, Preferred is the highest recommendation by NCCN, indicating that based upon high-level evidence, there is uniform NCCN consensus that the intervention is appropriate.

Earlier-Stage Programs

- In November 2022, we plan to present initial phase 1 clinical data on SGN-B6A, a novel ADC in development for solid tumors as well as preclinical research from several other early-stage programs, including SGN-BB228, an Anticalin®-based bispecific antibody, at the Society for Immunotherapy of Cancer 37th Annual Meeting. Recently, we opened an IND for SGN-BB228 to enable a phase 1 clinical trial.




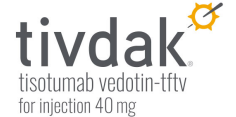
Corporate Responsibility Report

- In October 2022, we published our second annual Corporate Responsibility Report providing an update on our environmental, social, and governance, or ESG, efforts, achievements and future commitments. Notable accomplishments in the report include:
 - Increasing our focus on diversity, equity and inclusion by launching allyship training and implementing self-reporting for LGBTQIA+ populations in our engagement surveys. Our global workforce is comprised of 58% women as of December 31, 2021, and we aim to increase women in leadership roles as well as improve the percentage of underrepresented people in U.S. roles.
 - Implementing initiatives in our clinical trials aimed at improving diversity to better reflect real-world patient populations and advance inclusion.

- Enhancing our environmental practices at our U.S. facilities through recycling and waste management. In 2022, the King County Industrial Waste Rewards and Recognition Program awarded us a “Gold Award” for our North Creek facility industrial wastewater program.
- Enhancing our governance and compliance programs across areas such as ethics and compliance, data privacy, and information security, with the aim of supporting our growth and the expansion of our operations into international markets.

Our Medicines

Our approved medicines include the following:

Product*	Therapeutic Area	U.S. Approved Indication
	Hodgkin Lymphoma	<p>Previously untreated Stage III/IV classical Hodgkin lymphoma, or cHL, in combination with doxorubicin, vinblastine and dacarbazine</p> <p>cHL at high risk of relapse or progression as post-autologous hematopoietic stem cell transplantation, or auto-HSCT, consolidation</p> <p>cHL after failure of auto-HSCT or after failure of at least two prior multi-agent chemotherapy regimens in patients who are not auto-HSCT candidates</p>
	T-cell Lymphoma	<p>Previously untreated systemic anaplastic large cell lymphoma, or sALCL, or other CD30-expressing peripheral T-cell lymphoma, or PTCL, including angioimmunoblastic T-cell lymphoma and PTCL not otherwise specified, in combination with cyclophosphamide, doxorubicin and prednisone</p> <p>sALCL after failure of at least one prior multi-agent chemotherapy regimen</p> <p>Primary cutaneous anaplastic large cell lymphoma, or pcALCL, or CD30-expressing mycosis fungoides who have received prior systemic therapy</p>
	Urothelial Cancer	<p>Locally advanced or metastatic urothelial cancer for patients who:</p> <ul style="list-style-type: none"> • have previously received a programmed death receptor-1 (or PD-1) or a programmed death-ligand 1 (or PD-L1) inhibitor and platinum-containing chemotherapy, or • are ineligible for cisplatin-containing chemotherapy and have previously received one or more prior lines of therapy.
	Breast Cancer	In combination with trastuzumab and capecitabine for the treatment of adult patients with advanced unresectable or metastatic HER2-positive breast cancer, including patients with brain metastases, who have received one or more prior anti-HER2-based regimens in the metastatic setting.
	Cervical Cancer	Recurrent or metastatic cervical cancer with disease progression on or after chemotherapy.

*ADCETRIS, PADCEV, TUKYSA and TIVDAK are only indicated for use in adults.

ADCETRIS®

ADCETRIS is an ADC targeting CD30, which is a protein located on the surface of cells and highly expressed in Hodgkin lymphoma, certain T-cell lymphomas as well as other cancers. ADCETRIS first received FDA approval in 2011 and is now approved in a total of six indications to treat Hodgkin lymphoma and certain T-cell lymphomas in various settings including as frontline therapy.

ADCETRIS has received approval in more than 75 countries worldwide. We commercialize ADCETRIS in the U.S. and its territories and in Canada, and we collaborate with Takeda to develop and commercialize ADCETRIS on a global basis. Under this collaboration, Takeda has commercial rights in the rest of the world and pays us a royalty. Takeda has received regulatory approvals for ADCETRIS as monotherapy or in combination with other agents in various settings for the treatment of patients with Hodgkin lymphoma or CD30-positive T-cell lymphomas in Europe and many countries throughout the rest of the world and is pursuing additional regulatory approvals.

PADCEV®

PADCEV is an ADC targeting Nectin-4, a protein expressed on the surface of cells and highly expressed in bladder cancer as well as other cancers. PADCEV was granted accelerated approval by the FDA in December 2019 for the treatment of adult patients with locally advanced or metastatic urothelial cancer who have previously received a PD-1 or PD-L1 inhibitor and a platinum-containing chemotherapy before (neoadjuvant) or after (adjuvant) surgery in the locally advanced or metastatic setting. FDA approval of PADCEV was supported by data from a single-arm pivotal phase 2 clinical trial called EV-201.

In July 2021, the FDA converted PADCEV's accelerated approval to regular approval in the U.S., in addition to granting regular approval for a new indication for adult patients with locally advanced or metastatic urothelial cancer who are ineligible for cisplatin-containing chemotherapy and have previously received one or more prior lines of therapy. The conversion to regular approval was supported by the pivotal phase 3 clinical trial called EV-301, and the expanded indication was supported by data from the second cohort in the EV-201 trial. The FDA reviewed the application for regular approval under the Oncology Center of Excellence's, or OCE's, Real Time Oncology Review, or RTOR, pilot program.

In April 2022, the European Commission, or EC, approved PADCEV as monotherapy for the treatment of adult patients with locally advanced or metastatic urothelial cancer who have previously received a platinum-containing chemotherapy and a PD-1/L1 inhibitor. The approval is applicable in the European Union member states, as well as Iceland, Norway and Liechtenstein.

PADCEV is also approved in other countries including Brazil, Canada, Japan, Great Britain and Switzerland in previously treated metastatic urothelial cancer.

PADCEV is being co-developed and jointly commercialized with Astellas Pharma, Inc., or Astellas. In the U.S., we and Astellas are jointly promoting PADCEV. We record net sales of PADCEV in the U.S. and are responsible for all U.S. distribution activities. We and Astellas each bear the costs of our own sales organizations in the U.S., equally share certain other costs associated with commercializing PADCEV in the U.S., and equally share in any profits realized in the U.S. Outside the U.S., we have commercialization rights in all other countries in North and South America, and Astellas has commercialization rights in the rest of the world, including Europe, Asia, Australia and Africa. The agreement is intended to provide that we and Astellas will effectively equally share in costs incurred and any profits realized in all of these markets. Cost and profit sharing in Canada, the United Kingdom, Germany, France, Spain and Italy will be based on product sales and costs of commercialization. In the remaining markets, the commercializing party will bear costs and will pay the other party a royalty rate applied to net sales of the product based on a rate intended to approximate an equal profit share for both parties.

TUKYSA®

TUKYSA is an oral, small molecule tyrosine kinase inhibitor that is highly selective for HER2, a growth factor receptor overexpressed in certain cancers. HER2 mediates cell growth, differentiation and survival. Tumors that over-express HER2 are generally more aggressive and historically have been associated with poor overall survival, compared with HER2-negative cancers. In April 2020, TUKYSA received approval from the FDA in combination with trastuzumab and capecitabine for the treatment of adult patients with advanced unresectable or metastatic HER2-positive breast cancer, including patients with brain metastases, who have received one or more prior anti-HER2-based regimens in the metastatic setting. FDA approval of TUKYSA was supported by data from the HER2CLIMB trial.

The application for approval was reviewed under the FDA's RTOR pilot program. We also participated in the Project Orbis initiative of the FDA OCE which provides a framework for concurrent submission and review of oncology products among international partners. Under this program we have received approval in the U.S., Canada, Australia, Singapore, and Switzerland. In February 2021, the EC granted marketing authorization for TUKYSA in combination with trastuzumab and capecitabine for the treatment of adult patients with HER2-positive locally advanced or metastatic breast cancer who have received at least two prior anti-HER2 treatment regimens. This approval is valid in all countries of the European Union as well as Norway, Liechtenstein, Iceland and Northern Ireland. In Europe, we have begun marketing TUKYSA in Austria, France, Germany and Switzerland. Additionally, in February 2021, the UK Medicines and Healthcare products Regulatory Agency granted a Great Britain marketing authorization for TUKYSA.

We are responsible for commercializing TUKYSA in the U.S., Canada and Europe. In September 2020, we entered into a license and collaboration agreement, or the TUKYSA Agreement, with Merck & Co., Inc., or Merck, pursuant to which we granted exclusive rights to Merck to commercialize TUKYSA in Asia, the Middle East and Latin America and other regions outside of the U.S., Canada and Europe. The collaboration is intended to accelerate global availability of TUKYSA.

TIVDAK®

TIVDAK is an ADC targeting tissue factor, a protein expressed on the surface of cells that has increased levels of expression on multiple solid tumors. The FDA granted accelerated approval of TIVDAK in September 2021 for the treatment of adult patients with recurrent or metastatic cervical cancer with disease progression on or after chemotherapy. FDA approval was supported by data from the innovaTV 204 trial where it was evaluated in patients with recurrent or metastatic cervical cancer who had received no more than two prior systemic regimens in the recurrent or metastatic setting, including at least one prior platinum-based chemotherapy regimen. Continued approval may be contingent upon verification and description of clinical benefit in confirmatory trials.

TIVDAK is being co-developed with Genmab A/S, or Genmab, under an agreement in which the companies share all costs and profits for the product on a 50:50 basis. Under a joint commercialization agreement, we and Genmab co-promote TIVDAK in the U.S. and we record net sales of TIVDAK in the U.S. and are responsible for leading U.S. distribution activities. The companies will each maintain 50% of the sales representatives and medical science liaisons, equally share those and certain other costs associated with commercializing TIVDAK in the U.S., and equally share in any profits realized in the U.S. Outside the U.S., we have commercialization rights in the rest of the world except for Japan, where Genmab has commercialization rights. In Europe, China, and Japan, we and Genmab will equally share 50% of the costs associated with commercializing TIVDAK as well as any profits realized in these markets. In markets outside the U.S. other than Europe, China, and Japan, aside from certain costs specified in the agreement, we will be solely responsible for all costs associated with commercializing TIVDAK, and will pay Genmab a royalty based on a percentage of aggregate net sales.

In September 2022, we announced an exclusive collaboration and license agreement with Zai Lab for the development and commercialization of TIVDAK in mainland China, Hong Kong, Macau, and Taiwan. Under the terms of the agreement, we received an upfront fee of \$30 million in October 2022, and are entitled to receive potential development, regulatory, and commercial milestone payments, and tiered royalties on net sales of TIVDAK in the Zai Lab territory. Based on our existing collaboration with Genmab, the upfront payment, milestone payments, and royalties will be shared on a 50:50 basis with Genmab.

Clinical Development and Regulatory Status

ADCETRIS (brentuximab vedotin)

Beyond our current labeled indications, we are evaluating ADCETRIS as monotherapy and in combination with other agents in ongoing trials, including several potentially registration-enabling trials such as the phase 3 ECHELON-3 clinical trial in relapsed or refractory diffuse large B-cell lymphoma. In addition to our corporate-sponsored trials, there are numerous investigator-sponsored trials of ADCETRIS in the United States. The investigator-sponsored trials include the use of ADCETRIS in a number of malignant hematologic indications and in solid tumors.

In February 2022, we announced that the phase 3 ECHELON-1 clinical trial demonstrated a statistically significant improvement in overall survival, or OS, ($p=0.009$) in patients with previously untreated advanced Hodgkin lymphoma following treatment with ADCETRIS in combination with chemotherapy. With approximately six years median follow up, patients receiving ADCETRIS plus doxorubicin, vinblastine, and dacarbazine (A+AVD) in the frontline setting had a 41 percent reduction in the risk of death (HR 0.59; [95% CI: 0.396 to 0.879]) compared with patients receiving doxorubicin, bleomycin, vinblastine, and dacarbazine (ABVD). The safety profile of ADCETRIS was consistent with previous studies and no new safety events were observed. In July 2022, these results were published in the New England Journal of Medicine. In September 2022, based on these data, we submitted an sBLA to the FDA for review. Also in September 2022, based on the overall survival benefit of ADCETRIS in combination with chemotherapy that was demonstrated in the ECHELON-1 trial, the NCCN Guidelines were updated elevating the ADCETRIS combination to Category 1, Preferred treatment option for adults with previously untreated Stage III or IV Hodgkin lymphoma with no known neuropathy. Category 1, Preferred is the highest recommendation by NCCN, indicating that based upon high-level evidence, there is uniform NCCN consensus that the intervention is appropriate.

In June 2022, we announced results from a phase 3 Children's Oncology Group study trial evaluating ADCETRIS in children and young adults with high-risk, previously untreated classical Hodgkin lymphoma. The trial showed ADCETRIS in combination with standard of care showed a clinically meaningful and statistically significant 59% reduction in the risk of disease progression or relapse, second malignancy or death and achieved superior event-free survival compared to the current standard of care. Based on these data, we submitted an sBLA to the FDA for review. The sBLA was granted Priority Review with a PDUFA target action date of November 16, 2022.

PADCEV (enfortumab vedotin-ejfv)

In addition to jurisdictions where PADCEV is currently approved, applications are under review for approval in the previously treated metastatic urothelial cancer setting in Australia, under the FDA's Project Orbis program, as well as in Singapore, Brazil and other countries. In collaboration with Astellas we are conducting or planning to conduct clinical trials across the spectrum of bladder cancer including ongoing trials in frontline metastatic urothelial cancer and muscle invasive bladder cancer. We are planning to conduct a trial in non-muscle invasive bladder cancer. In addition, we are conducting a trial in a range of other solid tumors.

PADCEV is being investigated in first-line metastatic urothelial cancer and earlier stages of bladder cancer. We and Astellas are conducting a phase 1b/2 clinical trial, called EV-103, that is a multi-cohort, open-label trial of PADCEV alone or in combination with other agents. The trial is evaluating safety, tolerability and activity in locally advanced and first- and second-line metastatic urothelial cancer, and was expanded to include muscle invasive bladder cancer, or MIBC.

In February 2020, based on the positive initial results of the dose-escalation cohort and the expansion Cohort A of the EV-103 trial, the FDA granted Breakthrough Therapy designation for PADCEV in combination with Merck's anti-PD-1 therapy pembrolizumab for the treatment of patients with unresectable locally advanced or metastatic urothelial cancer who are unable to receive cisplatin-based chemotherapy in the first-line setting. In April 2020, we announced that, based on discussions with the FDA, data from the randomized Cohort K in the EV-103 trial, along with other data from the EV-103 trial, could potentially support registration under the FDA's accelerated approval pathway. The primary endpoint is confirmed objective response rate. In October 2021, we completed enrollment in Cohort K.

In July 2022, we and Astellas announced positive topline results from the phase 1b/2 EV-103 clinical trial Cohort K evaluating PADCEV in combination with pembrolizumab as first-line treatment in patients with unresectable locally advanced or metastatic urothelial cancer who are ineligible to receive cisplatin-based chemotherapy. In September 2022, the data were presented at the European Society for Medical Oncology Congress. In patients treated with PADCEV and pembrolizumab, results demonstrated a 64.5% confirmed objective response rate, or ORR, (95% CI: 52.7 to 75.1) per blinded independent central review, or BICR, the primary endpoint of Cohort K, with 10.5% of patients experiencing a complete response and 53.9% of patients experiencing a partial response. The median duration of response, or DOR, per BICR was not reached (95% CI: 10.25 months to NR). All-grade treatment-related adverse events, or TRAEs, of special interest for PADCEV in combination with pembrolizumab were skin reactions (67.1%), peripheral neuropathy (60.5%), ocular disorders (dry eye, blurred vision, and corneal disorders) (26.3%), hyperglycemia (14.5%), and infusion-related reactions (3.9%). Pembrolizumab adverse events of special interest were consistent with previously observed safety data from monotherapy with the exception of severe skin reactions. Cohort K also included a monotherapy arm in which patients were treated with PADCEV alone (n=73), though this study was not designed to support a formal comparison between the two arms. Results showed a 45.2% confirmed ORR (95% CI: 33.5 to 57.3) per RECIST v1.1 by BICR, with 4.1% of patients experiencing a complete response and 41.1% of patients experiencing a partial response. The median DOR was 13.2 months (95% CI: 6.14 to 15.97) per RECIST v1.1 by BICR. All-grade TRAEs of special interest for PADCEV were peripheral neuropathy (54.8%), skin reactions (45.2%), ocular disorders (dry eye, blurred vision, and corneal disorders) (28.8%), hyperglycemia (11.0%), and infusion-related reactions (5.5%). Additional secondary endpoints in the EV-103 Cohort K trial included progression-free survival, or PFS, and overall survival, or OS. Among patients treated with PADCEV and pembrolizumab, median PFS was not reached (95% CI: 8.31 months to NR). Median OS was 22.3 months (95% CI: 19.09 to NR). Among patients treated with PADCEV, median PFS was 8.0 months (95% CI: 6.05 to 10.35) and median OS was 21.7 months (95% CI: 15.21 to NR). TRAEs of any grade that occurred in more than 20% of patients treated with PADCEV alone or in combination with pembrolizumab were fatigue, peripheral sensory neuropathy, alopecia, rash maculo-papular, pruritus, dysgeusia, weight decreased, diarrhea, decreased appetite, nausea, and dry eye. Overall, the results are generally consistent with previously reported efficacy and safety results of EV-103 dose escalation and expansion Cohort A. In October 2022, an sBLA based on the data was submitted under the FDA's Accelerated Approval Program.

In addition to the potential accelerated approval pathway based on the EV-103 trial, we are conducting a global, registrational phase 3 trial, called EV-302, in frontline metastatic urothelial cancer in collaboration with Astellas and Merck. We, Astellas and Merck are jointly funding EV-302 and the trial is being conducted by us. EV-302 is an open-label, randomized phase 3 clinical trial evaluating the combination of PADCEV and pembrolizumab versus chemotherapy alone in patients with previously untreated locally advanced or metastatic urothelial cancer. The trial includes metastatic urothelial cancer patients who are either eligible or ineligible for cisplatin-based chemotherapy. The trial has dual primary endpoints of progression free survival and OS and is intended to support global regulatory submissions and potentially serve as a confirmatory trial if accelerated approval is granted based on EV-103.

In April 2020, we and Astellas entered into an agreement with Merck to evaluate PADCEV in MIBC. Merck has amended its ongoing phase 3 KEYNOTE-905/EV-303 registrational trial in cisplatin-ineligible patients with MIBC to include an arm evaluating PADCEV in combination with pembrolizumab. In October 2020, we and Astellas entered into an agreement with Merck to evaluate PADCEV in combination with pembrolizumab in a phase 3 trial, called KEYNOTE-B15/EV-304, to be conducted by Merck in cisplatin-eligible patients with MIBC. This trial was initiated in the first quarter of 2021.

In January 2022, we enrolled the first patient in a phase 1 trial, called EV-104, evaluating PADCEV in patients with BCG unresponsive non-muscle invasive bladder cancer.

In January 2020, we and Astellas also initiated a phase 2 clinical trial, called EV-202, to evaluate PADCEV monotherapy in solid tumors that have high-levels of Nectin-4 expression, including non-small cell lung, head and neck, gastric/esophageal and breast cancers. Astellas is conducting the trial and has obtained topline results in some cohorts. We and Astellas will be reviewing the results and discussing future direction.

TUKYSA (tucatinib)

We are conducting a broad clinical development program for TUKYSA including ongoing and planned trials in earlier lines of breast cancer and in other HER2-positive cancers. The positive results of the HER2CLIMB trial served as the basis for approval in the U.S., Canada, the European Union as well as other countries. Merck is co-funding a portion of the TUKYSA global development plan.

In December 2021, we presented new data at the San Antonio Breast Cancer Symposium from exploratory analyses from the pivotal HER2CLIMB trial showing that improvement in OS was maintained after an additional 15.6 months of follow-up when TUKYSA was combined with trastuzumab and capecitabine in patients with HER2-positive metastatic breast cancer who had stable or active brain metastases. After a median follow-up of 29.6 months, the TUKYSA regimen improved OS for patients with brain metastases by 9.1 months compared to trastuzumab and capecitabine alone (21.6 months vs. 12.5 months) (HR: 0.60; [95% CI: 0.44, 0.81]). The benefit extended to patients with active or stable brain metastases.

In October 2019, we initiated a phase 3 randomized trial, called HER2CLIMB-02, evaluating TUKYSA versus placebo, each in combination with T-DM1, for patients with unresectable locally advanced or metastatic HER2-positive breast cancer, including those with brain metastases, who have had prior treatment with a taxane and trastuzumab. In June 2022, we completed enrollment in the HER2CLIMB-02 trial.

We are supporting a U.S. cooperative group, the Alliance for Clinical Trials in Oncology, that is conducting a phase 3 randomized trial, called CompassHER2 RD, which is evaluating TUKYSA in combination with T-DM1 in the adjuvant setting for patients with high-risk, HER2-positive breast cancer.

We are also conducting a phase 2 trial, called HER2CLIMB-04, evaluating TUKYSA in combination with trastuzumab deruxtecan in previously treated locally-advanced or metastatic HER2-positive breast cancer.

We have also initiated a phase 3 trial, called HER2CLIMB-05, evaluating TUKYSA compared to placebo in combination with trastuzumab and pertuzumab in the frontline maintenance setting for patients with metastatic HER2-positive breast cancer.

We are conducting a phase 2 trial, called MOUNTAINEER, evaluating TUKYSA in combination with trastuzumab in patients with HER2-positive, RAS wild-type metastatic colorectal cancer after treatment with first- and second-line standard-of-care therapies. In July 2022, we presented positive results from the pivotal phase 2 MOUNTAINEER trial investigating TUKYSA in combination with trastuzumab in patients with previously treated HER2-positive metastatic colorectal cancer at the European Society for Medical Oncology World Congress on Gastrointestinal Cancer. The combination of TUKYSA and trastuzumab was generally well-tolerated with durable responses in patients assigned to receive the combination demonstrating a 38.1% confirmed response rate after a median duration of follow-up of 20.7 months. In these patients, the median DOR was 12.4 months. Median progression-free survival was 8.2 months, and median overall survival was 24.1 months. The most common (greater than or equal to 20%) treatment-emergent adverse events, or TEAEs, in patients assigned to receive tucatinib and trastuzumab were diarrhea (Grade 1 or 2: 60.5%, Grade 3: 3.5%), fatigue (Grade 1 or 2: 41.9%, Grade 3: 2.3%), nausea (Grade 1 or 2: 34.9%) and infusion-related reaction (Grade 1 or 2: 20.9%). We believe the trial could potentially support an application for accelerated approval in the U.S. In July 2022, an sNDA was submitted to the FDA under the Accelerated Approval Program. The sNDA was granted Priority Review with a PDUFA target action date of January 19, 2023.

In July 2022, the FDA granted TUKYSA Breakthrough Therapy designation for use in combination with trastuzumab for the treatment of adult patients with unresectable or metastatic HER2-positive colorectal cancer who have previously received fluoropyrimidine-, oxaliplatin-, and irinotecan-containing chemotherapy. The designation is based on results of the MOUNTAINEER trial.

We are conducting a phase 2/3 trial, called MOUNTAINEER-02, in combination with trastuzumab, ramucirumab and paclitaxel in second-line HER2-positive metastatic gastroesophageal cancer. In addition, we have initiated a phase 3 trial, called MOUNTAINEER-03, in combination with trastuzumab and mFOLFOX6 in first-line HER2-positive metastatic colorectal cancer. We have also initiated a phase 1b trial evaluating TUKYSA in combination with trastuzumab and oxaliplatin based chemotherapy in first-line HER2-positive unresectable or metastatic colorectal, gastric, esophageal and gallbladder cancers.

TIVDAK (tisotumab vedotin-tftv)

In collaboration with Genmab, we are developing TIVDAK for metastatic cervical cancer and are evaluating it as a potential therapy in other solid tumors.

In January 2021, we and Genmab initiated a phase 3 clinical trial, called innovaTV 301, to evaluate TIVDAK compared to chemotherapy in patients with recurrent or metastatic cervical cancer who have received one or two prior lines of therapy. innovaTV 301 is intended to support global regulatory applications for potential approvals in regions where innovaTV 204 does not support approval and to serve as a confirmatory trial in the U.S.

We are also conducting a phase 2 clinical trial, called innovaTV 205, evaluating TIVDAK as monotherapy and in combination with certain other anti-cancer agents for first- and second-line treatment of patients with recurrent or advanced cervical cancer. In September 2021, interim results were presented at the European Society for Medical Oncology Annual Congress from two cohorts of the phase 1b/2 innovaTV 205 trial, evaluating TIVDAK as combination therapy for recurrent or metastatic cervical cancer. Both combinations showed encouraging, durable anti-tumor activity and demonstrated a manageable and acceptable safety profile. Additionally, in June 2022, we announced interim data from the innovaTV 205 trial, which included data evaluating TIVDAK in combination with pembrolizumab in patients with recurrent or metastatic cervical cancer who have not received prior systemic therapy. This combination cohort enrolled 33 patients with recurrent or metastatic cervical cancer who had not received any prior systemic therapy. At the time of data cutoff, the confirmed objective response rate among 32 evaluable patients was 41% with 16% of patients achieving complete responses and 25% of patients achieving partial responses. Median DOR was not reached with median follow-up of 18.8 months. Median progression-free survival was 5.3 months. In this cohort, the most common TEAEs were alopecia (61%), diarrhea (55%), epistaxis (49%), conjunctivitis (45%), and nausea (46%).

We are conducting a phase 2 clinical trial, called innovaTV 207, for patients with relapsed, locally advanced or metastatic solid tumors. In February 2022, initial data from the innovaTV 207 phase 2 trial of TIVDAK in solid tumors was presented at the Multidisciplinary Head and Neck Cancers Symposium. The results demonstrated a manageable safety profile and promising preliminary antitumor activity in patients with squamous cell carcinoma of the head and neck with 16 percent of patients (95% CI: 5.5 to 33.7) achieving the primary endpoint of confirmed objective response rate per investigator.

Disitamab vedotin

In September 2021, we and RemeGen entered into an exclusive license agreement to develop and commercialize disitamab vedotin, a novel HER2-targeted ADC, which has shown anti-tumor activity in several solid tumor types across a spectrum of HER2 levels, including urothelial, gastric and breast cancer, in all countries outside of RemeGen's territory of Asia, excluding Japan and Singapore. We have a broad clinical development program planned including an ongoing phase 2 trial evaluating disitamab vedotin as monotherapy in previously treated HER2-expressing metastatic urothelial cancer.

Ladiratuzumab vedotin

We are developing ladiratuzumab vedotin, or LV, an ADC targeting LIV-1, which is currently being evaluated in phase 1 and phase 2 clinical trials both as monotherapy and in combination with other agents for patients with metastatic breast cancer and select solid tumors with high LIV-1 expression. In September 2020, we and Merck entered into a license and collaboration agreement, or the LV Agreement, under which the companies will jointly develop and share future costs and profits worldwide for LV.

Other clinical and early-stage product candidates

We are advancing a pipeline of early-stage clinical candidates as well as multiple preclinical and research-stage programs that employ our proprietary technologies. We advanced several product candidates into clinical development since the beginning of 2021, and we plan to submit additional IND applications to the FDA in the remainder of 2022 and 2023.

In September 2022, we entered into an agreement with LAVA Therapeutics to develop and commercialize LAVA-1223, a preclinical gamma delta bispecific T-cell engager for EGFR-expressing solid tumors. We received an exclusive global license for LAVA-1223 and the opportunity to exclusively negotiate rights to apply LAVA's proprietary Gammabody™ platform on up to two additional tumor targets. We paid LAVA a \$50 million upfront fee in October 2022 and have also agreed to pay LAVA up to approximately \$650 million in potential development, regulatory and commercial milestones, as well as royalties ranging from the single digits to the mid-teens on future sales of any licensed products.

Antibody-Drug Conjugate technology license agreements

We have active technology license agreements for our ADC technology with a number of biotechnology and pharmaceutical companies, including AbbVie Biotechnology Ltd., or AbbVie; Genentech, Inc., a member of the Roche Group, or Genentech; and GlaxoSmithKline LLC, or GSK, as well as collaboration agreements with Astellas and Genmab. Genentech and GSK have received approval for ADC drugs that utilize our technology, Polivy® (polatuzumab vedotin-piic) and Blenrep® (belantamab mafodotin-blmf), respectively, in the U.S., European Union and other countries. Under our ADC license agreements with Genentech and GSK, we are entitled to receive royalties on net sales of Polivy and Blenrep worldwide.

COVID-19

We are continuing to closely monitor the impact of the evolving effects of the COVID-19 pandemic on our business. We are continuing to take proactive steps designed to protect the health and safety of our workforce, patients and healthcare professionals, to continue our business operations and to advance our goal of bringing important medicines to patients as rapidly as possible. Earlier in the pandemic, we instituted a mandatory work-from-home policy for employees who could perform their jobs offsite, but continued our essential research, manufacturing, and laboratory activities on site. We have since allowed additional U.S. office-based employees who have been fully vaccinated to return to the office. We maintain a number of precautionary measures designed to protect our on-site employees, such as enhanced facilities cleaning, lower concentrations of staff, contact tracing and making testing available. After pausing most in-person customer interactions in healthcare settings earlier in the pandemic, our field-based personnel are now using a mix of in-person interactions and electronic communications, such as emails, phone calls and video conferences, to support healthcare professionals and patients. We believe that the measures we have implemented are appropriate and are helping to reduce transmission of COVID-19, and we will continue to monitor conditions and related guidance from governmental authorities and adjust our activities as appropriate.

Outlook

We recognize product sales revenue from ADCETRIS in the U.S. and Canada, from PADCEV and TIVDAK in the U.S., and from TUKYSA in the U.S., Europe and Canada. We expect growth in net product sales of our portfolio to be primarily supported by sales volume growth. Recently, we have experienced a favorable effect on gross-to-net deductions in the U.S. market associated with high inflation, but it is not possible to predict how inflation will develop going forward and affect gross-to-net deductions in future periods. In addition, we experienced a reduction in the rate of frontline Hodgkin lymphoma diagnoses earlier in the COVID-19 pandemic; however, recently, we have seen diagnosis rates increase towards pre-pandemic levels. We cannot predict how the rate of Hodgkin lymphoma diagnoses will trend in the future. We anticipate that the rate of growth of PADCEV and TUKYSA sales will decelerate in 2022 compared to 2021 as we expect to continue to more fully penetrate the markets for their currently approved labels within the U.S. Additionally, while growth in PADCEV sales has been primarily driven by use of checkpoint inhibitors as frontline maintenance therapy, uptake of checkpoint inhibitors in that setting has flattened, which has been limiting PADCEV's near-term growth in its current indications.

Our ability to maintain or continue to grow net product sales and to realize the anticipated benefits of our investments in our products depends on a number of factors including:

- our and our collaborators' ability to demonstrate to the medical community the efficacy, safety and value of our products and their potential advantages compared to existing and future therapeutics in their approved indications;
- the extent to which we and our collaborators are able to obtain regulatory and other approvals of our products in additional territories and/or in additional indications, including any accelerated approval from the FDA based on the results of the EV-103 trial or any other approvals for PADCEV in the frontline metastatic urothelial cancer setting and any approvals for TUKYSA in earlier lines of breast cancer and/or other HER2-positive cancers such as the MOUNTAINEER treatment setting;
- our and our collaborators' ability to successfully launch, market and commercialize our products in any new markets or new indications, if regulatory approval is obtained, including Astellas' ability to successfully launch, market and commercialize PADCEV in the European Union and its other markets;
- competition from other therapies and changing market dynamics, as further described in "Business—Competition" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2021; for example, the approval of ENHERTU for second-line HER2-positive metastatic breast cancer has resulted and is expected to continue to result in increased competition for TUKYSA;
- the extent to which we are able to successfully work with Astellas to jointly market and commercialize PADCEV in the U.S., and with Genmab to jointly market and commercialize TIVDAK in the U.S.;
- our ability to successfully market and commercialize TUKYSA in our territories outside the U.S.;
- the extent to which coverage and adequate levels of reimbursement for our products are available from governments and other third-party payors;
- the extent to which we and our collaborators are able to obtain required pricing and reimbursement approvals of our products in additional territories, most notably with respect to TUKYSA and PADCEV;
- the impact of current and future healthcare reform measures, including measures that could result in more rigorous coverage criteria or reduce the price that we receive for our products;
- the incidence flow of patients eligible for treatment in our products' approved indications;

- our and our collaborators' ability to accurately predict and supply product demand;
- duration of therapy for patients receiving our products;
- our and our collaborators' ability to successfully comply with rigorous post-marketing requirements, including requirements related to a confirmatory trial as a result of TIVDAK's accelerated approval by the FDA, and to convert TIVDAK's accelerated approval to regular approval in the U.S.;
- with respect to TIVDAK, the acceptance of TIVDAK and its required eye care by the medical community and patients; and
- impacts related to the COVID-19 pandemic, including potential further adverse effects on the rate of Hodgkin lymphoma diagnoses and potential adverse impacts on diagnosis rates for other cancers.

As a result of these and other factors, our future net product sales for each of our products can be difficult to accurately predict from period to period. We cannot assure you that sales of any of our products will continue to grow or that we can maintain sales of any of our products at or near current levels.

The biopharmaceutical industry and the markets in which we operate are intensely competitive. Many of our competitors are working to develop or have commercialized products similar to those we market or are developing. Drug prices are under significant scrutiny and we expect drug pricing and other healthcare costs to continue to be subject to intense political and societal pressures on a global basis. For example, in July 2021, the Biden administration announced an Executive Order that includes initiatives aimed at lowering prescription drug costs and implementing Canadian drug importation, and in response to President Biden's Executive Order, in September 2021, the U.S. Department of Health and Human Services, or HHS, released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue to advance these principles. Further, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or IRA, into law, which, among other things, (i) directs HHS to negotiate the price of certain high-expenditure, single-source drugs and biologics covered under Medicare, and subjects drug manufacturers to civil monetary penalties and a potential excise tax for offering a price that is not equal to or less than the negotiated "maximum fair price" under the law, and (ii) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. In addition to pricing actions and other measures being taken worldwide designed to reduce healthcare costs and limit the overall level of government expenditures, our sales and operations could also be affected by other risks of doing business internationally.

We expect that amounts received from our collaboration agreements, including royalties, will continue to be an important source of our revenues and cash flows. These revenues and cash flows will be impacted by future development funding and the achievement of development, clinical and commercial success by our collaborators under our existing collaboration and license agreements, as well as by entering into potential new collaboration and license agreements.

Our ongoing research, development, manufacturing and commercial activities will require substantial amounts of capital and may not ultimately be successful. We expect that we will incur substantial expenses, and we will require significant financial resources and additional personnel in order to advance the development of, to pursue, obtain and maintain regulatory approvals for, and to commercialize our products and product candidates, and expand our pipeline. In addition, we may pursue new operations or continue the expansion of our existing operations, including with respect to the continued development of our commercial infrastructure in Europe and our plans to otherwise continue to expand our operations internationally. As a result, we may need to raise additional capital, and our operating expenses may fluctuate as a result of such activities. We may also incur substantial milestone payment obligations to certain of our licensors, including RemeGen, as our product candidates progress through clinical trials towards potential commercialization.

We are closely evaluating the impacts of the evolving effects of the COVID-19 pandemic on our ability and the ability of our collaborators to effectively market, sell and distribute our products and to develop our products and product candidates. Our field-based personnel are using a mix of in-person interactions and electronic communications, such as emails, phone calls and video conferences, to support healthcare providers and patients. Many healthcare professionals continue to face additional demands on their time during the ongoing COVID-19 pandemic. We expect the different quality of electronic interactions as compared with in-person interactions, as well as the reduced quantity of interactions during the COVID-19 pandemic, to reduce the effectiveness of our sales personnel, as well as those of our collaborators, which could negatively affect our product sales and those of our collaborators, as well as physician awareness of our products. In this regard, we believe that the need to conduct some of our activities virtually is negatively impacting our ability to connect with key customers, including those familiar with competitive products, and our ability to conduct payor engagements. We face a number of challenges that will limit our ability to fully resume in-person interactions, including the potential for increasing COVID-19 infection rates, COVID-19 variants, low vaccination rates or low booster uptake in different areas, and the need to navigate varying restrictions for entering healthcare facilities. In addition, we may subsequently decide or be forced to resume a more restrictive remote work model, whether as a result of further spikes or surges in COVID-19 infection or hospitalization rates or otherwise. Moreover, the long-term effects of the COVID-19 pandemic are also unknown and it is possible that following the pandemic, healthcare institutions could alter their policies with respect to in person visits by pharmaceutical company representatives. Future COVID-19 related restrictions could also present product distribution challenges. The evolving effects of the COVID-19 pandemic appear to have negatively affected and may continue to negatively affect our product sales due to challenges in patient access to healthcare settings, loss of individual health insurance coverage, and inability to access government healthcare programs due to backlogs, some or all of which appear to have negatively affected diagnosis rates, may affect side effect management and course of treatment and may increase enrollment in our patient support programs. In this regard, impacts associated with the COVID-19 pandemic appear to have led to a reduction in the rate of Hodgkin lymphoma diagnoses, may have adversely affected diagnosis rates of other cancers, and may further adversely affect rates of cancer diagnoses in the future. We also expect that the conversion of medical conferences to a virtual format may reduce our ability to effectively disseminate scientific information about our products, which may result in decreased physician awareness of our products, their approved indications and their efficacy and safety.

Some of the sites participating in our clinical trials are affected by site closings, reduced capacity, staffing shortages, or other effects of the COVID-19 pandemic. At some sites, we are experiencing impacts to our ability to monitor patients, activate sites, screen and enroll patients, complete site monitoring and manage samples. The extent of the impact on a particular clinical trial depends on the current stage of activities at a given site, for example study start up versus post-enrollment, and the number of impacted sites participating in that trial. Impacts on diagnosis rates associated with the COVID-19 pandemic may also negatively impact enrollment. While we do not at this time anticipate the need to revise our publicly reported projected clinical milestone dates as a result of the effects of the COVID-19 pandemic, there may continue to be adverse impacts to our clinical study timelines, which, depending upon the duration and severity of the evolving effects of the COVID-19 pandemic, could ultimately delay data availability. Due to the suspension of data monitoring activities at sites that do not currently allow remote monitoring, as well as impacts on the ability to monitor patients, maintain patient treatment according to the trial protocols and manage samples, there is also the potential for negative impacts on data quality. While we are actively utilizing digital monitoring measures and other mitigations designed to prevent negative data quality impacts, if there were in fact a negative impact on data quality, we or our collaborators could be required to repeat, extend the duration of, or increase the size of clinical trials, which could significantly delay potential commercialization and require greater expenditures. We expect that similar factors will impact clinical studies operationalized by our collaborators.

The extent to which the evolving effects of the COVID-19 pandemic impact our business will depend on future developments that are highly uncertain, such as coronavirus variants that may prove to be especially contagious or virulent, the ultimate duration and severity of the pandemic, government actions, such as travel restrictions, quarantines and social distancing requirements in the U.S. and in other countries, business closures or business disruptions and the effectiveness of vaccine programs and other actions taken to contain and treat the disease. For more information on the risks and uncertainties associated with the evolving effects of the COVID-19 pandemic on our business, our ability to generate sales of and revenues from our approved products, and our clinical development and regulatory efforts, see “Part II Item 1A—Risk Factors.”

Because of the above and other factors, our results of operations may vary substantially from year to year and from quarter to quarter and, as a result, we believe that period to period comparisons of our operating results may not be meaningful and should not be relied upon as being indicative of our future performance.

Financial summary

For the nine months ended September 30, 2022, our total revenues increased to \$1.4 billion, compared to \$1.1 billion for the same period in 2021. This increase was primarily driven by \$227 million or 22% higher net product sales, due to growth from each of our approved medicines, and to a lesser extent, higher collaboration and license agreement revenues, and higher royalty revenues.

For the nine months ended September 30, 2022, total costs and expenses increased to \$1.9 billion, compared to \$1.7 billion for the same period in 2021. The increase was due mainly to higher sales, general, and administrative expenses, and to a lesser extent, higher cost of sales, and higher research and development expenses.

As of September 30, 2022, we had \$1.8 billion in cash, cash equivalents and investments and \$2.8 billion in total stockholders' equity.

Results of operations

Net product sales

(dollars in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
ADCETRIS	\$ 218,521	\$ 184,791	18 %	\$ 601,449	\$ 529,275	14 %
PADCEV	105,330	95,031	11 %	329,114	247,194	33 %
TUKYSA	87,771	86,571	1 %	267,235	239,850	11 %
TIVDAK	16,467	66	NM	45,091	66	NM
Net product sales	<u>\$ 428,089</u>	<u>\$ 366,459</u>	<u>17 %</u>	<u>\$ 1,242,889</u>	<u>\$ 1,016,385</u>	<u>22 %</u>

NM: No amount in comparable period or not a meaningful comparison.

Our net product sales increased during the three and nine months ended September 30, 2022 as compared to the comparable periods in 2021, driven by growth from each of our marketed products.

ADCETRIS net product sales grew due to higher volumes of vials sold driven by higher diagnosis rates of Hodgkin lymphoma as well as incremental market share gains in frontline Hodgkin lymphoma, and higher net selling prices driven by favorable pricing dynamics in the 2022 periods. PADCEV net product sales grew primarily due to higher sales volume as a result of additional eligible patients in second line post checkpoint maintenance during the 2022 periods. TUKYSA net product sales grew due to increased sales volume in our European markets following its commercial launches commencing in 2021 and higher net selling prices in the U.S., offset in part by lower net selling prices and negative impact of foreign exchange in our European markets. We began commercializing TIVDAK in the U.S. following FDA approval in September 2021.

We expect growth in net product sales in 2022 as compared to 2021 to be primarily driven by higher sales of each of our approved products. Refer to "Overview—Outlook" above for additional information.

Gross-to-net deductions, net of related payments and credits, were as follows:

(in thousands)	Rebates and chargebacks	Distribution fees, product returns and other	Total
Balance as of December 31, 2021	\$ 74,889	\$ 16,818	\$ 91,707
Provision related to current period sales	440,416	35,146	475,562
Adjustment for prior period sales	(9,898)	(1,201)	(11,099)
Payments/credits for current period sales	(367,900)	(26,919)	(394,819)
Payments/credits for prior period sales	(43,732)	(4,034)	(47,766)
Balance as of September 30, 2022	<u>\$ 93,775</u>	<u>\$ 19,810</u>	<u>\$ 113,585</u>

Government-mandated rebates and chargebacks are the most significant component of our total gross-to-net deductions and the discount changes over time. The most significant portion of our gross-to-net accrual balances as of September 30, 2022 and 2021 was for ADCETRIS Medicaid rebates. We expect future gross-to-net deductions to fluctuate based on the volume of purchases eligible for government mandated discounts and rebates, as well as changes in the discount percentage which is impacted by potential future price increases, the rate of inflation, and other factors. We expect gross-to-net deductions to increase in 2022 as compared to 2021, driven by anticipated growth in our gross product sales.

Royalty revenues

Royalty revenues primarily reflect royalties earned under the ADCETRIS collaboration with Takeda. These royalties include commercial sales-based milestones and sales royalties. Sales royalties are based on a percentage of Takeda's net sales of ADCETRIS, with rates that range from the mid-teens to the mid-twenties based on annual net sales tiers. Takeda bears third-party royalty costs owed on its sales of ADCETRIS. This amount is included in royalty revenues. Royalty revenues also reflect, to a lesser extent, amounts from Genentech earned on net sales of Polivy beginning in 2019 and amounts from GlaxoSmithKline earned on net sales of Blenrep beginning in 2020, both of which utilizes technology that we have licensed to them, as well as royalties on TUKYSA sales by Merck in its territory, and royalties on disitamab vedotin sales by RemeGen in its territory.

(dollars in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Royalty revenues	\$ 43,904	\$ 41,028	7 %	\$ 111,194	\$ 104,542	6 %

Royalty revenues increased slightly for the three and nine months ended September 30, 2022 from the comparable periods in 2021, due mainly to higher net product sales by our licensees in their territories. Takeda's net sales growth of ADCETRIS in local currencies during the 2022 periods was offset by recent strengthening of the U.S. dollar in 2022 as compared to certain foreign currencies.

We expect that royalty revenues will increase in 2022 as compared to 2021 primarily due to higher royalties from anticipated growth of licensees' net product sales, including growth in ADCETRIS sales volume by Takeda.

Collaboration and license agreement revenues

Collaboration and license agreement revenues reflect amounts earned under certain of our license and collaboration agreements. These revenues reflect license fees, payments received by us for technology access and maintenance fees, sales of drug supply to our collaborators, milestone payments, and reimbursement payments for research and development support that we provide to our collaborators.

(dollars in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Collaboration and license agreement revenues	\$ 38,307	\$ 16,573	131 %	\$ 80,179	\$ 23,593	240 %

Collaboration and license agreement revenues increased for the three months ended September 30, 2022 compared to the prior period, due primarily to the Zai Lab upfront license payment of \$30.0 million in September 2022, offset in part by a milestone payment received from GSK during the three months ended September 30, 2021. The increase in collaboration and license agreement revenues for the nine months ended September 30, 2022 compared to the prior period was also due to a milestone payment received from AbbVie and an upfront payment received from Sanofi during the 2022 period.

Our collaboration and license agreement revenues are impacted by the term and duration of those agreements and by progress-dependent milestones, annual maintenance fees, and reimbursement of materials and support services. Collaboration and license agreement revenues may vary substantially from year to year and quarter to quarter depending on the progress made by our collaborators with their product candidates and the timing of milestones achieved, the amount of drug supplied to our collaborators, and whether we enter into potential additional collaboration and license agreements.

Collaboration and license agreements

Takeda ADCETRIS collaboration

We have an agreement with Takeda for the global co-development of ADCETRIS and the commercialization of ADCETRIS by Takeda in its territory. We recognize payments from Takeda, including progress-dependent development and regulatory milestone payments, reimbursement for drug supplied, and net development cost reimbursement payments, as collaboration and license agreement revenues upon transfer of control of the goods or services over the development period. When the performance of development activities under the collaboration results in us making a reimbursement payment to Takeda, that payment reduces collaboration and license agreement revenues. We also recognize royalty revenues based on a percentage of Takeda's net sales of ADCETRIS in its territories, ranging from the mid-teens to the mid-twenties based on annual net sales tiers, as well as sales-based milestones. Takeda bears a portion of third-party royalty costs owed on its sales of ADCETRIS, which is included in royalty revenues.

Astellas PADCEV collaboration

We have a collaboration agreement with Agensys, Inc., which subsequently became an affiliate of Astellas, to jointly research, develop and commercialize ADCs for the treatment of several types of cancer. Under this collaboration, we and Astellas are equally co-funding all development and certain commercialization costs for PADCEV. In the U.S., we and Astellas jointly promote PADCEV. We record sales of PADCEV in the U.S. and are responsible for all U.S. distribution activities. The companies each bear the costs of their own sales organizations in the U.S., equally share certain other costs associated with commercializing PADCEV in the U.S., and equally share in any profits realized in the U.S. Gross profit share payments owed to Astellas in the U.S. under the joint commercialization agreement are recorded in cost of sales. Outside the U.S., we have commercialization rights in all countries in North and South America, and Astellas has commercialization rights in the rest of the world, including Europe, Asia, Australia and Africa.

Astellas or its affiliates are responsible for manufacturing PADCEV for development and commercial use. However, we are responsible for packaging and labeling in countries in which we sell PADCEV. In addition, if the parties determine that a second source is required, we will be responsible for establishing such second source whether internally or through a third party.

TIVDAK collaborations

We have an agreement with Genmab to develop and commercialize ADCs for the treatment of several types of cancer, under which we previously exercised a co-development option for TIVDAK. Under this collaboration, we and Genmab are co-funding all development costs for TIVDAK. In the U.S., we and Genmab co-promote TIVDAK. We record sales of TIVDAK in the U.S. and are responsible for leading U.S. distribution activities. The companies will each maintain 50% of the sales representatives and medical science liaisons, equally share those and certain other costs associated with commercializing TIVDAK in the U.S., individually bear the costs of certain other personnel in the U.S., and equally share in any profits realized in the U.S. Outside the U.S., we have commercialization rights in the rest of the world except for Japan, where Genmab has commercialization rights. In Europe, China, and Japan, we and Genmab equally share 50% of the costs associated with commercializing TIVDAK as well as any profits realized in these markets. In markets outside the U.S. other than Europe, China, and Japan, aside from certain costs specified in the agreement, we are solely responsible for all costs associated with commercializing TIVDAK and will pay Genmab a royalty based on a percentage of aggregate net sales ranging from the mid-teens to mid-twenties. In September 2022, we announced an exclusive collaboration and license agreement with Zai Lab for the development and commercialization of TIVDAK in mainland China, Hong Kong, Macau, and Taiwan. Under the terms of the agreement, we received an upfront payment of \$30.0 million in October 2022, and are entitled to receive potential future development, regulatory, and commercial milestone payments, and tiered royalties on net sales of TIVDAK in the Zai Lab territory. Based on our existing collaboration with Genmab, the upfront payment, milestone payments, and royalties will be shared on a 50:50 basis with Genmab.

Merck LV collaboration

In 2020, we entered into the LV Agreement with a subsidiary of Merck. We are pursuing a broad joint development program evaluating LV as monotherapy and in combination setting, including with Merck's anti-PD-1 therapy KEYTRUDA® (pembrolizumab) in triple-negative breast cancer, hormone receptor-positive breast cancer and other LIV-1-expressing solid tumors. Under the terms of the LV Agreement, we granted Merck a co-exclusive worldwide development and commercialization license for LV, and agreed to jointly develop and commercialize LV on a worldwide basis. We received an upfront cash payment, and we are eligible to receive milestone payments upon the initiation of certain clinical trials, regulatory approval in certain major markets and achievement of specified annual global net sales thresholds of LV. Each company is responsible for 50% of global costs to develop and commercialize LV and will receive 50% of potential future profits.

We recognize such cost sharing proportionately with the performance of the underlying activities, while recording Merck's reimbursement of our expenses as a reduction of research and development expenses.

Merck TUKYSA collaboration

In 2020, we entered into the TUKYSA Agreement with a subsidiary of Merck. We granted exclusive rights to commercialize TUKYSA in Asia, the Middle East and Latin America and other regions outside of the U.S., Canada and Europe. Under the terms of the TUKYSA Agreement, Merck is responsible for marketing applications for approval in its territory, supported by the positive results from the HER2CLIMB clinical trial. We retained commercial rights in, and will record sales in, the U.S., Canada and Europe. Merck is also co-funding a portion of the TUKYSA global development plan, which encompasses several ongoing and planned trials across HER2-positive cancers. We will continue to lead ongoing TUKYSA global development operational execution. Merck will solely fund and conduct country-specific clinical trials necessary to support anticipated regulatory applications in its territories. We are eligible to receive progress-dependent milestone payments, and are entitled to receive tiered royalties on sales of TUKYSA by Merck that begin in the low twenty percent range and escalate based on sales volume by Merck in its territory.

We recognize such cost sharing proportionately with the performance of the underlying activities, while recording Merck's reimbursement of our expenses as a reduction of research and development expenses. Sales of TUKYSA drug product supplied is included in collaboration and license agreement revenues. The \$85.0 million prepayment received for global development cost-sharing was recorded as a co-development liability in accrued liabilities and other or other long-term liabilities on our condensed consolidated balance sheet as of September 30, 2022. As joint development expenses are incurred, we recognize the portion of Merck's prepayment as a reduction of our research and development expenses on our condensed consolidated statements of comprehensive loss. As of September 30, 2022 and December 31, 2021, \$26.1 million and \$55.3 million was recorded as the remaining co-development liability, respectively.

RemeGen disitamab vedotin license agreement

Effective in September 2021, we and RemeGen entered into an exclusive worldwide licensing agreement to develop and commercialize disitamab vedotin, a novel HER2-targeted ADC. Disitamab vedotin combines the drug-linker technology originally developed by us with RemeGen's novel HER2 antibody. Disitamab vedotin received FDA Breakthrough Therapy designation in 2020 for use in second-line treatment of patients with HER2-expressing, locally advanced or metastatic urothelial cancer who have previously received platinum-containing chemotherapy. Also in 2020, RemeGen announced FDA's clearance of an IND application for a phase II clinical trial in locally advanced or metastatic urothelial cancer. Disitamab vedotin is conditionally approved for treating locally advanced metastatic gastric cancer in China, and in July 2021 the National Medical Products Administration of China also accepted an NDA for disitamab vedotin in locally advanced or metastatic urothelial cancer.

Under the terms of the agreement, we made a \$200.0 million upfront payment to obtain exclusive license rights to disitamab vedotin for global development and commercialization, outside of RemeGen's territory. RemeGen retains development and commercialization rights for Asia, excluding Japan and Singapore. We will lead global development and RemeGen will fund and operationalize the portion of global clinical trials attributable to its territory. RemeGen will also be responsible for all clinical development and regulatory submissions specific to its territory. We will pay RemeGen up to \$195.0 million in potential milestone payments across multiple indications and products based upon the achievement of specified development goals, and up to \$2.2 billion in potential milestone payments based on the achievement of specified regulatory and commercialization goals. RemeGen will be entitled to a tiered, high single digit to mid-teen percentage royalty based on net sales of disitamab vedotin in our territory.

Other technology collaboration and license agreements

We have other collaboration and license agreements for our ADC technology with a number of biotechnology and pharmaceutical companies. We typically receive upfront cash payments and progress- and sales-dependent milestones for the achievement by our licensees of certain events, and annual maintenance fees and support fees for research and development services and materials provided under the agreements. These amounts are recognized as revenue over the performance obligation period if the license is determined not to be distinct from other goods and services provided, or, if there is no performance obligation, upon transfer of control of the goods or services to the customer.

Cost of sales

Cost of sales includes manufacturing and distribution costs of product sold, gross profit share with Astellas and Genmab pursuant to those respective collaborations, amortization of acquired technology license costs, royalties owed on our PADCEV net product sales, and royalties owed on global ADCETRIS, TUKYSA, and TIVDAK net product sales.

(dollars in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Cost of sales	\$ 108,122	\$ 82,650	31 %	\$ 301,848	\$ 224,875	34 %

Cost of sales increased for the three and nine months ended September 30, 2022 from the comparable periods in 2021, driven by higher sales of our medicines resulting in higher gross profit sharing owed to our collaboration partners, and to a lesser extent, higher product costs from sales volume increases. The gross profit share owed to collaborators totaled \$71.0 million and \$189.4 million for the three and nine months ended September 30, 2022, respectively, as compared to \$44.7 million and \$115.8 million for the comparable periods in 2021. Included in the gross profit share owed to Genmab during the three and nine months ended September 30, 2022 was \$14.6 million related to the Zai Lab upfront licensing payment.

We expect cost of sales to increase in 2022 as compared to 2021 as a result of the net product sales growth of our marketed products, contributing to higher anticipated gross profit sharing with our collaborators and higher manufacturing costs for products sold.

Research and development

(dollars in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Research and clinical development	\$ 304,263	\$ 393,809	(23)%	\$ 766,591	\$ 732,682	5 %
Process sciences and manufacturing	80,342	65,283	23 %	219,927	191,696	15 %
Total research and development	\$ 384,605	\$ 459,092	(16)%	\$ 986,518	\$ 924,378	7 %

Research and clinical development expenses include personnel, occupancy and laboratory expenses, technology access fees, preclinical translational biology and *in vitro* and *in vivo* studies, IND-enabling pharmacology and toxicology studies, and external clinical trial costs including costs for clinical sites, clinical research organizations, contractors and regulatory activities associated with conducting human clinical trials. Research and clinical development expenses for the three and nine months ended September 30, 2021, were impacted by the \$200.0 million RemeGen upfront license payment made in 2021. Other research and clinical development costs grew during the three and nine months ended September 30, 2022 from the comparable periods in 2021, driven by higher employee-related costs and clinical trial costs to support our early- and late-stage pipeline of product candidates, as well as the \$50.0 million upfront payment to LAVA Therapeutics.

Process sciences and manufacturing expenses include personnel and occupancy expenses, manufacturing costs for the scale-up and pre-approval manufacturing of product candidates used in research and our clinical trials, and costs for drug product supplied to our collaborators. Process sciences and manufacturing expenses also include quality control and assurance activities, and storage and shipment of our product candidates. The increases for the three and nine months ended September 30, 2022 from the comparable period in 2021 primarily reflected higher employee-related costs and the timing of manufacturing costs of our product candidates for use in clinical trials.

We utilize our employee and infrastructure resources across multiple research and development projects. We track human resource efforts expended on many of our programs for purposes of billing our collaborators for time incurred at agreed upon rates and for resource planning. We do not account for actual costs on a project basis as it relates to our infrastructure, facility, employee and other indirect costs; however, we do separately track significant third-party costs including clinical trial costs, manufacturing costs and other contracted service costs on a project basis. To that end, the following table shows third-party costs incurred for research, manufacturing of our product candidates and clinical and regulatory services, as well as development milestone payments for in-licensed technology for our products and certain of our clinical-stage product candidates. The table also presents other costs and overhead consisting of third-party costs for our preclinical stage programs, personnel, facilities, manufacturing, and other indirect costs not directly charged to development programs, as well as cost reimbursements received from or payments made to collaborators related to our product candidates.

(dollars in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
TUKYSA (tucatinib)	\$ 61,090	\$ 44,645	\$ 153,633	\$ 106,879
PADCEV (enfortumab vedotin-ejfv)	22,911	22,287	65,517	57,787
ADCETRIS (brentuximab vedotin)	22,249	15,138	61,116	49,051
TIVDAK (tisotumab vedotin)	12,773	12,129	31,463	33,517
Ladiratuzumab vedotin	3,463	4,238	11,206	16,038
Disitamab vedotin	9,616	—	27,495	—
Other clinical stage programs	17,017	13,727	62,042	48,658
Total third-party costs for clinical stage programs	149,119	112,164	412,472	311,930
Other costs, overhead, and net cost-sharing with collaborators	235,486	346,928	574,046	612,448
Total research and development	\$ 384,605	\$ 459,092	\$ 986,518	\$ 924,378

Third-party costs for TUKYSA increased for the three and nine months ended September 30, 2022 as compared to the 2021 periods, due primarily to higher clinical trials expenses.

Third-party costs for PADCEV increased for the three and nine months ended September 30, 2022 as compared to the 2021 periods, due to the timing of clinical trials expenses and manufacturing costs.

Third-party costs for ADCETRIS increased for the three and nine months ended September 30, 2022 as compared to the 2021 periods, due primarily to higher manufacturing and clinical trials expenses.

Third-party costs for TIVDAK increased for the three months ended September 30, 2022 as compared to the 2021 period, and decreased for the nine months ended September 30, 2022 as compared to the 2021 period, due to the timing of clinical trials expenses.

Third-party costs for ladiratuzumab vedotin decreased for the three and nine months ended September 30, 2022 as compared to the 2021 periods, due primarily to lower clinical trials expenses.

Third-party expenses for disitamab vedotin increased for the three and nine months ended September 30, 2022 as compared to the 2021 periods as we obtained exclusive license rights to disitamab vedotin for global development and commercialization outside of RemeGen's territory in September 2021.

Third-party costs for other clinical stage programs increased for the three and nine months ended September 30, 2022 as compared to the 2021 periods due to higher clinical trial expenses.

Other costs, overhead, and net cost-sharing reimbursements from or payments made to collaborators decreased for the three and nine months ended September 30, 2022 from the comparable periods in 2021, due to the \$200.0 million RemeGen upfront license payment in the 2021 periods, offset in part by higher employee-related costs and the \$50.0 million upfront license payment made to LAVA Therapeutics. During the three months ended September 30, 2022 and 2021, net cost-sharing reimbursements from collaborators were \$32.8 million and \$22.6 million, respectively. During the nine months ended September 30, 2022 and 2021, net cost-sharing reimbursements from collaborators were \$77.1 million and \$62.9 million, respectively.

In order to advance our product candidates toward commercialization, the product candidates are tested in numerous preclinical safety, toxicology and efficacy studies. We then conduct clinical trials for those product candidates that take several years or more to complete. The length of time varies substantially based upon the type, complexity, novelty and intended use of a product candidate. We will also need to conduct additional clinical trials in order to expand labeled indications of use for our commercial products. The outcome of our clinical trials is uncertain. The cost of clinical trials may vary significantly as a result of a variety of factors, including the number of patients enrolled, patient site costs, quantity and source of drug supply required, safety and efficacy of the product candidate, and extent of regulatory efforts, among others.

We anticipate that our total research and development expenses in 2022 will increase compared to 2021 primarily due to higher costs for the continued development of our approved products and product candidates, offset in part by the \$200.0 million RemeGen upfront license payment in 2021.

The risks and uncertainties associated with our research and development projects are discussed more fully in “Part II Item 1A—Risk Factors.” As a result of these risks and uncertainties, we are unable to determine with any degree of certainty the duration and completion costs of our research and development projects, anticipated completion dates, or when and to what extent we will receive cash inflows from the commercialization and sale of our products in any additional approved indications or of any of our product candidates.

Selling, general and administrative

(dollars in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Selling, general and administrative	\$ 210,378	\$ 180,281	17 %	\$ 604,862	\$ 505,253	20 %

Selling, general and administrative expenses increased for the three and nine months ended September 30, 2022 from the comparable periods in 2021, reflecting higher legal expenses primarily associated with the Daiichi Sankyo legal proceedings, and higher investments to support our ongoing European TUKYSA launches and the U.S. commercial launch of TIVDAK.

We anticipate that selling, general and administrative expenses will increase in 2022 as compared to 2021 due to higher legal expenses and as we continue our commercial activities in support of our product launches, and invest in infrastructure to support our continued growth in the U.S. and Europe.

Investment and other income, net

(dollars in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
(Loss) gain on equity securities	\$ (2,669)	\$ 4,966	(154)%	\$ (9,747)	\$ 9,895	(199)%
Investment and other income, net	6,947	262	2,552 %	10,226	1,360	652 %
Total investment and other income, net	\$ 4,278	\$ 5,228	(18)%	\$ 479	\$ 11,255	(96)%

Investment and other income, net includes other non-operating income and loss, such as unrealized holding gains and losses on equity securities, realized gains and losses on equity and debt securities, and amounts earned on our investments in U.S. Treasury securities.

The loss on equity securities for the three and nine months ended September 30, 2022 was due to unrealized holding losses resulting from a decline in the share price of securities held during the respective periods. Investment and other income, net increased for the three and nine months ended September 30, 2022 due to higher yields on our debt securities investments for the 2022 periods.

Provision for income taxes

Our provision for income taxes was \$2.3 million and \$3.6 million for the three and nine months ended September 30, 2022, respectively, compared with \$1.1 million for the three and nine months ended September 30, 2021. The provision for income taxes in the 2022 periods primarily related to taxable profits in the U.S. as a result of amendments to IRC Section 174, which took effect January 1, 2022 pursuant to the 2017 Tax Cuts and Jobs Act. We had existing federal tax carryforwards sufficient to offset any federal liability; however, there were limitations on the use of existing state tax carryforwards. Our income tax provision also reflected taxable profits in foreign jurisdictions partially offset by a foreign valuation allowance release.

Liquidity and capital resources

(in thousands)	September 30, 2022	December 31, 2021
Cash, cash equivalents, and investments	\$ 1,763,702	\$ 2,160,036
Working capital	2,033,621	2,300,340
Stockholders' equity	2,821,811	3,065,139

(in thousands)	Nine months ended September 30,	
	2022	2021
Cash provided (used) by:		
Operating activities	\$ (374,311)	\$ (215,624)
Investing activities	264,727	287,902
Financing activities	60,013	55,432

The change in net cash from operating activities for the nine months ended September 30, 2022 as compared to the comparable period in 2021 was primarily related to an increase in net loss and increases in net working capital.

The change in net cash from investing activities for the nine months ended September 30, 2022 as compared to the comparable period in 2021 reflected differences between the amounts used for purchases of securities and proceeds from maturities of securities, and the difference for purchases of property, plant, and equipment.

The change in net cash from financing activities for the nine months ended September 30, 2022 as compared to the comparable period in 2021 was driven by the higher proceeds from the exercise of stock options and employee stock purchase plan.

We primarily have financed our operations through the issuance of our common stock, collections from commercial sales of our products, amounts received pursuant to license and collaboration agreements, and royalty revenues. To a lesser degree, we also have financed our operations through investment income. These financing and revenue sources have allowed us to maintain adequate levels of cash and investments.

Our cash, cash equivalents, and investments are held in a variety of non-interest bearing bank accounts and interest-bearing instruments subject to investment guidelines allowing for holdings in U.S. government and agency securities, corporate securities, taxable municipal bonds, commercial paper and money market accounts. Our investment portfolio is structured to provide for investment maturities and access to cash to fund our anticipated working capital needs. However, if our liquidity needs should be accelerated for any reason in the near term, or investments do not pay at maturity, we may be required to sell investment securities in our portfolio prior to their scheduled maturities, which may result in a loss. As of September 30, 2022, we had \$1.8 billion held in cash, cash equivalents and investments.

At our currently planned spending rates, we believe that our existing financial resources, together with product and royalty revenues, and reimbursements and profit sharing we expect to receive under our existing collaboration and license agreements, will be sufficient to fund our operations for at least the next twelve months from the date of this filing.

We expect to make additional capital outlays and to increase operating expenditures over the next several years as we hire additional employees, and support our development, commercialization, invest in our facilities, and expand globally, which may require us to raise additional capital. In addition, we may pursue new operations or continue the expansion of our existing operations, including with respect to the continued development of our commercial infrastructure in Europe and our plans to otherwise continue to expand our operations internationally. Our commitment of resources to the continuing development, regulatory and commercialization activities for our products, the continued research, development and manufacturing of our product candidates, our pursuit of regulatory approvals for and preparing to potentially launch and commercialize our product candidates, and the anticipated expansion of our pipeline and operations may require us to raise additional capital. Further, we actively evaluate various strategic transactions on an ongoing basis, including licensing or otherwise acquiring complementary products, technologies or businesses, and we may require significant additional capital in order to complete or otherwise provide funding for such transactions. We may seek additional capital through some or all of the following methods: corporate collaborations, licensing arrangements, and public or private debt or equity financings. We have no committed sources of funding and do not know whether additional capital will be available when needed, or that, if available, we will obtain financing on terms favorable to us or our stockholders. If we are unable to raise additional funds when we need them, we may be required to scale back our operations, delay, reduce the scope of, or eliminate development programs enter into collaboration or license agreements on terms that are not favorable to us, sell or relinquish rights to certain assets, proprietary technologies or product candidates or forego strategic opportunities.

Material Cash Requirements

Our material cash requirements in the short- and long-term consist of the following operational, capital, and manufacturing expenditures, a portion of which contain contractual or other obligations. We plan to fund our material cash requirements with our current financial resources together with our anticipated receipts of accounts receivable, product sales and royalty revenues, and reimbursements we expect to receive under our existing collaboration and license agreements.

Operating expenditures. Our primary uses of cash and operating expenses relate to paying employees and consultants, administering clinical trials, marketing our products, and providing technology and facility infrastructure to support our operations. Our research and development expenses for the nine months ended September 30, 2022 were \$986.5 million and we expect to increase our investment in research and development expenses in 2022 as compared to 2021. Our sales, general and administrative expenses were \$604.9 million for the nine months ended September 30, 2022, and we expect to increase our sales, general, and administrative expenses to support our business growth in 2022 as compared to 2021. On a long-term basis, we manage future cash requirements relative to our long-term business plans.

Operating costs also relate to our building leases for our office and laboratory facilities expiring in 2023 through 2029 that contain rate escalations and options for us to extend the leases. Our future minimum lease payments as of September 30, 2022 totaled \$16.6 million related to short-term lease liabilities, and \$53.1 million related to long-term lease liabilities. We signed a 20-year lease in June 2021 for a building complex in Everett, Washington that has not commenced as of September 30, 2022, and therefore rent payments are not included in lease liability balances as of September 30, 2022. Refer to Note 3 in the Notes to Financial Statements in Item 1 for further detail of our lease obligations.

Capital expenditures. We make investments in our office, laboratory, and manufacturing facilities to enable continued expansion of our business. These include leasehold and building improvements at our approximately 1 million square feet of leased and owned properties, installation of laboratory and manufacturing equipment, computers, software, and office equipment. Our purchases for property and equipment for the nine months ended September 30, 2022 were \$48.1 million, and we anticipate these investments to grow in 2022 as compared to 2021 to support our anticipated business growth and long-term facility needs, including a significant multi-year investment in a building complex being constructed in Everett, Washington, which is expected to provide us additional manufacturing, laboratory, and office space in the future. We expect our capital expenditures for this Everett facility to be approximately \$350 million to \$400 million through 2024.

Manufacturing costs, and supply agreements. Some of our inventory components and products require long lead times to manufacture. Therefore, we make substantial and often long-term investments in our supply chain in order to ensure we have enough drug product to meet current and future revenue forecasts, as well as clinical trial needs. Supply agreements primarily include non-cancelable obligations under our manufacturing, license and collaboration, and technology agreements. Further, a substantial portion of those non-cancelable obligations include minimum payments related to manufacturing our product candidates for use in our clinical trials and for commercial operations in the case of ADCETRIS. There have been no material changes related to our future minimum contractual commitments under these arrangements as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021 filed February 9, 2022.

Royalties, milestones and profit-sharing associated with our licensed technology and collaboration agreements. Some of our license and collaboration agreements provide for periodic maintenance fees over specified time periods, profit share payments, and/or payments by us upon the achievement of development and regulatory milestones. Some of our licensing agreements also obligate us to pay royalties based on net sales of products utilizing licensed technology. Such royalties and profit share payments are dependent on future product sales and are contingent on events that have not yet occurred. Royalties and profit share payments totaled \$189.4 million for the nine months ended September 30, 2022 and are expected to increase in future periods. Milestone payments generally become due and payable upon the achievement of certain events. There have been no material changes related to our future milestone payments potentially owed related to in-licensed technology as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021 filed February 9, 2022.

Critical accounting policies

The preparation of financial statements in accordance with GAAP requires us to make estimates, assumptions, and judgments that affect the amounts reported in our financial statements and accompanying notes. We evaluate our estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form our basis for making judgments about the carrying values of assets and liabilities and the reported amounts of revenues and expenses that are not readily apparent from other sources. Actual results may differ from those estimates. Our critical accounting policies, those with the more significant judgments and estimates, used in the preparation of our financial statements for the nine months ended September 30, 2022 were consistent with those in Part II Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our market risk disclosures as set forth in Part II Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 4. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.* Our management, with the participation of our Interim Chief Executive Officer and our Chief Financial Officer, have evaluated our disclosure controls and procedures (as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended) prior to the filing of this quarterly report. Based on that evaluation, our Interim Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures were, in design and operation, effective at the reasonable assurance level.

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

(b) *Changes in internal control over financial reporting.* There have not been any changes in our internal control over financial reporting during the quarter ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

The information required to be set forth under this Item 1 is incorporated by reference to “Note 11. Legal matters” of the Notes to Condensed Consolidated Financial Statements included in Part 1 Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

You should carefully consider the following risk factors, in addition to the other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and related notes. If any of the events described in the following risk factors occurs, our business, operating results and financial condition could be seriously harmed. This Quarterly Report on Form 10-Q also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described below and elsewhere in this Quarterly Report on Form 10-Q.

Risk Factor Summary

Below is a summary of material factors that make an investment in our securities speculative or risky. Importantly, this summary does not address all of the risks that we face. Additional discussion of the risks and uncertainties summarized in this risk factor summary, as well as other risks that we face, follows this summary. This summary is qualified in its entirety by that more complete discussion of such risks and uncertainties.

- Our success depends on our ability to effectively commercialize our products. If we and our collaborators are unable to effectively commercialize our products and to expand their utilization, our ability to generate significant revenue and our prospects for profitability will be adversely affected.
- Our success also depends on our ability to obtain regulatory approvals for our product candidates and for our current products in additional territories, as well as our ability to expand the labeled indications of use for our current products. Our inability to do so could have a material adverse effect on our business, results of operations, financial condition and growth prospects.
- Reports of adverse events or safety concerns involving our products or product candidates could delay or prevent us from obtaining or maintaining regulatory approvals or could negatively impact sales of our products or the prospects for our product candidates.
- Clinical trials and product development are expensive, time consuming and uncertain, may take longer than we expect and may not be successful. Our failure to effectively advance our development programs in a timely manner or at all could have a material adverse effect on our business, results of operations, financial condition and growth prospects.
- The successful commercialization of our products will depend, in part, on the extent to which governmental authorities and health insurers establish adequate coverage and reimbursement levels and pricing policies.
- The successful commercialization of our products will also depend, in part, on the acceptance of our products by the medical community, patients and third-party payors.
- Any failures or setbacks in our antibody-drug conjugate, or ADC, development program or our other platform technologies could negatively affect our business and financial position.
- We face intense competition and rapid technological change, which may result in others discovering, developing or commercializing competing products before or more successfully than we do.
- Our products and any future approved products remain subject to extensive ongoing regulatory obligations and oversight, including post-approval requirements, that could result in penalties and significant additional expense and could negatively impact our and our collaborators’ ability to commercialize our current and any future approved products.
- Healthcare law and policy changes may negatively impact our business, including by decreasing the prices that we and our collaborators receive for our products.
- We are subject to various state, federal and international laws and regulations, including healthcare, data privacy and information security laws and regulations, that may impact our business and could subject us to significant fines and penalties or other negative consequences.
- Our collaborators and licensees may not perform as expected, which may negatively affect our ability to develop and commercialize our products and product candidates and/or generate revenues through technology licensing, and may otherwise negatively affect our business.

- We currently rely on third-party manufacturers and other third parties for production of our drug products, and our dependence on these third parties may impair the continued development and commercialization of our products and product candidates.
- If we are unable to enforce our intellectual property rights or if we fail to sustain and further procure additional intellectual property rights, we may not be able to successfully commercialize our products or any future products and competitors may be able to develop competing therapies.
- We and our collaborators rely on license agreements for certain aspects of our products and product candidates and technologies such as our ADC technology. Failure to maintain these license agreements or to secure any required new licenses could prevent us from continuing to develop and commercialize our products and product candidates.
- We have been and may in the future be subject to litigation, which could result in substantial expenses and damages and may divert management's time and attention from our business.
- The evolving effects of the COVID-19 pandemic and associated global economic instability could have further adverse effects on our business, including our commercialization efforts, supply chain, regulatory activities, clinical development activities and other business operations.
- If we are unable to manage our growth, our business, results of operations, financial condition and growth prospects may be adversely affected.
- Risks associated with our expanding operations in countries outside the U.S. could materially adversely affect our business.
- Our operating results are difficult to predict and may fluctuate. If our operating results are below the expectations of securities analysts or investors, the trading price of our stock could decline.
- We have a history of net losses. We expect to continue to incur net losses and may not achieve future sustained profitability for some time, if at all.
- Our stock price is volatile and our shares may suffer a decline in value.
- Our existing stockholders have significant control of our management and affairs.

Risks Related to Our Products, Product Candidates and Research and Development

Our success depends on our ability to effectively commercialize our products. If we and our collaborators are unable to effectively commercialize our products and to expand their utilization, our ability to generate significant revenue and our prospects for profitability will be adversely affected.

Our ability to generate revenue from product sales and our prospects for profitability are substantially dependent on our and our collaborators' ability to effectively commercialize our products and expand their utilization. We may not be able to fully realize the commercial potential of our products, and/or commercial sales of our products may be lower than our projections, for a number of reasons, including:

- we and our collaborators may be unable to effectively launch, market and commercialize our products, including in any new markets or in any new indications;
- we and our collaborators may not be able to establish or demonstrate to the medical community the efficacy, safety and value of our products and their potential advantages compared to existing and future therapeutics in their approved indications;
- we and our collaborators may not be able to obtain and maintain regulatory and other required governmental approvals to market our products in any additional territories or for any additional indications;
- new competitive therapies in the approved indications for our products have been approved by regulatory authorities or may be approved or submitted to regulatory authorities for approval in the near term;
- there may continue to be new adverse results, adverse events or safety concerns reported in connection with the use of our products, including in clinical trials;
- there may be additional changes to the labeling for our products that further restrict how we market and sell our products, including as a result of data collected from clinical trials and/or as a result of the use of our products;
- the incidence rate of new patients or the duration of therapy in the approved indications for our products may be lower than our projections;

- negative impacts related to the COVID-19 pandemic, including potential further impacts on cancer diagnosis rates, may increase or become more severe;
- negative impacts related to global economic instability and inflationary pressures;
- we may encounter challenges in joint decision making and joint execution with our collaborators that adversely affect product sales;
- co-promotion arrangements, such as the joint commercialization of PADCEV with Astellas in the U.S. and the joint commercialization of TIVDAK with Genmab in the U.S., may not be successful;
- our products may be impacted by adverse reimbursement and coverage policies from government and private payors such as Medicare, Medicaid, insurance companies, health maintenance organizations and other plan administrators, or may be subject to pricing pressures enacted by industry organizations or state and federal governments, including as a result of increased scrutiny over pharmaceutical pricing, the cost of alternative treatment options or otherwise;
- we and our collaborators may not be able to obtain favorable pricing and reimbursement approvals in additional territories in a timely manner or at all;
- physicians may be reluctant to prescribe our products due to side effects associated with their use or until longer term efficacy and safety data exist;
- regulatory restrictions may change or increase;
- we and our collaborators may not have adequate financial or other resources to effectively commercialize our products; and
- we and our collaborators may not be able to accurately predict demand for our products and obtain adequate commercial supplies of our products to meet demand at an acceptable cost.

Our ability to grow our product sales in future periods is also dependent on price increases, and we periodically increase the price of our products. Price increases on our products, as well as negative publicity regarding drug pricing and increases in drug prices generally, whether on our products or products distributed by other pharmaceutical companies, could negatively affect market acceptance of, and sales of, our products. In any event, we cannot assure you that price increases we have taken or may take in the future will not negatively affect our future product sales.

If we and our collaborators are unable to successfully commercialize our products or if sales of a product do not reach the levels we expect, then our business, results of operation, financial condition and growth prospects could be adversely affected.

Our success also depends on our ability to obtain regulatory approvals for our product candidates and for our current products in additional territories, as well as our ability to expand the labeled indications of use for our current products. Our inability to do so could have a material adverse effect on our business, results of operations, financial condition and growth prospects.

We and our collaborators are required to obtain marketing approvals from applicable regulatory authorities in order to market our products or to expand the labeled indications of use for our current marketed products. However, regulatory review is a lengthy and expensive process, and approval is highly uncertain.

The U.S. Food and Drug Administration, or FDA, and other regulatory agencies have substantial discretion in the approval process and in determining when or whether regulatory approval will be obtained. Clinical trial data are subject to differing interpretations. Even if we believe data are promising, regulatory authorities may disagree and may require additional data, limit the scope of the approval or deny approval altogether. For example, although we presented positive results from the MOUNTAINEER trial and the FDA accepted the supplemental New Drug Application, or sNDA, for TUKYSA that was submitted under the FDA's Accelerated Approval Program based on these results, the FDA or its advisors may disagree with our interpretation of the data from the trial. We cannot be certain that the sNDA submitted for TUKYSA in July 2022 will be approved in a timely manner or at all. Similarly, although we and Astellas announced the presentation of data from Cohort K of the EV-103 trial and submitted a supplemental Biologics License Application, or sBLA, based on these results under the FDA's Accelerated Approval Program, the FDA or its advisors may disagree with our interpretation of the data from this trial. We cannot be certain the sBLA submitted for PADCEV in October 2022 will be accepted or approved in a timely manner or at all. It is possible that PADCEV may never be approved for use in any first-line setting or any other additional indications. In addition, the approval of a product candidate by one regulatory agency does not mean that other regulatory agencies will also approve such product candidate.

Any approval that a product does receive may be more restricted than anticipated. For example, regulatory authorities may approve a product for fewer indications or narrower indications than requested. Further, regulatory agencies may impose safety monitoring, educational requirements or risk evaluation and mitigation strategies, or REMS. Regulatory authorities may also fail to approve the facilities or processes used to manufacture a product candidate or the dosing or delivery methods.

The regulatory review process may also take significantly longer than expected, which may delay or eliminate any potential revenues from sales of the affected product or product candidate. Target action dates and regulatory timelines may be subject to substantial delays. For example, although the FDA set target action dates for the sNDA we submitted for TUKYSA based on results from the MOUNTAINEER trial and the sBLA we submitted for ADCETRIS based on results from a Children's Oncology Group Study, the FDA does not always meet its target action dates. In addition, although the FDA and EMA have programs to facilitate expedited development and accelerated approval processes, these programs may not result in faster development, review or approval than conventional procedures and do not assure ultimate approval. For example, although the FDA granted Breakthrough Therapy designation to each of PADCEV, TUKYSA and disitamab vedotin in a specified treatment setting and granted Priority Review to the sNDA we submitted for TUKYSA based on results from the MOUNTAINEER trial and the sBLA we submitted for ADCETRIS based on results from a Children's Oncology Group study, these designations do not provide any assurance that PADCEV, TUKYSA or disitamab vedotin will receive marketing approval in the specified settings or in any other settings in a timely manner or at all. Disruptions at the FDA and other agencies due to reduced funding levels, government shutdowns, impacts associated with the COVID-19 pandemic or other factors, may also lead to delays in the regulatory review process. These disruptions may also slow our other interactions with regulatory agencies, which may slow our other product development efforts.

If a product candidate fails to receive regulatory approvals, we will not have the anticipated revenues from that product candidate to fund our operations, and we may not recoup or receive any return on our investment in that product candidate. Similarly, if regulatory authorities do not approve product labeling that is necessary or desirable for the successful commercialization of an approved product, or if they do not approve an application to expand a product's labeled indications of use or market the product in a new territory, then our anticipated revenue from that product may be adversely affected. Any of these events could have a material adverse effect on our business, results of operations, financial condition and growth prospects.

Even if regulatory approval is achieved, the launch of a new product or of an existing product in a new indication or territory is subject to a number of risks and uncertainties and may not be successful.

Sales of a new product and sales of an existing product in a new indication or territory are subject to significant risks and uncertainties and can be particularly difficult to predict. For example, the commercialization of TIVDAK is at an early stage and may not be successful. In addition to commercialization risks described elsewhere in this "Risk Factors" section, impacts related to the COVID-19 pandemic, including restrictions on in-person interactions and resulting impacts on our ability to connect with key customers and conduct payor engagements, could limit our and our collaborators' abilities to effectively launch and commercialize a new product or to launch and commercialize an existing product in a new indication or territory. A proposed launch, including the launch of PADCEV and TUKYSA in countries where they have not yet launched, could also be delayed or impaired due to a variety of factors, including supply constraints, delays in arranging a commercial infrastructure, delays in obtaining or failure to obtain pricing and reimbursement approvals, or other factors. These risks could be heightened by impacts related to the COVID-19 pandemic. Delays or other difficulties due to any of these factors could negatively impact anticipated revenue from the affected product. In addition, prior to TUKYSA, we had no prior experience as an organization launching or commercializing a product outside the U.S. and Canada, which could adversely affect our ability to maximize the commercial potential of TUKYSA. If we and our collaborators are unable to successfully launch and commercialize any newly approved products and/or to successfully launch and commercialize our existing products in new indications or territories, then our business, results of operation, financial condition and growth prospects could be adversely affected.

Reports of adverse events or safety concerns involving our products or product candidates could delay or prevent us from obtaining or maintaining regulatory approvals or could negatively impact sales of our products or the prospects for our product candidates.

Reports of adverse events or safety concerns involving our products and product candidates could result in the limitation, denial or withdrawal of regulatory approval by the FDA or other regulatory authorities for any or all indications, the need to conduct additional trials, implementation of a REMS or the inclusion of unfavorable information in our product labeling and, in turn, could delay or prevent us from commercializing the applicable product or product candidate. There are no assurances that patients receiving our products will not experience serious adverse events, including fatal events, in the future, whether the serious adverse events are disclosed in the prescribing information or are newly reported. Further, there are no assurances that patients receiving our products with co-morbid diseases not previously studied, such as autoimmune diseases, will not experience new or different serious adverse events in the future.

The prescribing information for each of our products includes warnings and precautions for various toxicities and reactions, including certain fatal reactions. The prescribing information for ADCETRIS also includes a boxed warning related to the risk that JC virus infection resulting in progressive multifocal leukoencephalopathy and death can occur in patients receiving ADCETRIS. The prescribing information for PADCEV also includes a boxed warning related to the risk that severe and fatal cutaneous adverse reactions, including Stevens-Johnson syndrome and toxic epidermal necrolysis, may occur in patients receiving PADCEV. The prescribing information for TIVDAK also includes a boxed warning related to the risk that ocular toxicity may occur in patients receiving TIVDAK, and the boxed warning includes requirements for ophthalmic exams at baseline, prior to each dose, and as clinically indicated, as well as premedication and eye care. We have updated the prescribing information for our products from time to time in the past, based on reports of adverse events or safety concerns, and we may be required to further update the prescribing information for our products, including boxed warnings, limitations of use, contraindications, warnings and precautions, and adverse reactions, or to implement a REMS in the future. Side effects and toxicities associated with our products, as well as the warnings, precautions and requirements listed in the prescribing information for our products, could affect the willingness of physicians to prescribe, and patients to utilize, our products and thus harm commercial sales of our products. Implementation of a REMS could advantage products that compete with ours or make it more difficult or expensive for us to distribute our products.

Likewise, reports of adverse events or safety concerns involving our products and product candidates could interrupt, delay or halt clinical trials of our products and product candidates, including the post-approval confirmatory studies that regulatory agencies have required us or our collaborators to complete. There have been serious side effects and, in some cases, deaths in clinical trials for our products and product candidates that were deemed to be treatment-related by the investigators in those trials, and additional and/or unexpected side effects may be observed in these or other trials in the future. In addition, in response to prior safety events observed in our clinical trials, including serious side effects and patient deaths, we have in the past, and may in the future, institute additional precautionary safety measures such as dosing caps and delays, enhanced monitoring for side effects, and modified patient inclusion and exclusion criteria. Additional and/or unexpected safety events could be observed in these or other trials that could delay or prevent us from advancing the clinical development of, or obtaining regulatory approvals for, our products and product candidates, could require us to alter the approved labeling of our products, may cause a trial to be redone or terminated, may affect patient recruitment or may affect the ability of enrolled patients to complete a trial. As a result, such safety events could adversely affect our business, results of operations, financial condition and growth prospects.

Clinical trials and product development are expensive, time consuming and uncertain, may take longer than we expect and may not be successful. Our failure to effectively advance our development programs in a timely manner or at all could have a material adverse effect on our business, results of operations, financial condition and growth prospects.

Our long-term success will depend upon the successful development of new products, as well as developing our existing products for new indications. However, only a small number of development programs result in the commercialization of a product. It is possible that none of our product candidates will ever become commercial products and that none of our existing products will obtain regulatory approval in any additional indications or territories. We and our collaborators are currently conducting multiple clinical trials for our products and product candidates, and we plan to commence additional trials in the future. Each of these trials requires the investment of substantial expense and time. However, there can be no assurance that the design or conduct of these trials, or any data collected from them, will be sufficient to support advancement to the next stage of development, any regulatory approvals or commercial viability.

Many of our clinical trials were initiated based on limited data. Encouraging preclinical, preliminary or interim data, and/or positive early-stage clinical trial results do not ensure that full, larger scale, later stage or confirmatory trials will be successful or that regulatory approval will be obtained. For example, despite the positive initial results we and Astellas reported from the dose-escalation cohort and expansion Cohort A of the EV-103 trial and the positive topline results we and Astellas announced from Cohort K of the EV-103 trial, we cannot be certain that PADCEV will demonstrate sufficient efficacy or a favorable safety profile in other trials, including the EV-302 trial. Many companies in the pharmaceutical and biotechnology industries, including us, have suffered significant setbacks in late-stage clinical trials after achieving encouraging or positive results in early-stage development. We cannot be certain that we will not face similar setbacks in our ongoing or planned clinical trials, including ongoing pivotal and confirmatory trials.

There may still be important facts about the safety, efficacy, and risk versus benefit of our products and product candidates, as single agents or in combination with other agents, that are not known to us at this time and that may negatively impact our ability to develop and commercialize them. Safety events or concerns, or negative or inconclusive trial results, could adversely affect the development timeline and the regulatory approval and commercialization prospects for our products and product candidates, or cause us to cease further development of a product or product candidate, any of which may materially and adversely affect our business, results of operations, financial condition and growth prospects. In addition, we may make a strategic decision to discontinue development if, for example, we believe commercialization will be difficult relative to the standard of care or we prefer to prioritize other opportunities in our pipeline. We also face intense competition, and it is possible that a clinical trial may meet its safety and efficacy endpoints but we may choose not to advance the development of a product or product due to changes in the competitive environment.

From time to time, the commencement, continuation and completion of our clinical trials have been subject to delays, and we are likely to experience additional delays in the future. Factors that could lead to the delay, suspension, termination or need to modify clinical trials of our products and product candidates include:

- adverse medical events or side effects, including fatalities, in treated patients or other safety issues or concerns;
- deficiencies in the conduct of the clinical trial, including failure to conduct the clinical trial in accordance with regulatory requirements, Good Clinical Practice, or GCP, or study protocols;
- problems, errors or other deficiencies with respect to data collection, data processing and analysis;
- action by competent authorities to place a clinical hold or partial clinical hold on a trial or compound;
- the time required to determine efficacy may be longer than expected;
- unfavorable scientific results or insufficient data to support safety and effectiveness;
- inadequate supply or deficient quality of the applicable product or product candidate or of other materials necessary to complete the trials;
- inability to reach agreement on acceptable terms with prospective trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different trial sites;
- delay or failure to obtain institutional review board, or IRB, or ethics committee approval to conduct a clinical trial at a prospective site;
- decisions by competent authorities, IRBs, ethics committees, our collaborators or us, or recommendation by a data monitoring committee, to suspend or terminate a clinical trial for safety issues, futility or any other reason or to demand variations in the protocols or conduct of clinical trials;
- changes in governmental regulations or administrative actions that adversely affect the ability to continue to conduct or to complete a clinical trial;
- budgetary constraints or prohibitively high clinical trial costs;
- difficulties in identifying and enrolling patients who meet trial eligibility criteria;
- lower than anticipated retention rates for patients who have initiated a clinical trial;
- the risks and evolving effects of the COVID-19 pandemic; and
- risks related to the ongoing military conflict between Russia and Ukraine, and sanctions imposed against Russia by the international community.

Additionally, patient enrollment is a function of many factors, including the size of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the existence of competing clinical trials, perceived side effects and the availability of alternative or new treatments. We have experienced enrollment-related delays in clinical trials in the past, and we will likely continue to experience similar delays in our current and future trials. Many of our future and ongoing clinical trials are being or will be coordinated or conducted with collaborators. If we and these collaborators fail to collaborate effectively, we may experience delays or adverse effects on the commencement, continuation or completion of these trials. In addition, our collaborators have operational control over some of the studies we conduct jointly and we do not have full visibility into these studies run by our collaborators. We also conduct clinical trials in countries outside the U.S., which may subject us to additional expenses, regulatory requirements and potential delays, as well as risks associated with different standards of medical care.

If a product candidate or a potential new indication fails at any stage of development, or if we or our collaborators otherwise discontinue development of a product candidate or indication for any reason, we will not have the anticipated revenues from that product candidate or indication to fund our operations and we may not recoup or receive any return on our investment in that product candidate or indication. Failure to effectively advance our development programs in a timely manner or at all could have a material adverse effect on our business, results of operations, financial condition and prospects.

The successful commercialization of our products will depend, in part, on the extent to which governmental authorities and health insurers establish adequate coverage and reimbursement levels and pricing policies.

Successful sales of our current and any future approved products will depend, in part, on the extent to which coverage and reimbursement for our products will be available from government and health administration authorities, private health insurers and other third-party payors. To manage healthcare costs, many governments and third-party payors increasingly scrutinize the pricing of new products and require increasing levels of evidence of favorable clinical outcomes and cost-effectiveness before extending coverage. In light of this pricing scrutiny, we cannot be sure that we and our collaborators will achieve and maintain coverage for our products and any product candidates that we or our collaborators commercialize and, if available, that the reimbursement rates will be adequate and grant access to all eligible patients. If we or our collaborators are unable to obtain and maintain coverage and adequate levels of reimbursement for our current and any future approved products that we or our collaborators commercialize, their marketability will be negatively and materially impacted. For example, we cannot be certain that third-party payors will continue to provide coverage and adequate reimbursement for ADCETRIS in the frontline Hodgkin lymphoma indication based on the relative price and perceived benefit of ADCETRIS as compared to alternative treatment options, which may materially harm our ability to maintain or increase sales of ADCETRIS or may otherwise negatively affect future ADCETRIS sales. Similarly, we cannot be certain that third-party payors will provide coverage and adequate reimbursement for PADCEV, TUKYSA or TIVDAK based on their relative price and perceived benefits as compared to alternative treatment options or otherwise, which may materially harm our and our collaborators' ability to successfully commercialize PADCEV, TUKYSA and TIVDAK in our respective designated territories. In addition, we have also experienced an increase in gross-to-net deductions for ADCETRIS since the beginning of the COVID-19 pandemic, which has been driven by the proportion of ADCETRIS sales subject to discounts through the federal 340B drug discount program, as well as increases in discount rates. We believe that the increase in gross-to-net deductions is, in part, due to a shift in the locations where ADCETRIS is administered. We may further experience additional increases in gross-to-net deductions for ADCETRIS and the rest of our portfolio in the future based on market and site-of-care dynamics.

In many jurisdictions, including many countries in Europe, the proposed pricing for a drug must be approved in an individual country before it may be lawfully marketed, which could delay entry of a product into a market or, if pricing is not approved, may prevent us or our collaborators from selling a product in a country where it has received regulatory approval. In European countries where TUKYSA and PADCEV have obtained regulatory approval, we will seek additional pricing and reimbursement agreements for TUKYSA, and work with Astellas to seek additional pricing and reimbursement agreements for PADCEV, in accordance with local timelines. As an organization, we did not have any experience applying for pricing and reimbursement approvals in jurisdictions outside the U.S. and Canada prior to our applications with respect to TUKYSA. Further, authorities in Europe have substantial discretion in the pricing and reimbursement approval process and in determining when or whether coverage will be available for a product in its initial indication or for any additional indications or in additional territories. In addition, in some cases, they may lower the price for a medicine after the price has been established. If we or our collaborators are unable to obtain favorable pricing and reimbursement approvals in the countries that represent significant potential markets, our anticipated revenue from and growth prospects for PADCEV and/or TUKYSA in those regions would be negatively affected.

Eligibility for coverage and reimbursement does not imply that payors will pay for a drug in all cases or at a rate that (i) captures the value delivered to patients, payors and the overall healthcare system; (ii) allows for continued investment in innovative treatments for cancer patients; or (iii) covers our costs, including research, development, manufacture, sale and distribution. In addition, obtaining and maintaining adequate coverage and reimbursement status is time-consuming and costly. Third-party payors may deny coverage and reimbursement status altogether for a given product, or they may cover the product but establish prices at levels that are too low to enable us to realize an appropriate return on our investment in product development or limit access to select patient populations, reducing revenue potential. Further, in the U.S., there is no uniform policy of coverage and reimbursement among third-party payors. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies. However, decisions regarding the extent of coverage and amount of reimbursement to be provided is made on a payor-by-payor basis. One payor's determination to provide coverage for a product does not assure that other payors will also provide coverage for the product. Because the rules and regulations regarding coverage and reimbursement change frequently, in some cases at short notice, even when there is favorable coverage and reimbursement, future changes may occur that adversely impact the favorable status.

The unavailability or inadequacy of third-party coverage and reimbursement could have a material adverse effect on the market acceptance of our current and any future approved products and the future revenues we may expect to receive from those products. In addition, we are unable to predict what additional legislation or regulation relating to the healthcare industry or third-party coverage and reimbursement may be upheld or enacted in the future, or what effect such legislation or regulation would have on our business. Continuing negative publicity regarding pharmaceutical pricing practices and ongoing governmental and societal scrutiny create significant uncertainty regarding regulation of the healthcare industry and third-party coverage and reimbursement in the U.S. and other jurisdictions. If additional healthcare policies or reforms intended to curb healthcare costs are implemented or if we experience negative publicity with respect to pricing of our products or the pricing of pharmaceutical products generally, the prices that we charge for our current and any future approved products may be limited, and our revenues from sales of our current and any future approved products may be negatively impacted.

The successful commercialization of our products will also depend, in part, on the acceptance of our products by the medical community, patients and third-party payors.

The degree of market acceptance among patients, physicians, and third-party payors is important to our ability to successfully commercialize our current and any future approved products. The degree of acceptance will depend on a number of factors including the clinical benefits of our products, the effectiveness of our marketing, sales and distribution strategy and operations, the perceived advantages and relative cost, safety and efficacy of alternative treatments, and the acceptance and degree of adoption of our products by institutional treatment pathways and institutional, local, and national clinical guidelines. In the U.S., many oncology practices and healthcare providers rely on the National Comprehensive Cancer Network® Clinical Practice Guidelines in Oncology or other institutional practice pathways in decisions related to treatment of patients and utilization of medicines. To the extent that our current or any future approved products are not included or positioned favorably in such treatment guidelines and pathways, the full utilization potential of our products may not be reached, which may harm our ability to successfully commercialize our current or any future approved products.

Any failures or setbacks in our ADC development program or our other platform technologies could negatively affect our business and financial position.

ADCETRIS, PADCEV, TIVDAK and our ladiratumab vedotin and disitamab vedotin product candidates are all based on antibody-drug conjugate, or ADC, technology, which utilizes proprietary stable linkers and potent cell-killing synthetic agents. Our ADC technology is also the basis of our license agreements with AbbVie Biotechnology Ltd., or AbbVie, Astellas, Genentech, Inc., a member of the Roche Group, or Genentech, and GlaxoSmithKline LLC, or GSK, and our collaboration agreements with Takeda, Astellas, Genmab, Merck and Zai Lab. Any failures or setbacks in our ADC development program or with respect to our additional proprietary technologies, including adverse effects resulting from the use of this technology in human clinical trials and/or the imposition of clinical holds on our trials of our product candidates, could have a detrimental impact on the continued commercialization of our products in their current or any potential future approved indications and on our product candidate pipeline, as well as our ability to maintain and/or enter into new corporate collaborations regarding our ADC technology, which would negatively affect our business and financial position.

We face intense competition and rapid technological change, which may result in others discovering, developing or commercializing competing products before or more successfully than we do.

The biotechnology and biopharmaceutical industries are characterized by rapidly advancing technologies and intense competition. Many third parties compete with us in developing various approaches to treating cancer. They include pharmaceutical companies, biotechnology companies, academic institutions and other research organizations. Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approval and marketing than we do. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

With respect to ADCETRIS, there are several other FDA approved drugs for its approved indications. Bristol-Myers Squibb's, or BMS's, nivolumab and Merck's pembrolizumab are approved for the treatment of certain patients with relapsed or refractory classical Hodgkin lymphoma, and Acrotech Biopharma's pralatrexate and belinostat are approved for relapsed or refractory systemic anaplastic large cell lymphoma, or sALCL, among other T-cell lymphomas. Celgene's romidepsin is approved for cutaneous T-cell lymphoma. Kyowa Kirin's mogamulizumab is approved for adult patients with relapsed or refractory mycosis fungoides or Sézary syndrome. The competition ADCETRIS faces from these and other therapies is intensifying. Additionally, Merck conducted a phase 3 clinical trial in relapsed or refractory classical Hodgkin lymphoma comparing pembrolizumab to ADCETRIS. An interim analysis of this clinical trial demonstrated a statistically significant improvement in progression-free survival for pembrolizumab compared with ADCETRIS, resulting in a label expansion to an earlier line of therapy, and pembrolizumab is now competing with ADCETRIS in this indication. We are also aware of multiple investigational agents currently being studied that, if successful, may compete with ADCETRIS in the future, such as camidanlumab tesirine, which is in a phase 2 study in relapsed/refractory classical Hodgkin lymphoma. Nivolumab, with or without chemotherapy, in a phase 2 investigator initiated trial, has demonstrated significant objective response rate in the salvage setting. In the frontline classical Hodgkin lymphoma setting, nivolumab in combination with chemotherapy and pembrolizumab in combination with chemotherapy are each being studied and if proven beneficial, could compete with ADCETRIS in that setting. Data have also been presented on several developing technologies, including bispecific antibodies and CAR modified T-cell therapies that may compete with ADCETRIS in the future. Further, there are many competing approaches used in the treatment of patients in ADCETRIS' approved indications, including autologous hematopoietic stem cell transplant, allogeneic hematopoietic stem cell transplant and chemotherapy, in addition to clinical trials with experimental agents.

With respect to PADCEV, other treatments in pretreated metastatic urothelial cancer include sacituzumab govitecan (a Trop-2-directed antibody and topoisomerase inhibitor conjugate), checkpoint inhibitor monotherapy, generic chemotherapy and, for patients with select FGFR genetic alterations, Janssen's erdafitinib. Front line metastatic urothelial cancer has traditionally been treated with chemotherapy alone but is evolving to include checkpoint inhibitors for cisplatin-ineligible patients with high PD-L1 expression in addition to patients who are ineligible for platinum therapy. Several trials of investigational agents in combination with chemotherapy or other novel agents are ongoing. Continued development of PD-(L)1 targeted therapies across early-stage bladder cancer and in metastatic bladder cancer in frontline combinations with chemotherapy, in frontline maintenance with the recent approval of avelumab, and in pretreated disease, could potentially impact PADCEV usage and enrollment in PADCEV clinical trials.

With respect to TUKYSA, there are multiple marketed products which target HER2, including the antibodies trastuzumab and pertuzumab and the antibody drug conjugate T-DM1. In addition, lapatinib is an EGFR/HER2 oral kinase inhibitor for the treatment of metastatic breast cancer, and neratinib is an irreversible pan-HER kinase inhibitor indicated for extended adjuvant treatment and treatment of metastatic breast cancer in patients who received two or more prior anti-HER2-based regimens. Daiichi Sankyo and AstraZeneca have fam-trastuzumab deruxtecan-nxki which was approved by the FDA for patients who have received one or more prior anti-HER2-based regimens in the metastatic breast cancer setting and in the HER2 positive gastric cancer setting post-trastuzumab-based therapy. The agent was also granted conditional marketing authorization by the EMA for the treatment of adult patients with unresectable or metastatic HER2-positive breast cancer who have received one or more prior anti-HER2-based regimens. The sequence of therapies patients receive for HER2+ breast cancer is likely to continue to change in both the U.S. and EU, with greater fam-trastuzumab deruxtecan-nxki use in second line. This has resulted and is expected to continue to result in increased competition for TUKYSA, which is approved by the FDA for patients who have received one or more prior anti-HER2-based regimens in the metastatic breast cancer setting, including in patients with brain metastases. MacroGenics has a HER2 targeted, Fc-optimized antibody, margetuximab, which is approved by the FDA for patients who have received at least two previous anti-HER2 regimens. Additionally, Byondis released results from a pivotal trial of its antibody drug conjugate, SYD985, in metastatic breast cancer patients treated with multiple anti-HER2-based regimens and the FDA accepted a regulatory submission based on these results with a target action date in the second quarter of 2023.

With respect to TIVDAK, in October 2021, the FDA approved Merck's pembrolizumab in first line in combination with chemotherapy, with or without bevacizumab, for the treatment of recurrent or metastatic cervical cancer whose tumors express PD-L1 and was granted full approval in second line as a monotherapy for recurrent or metastatic cervical cancer patients with disease progression on or after chemotherapy in patients whose tumors express PD-L1. In April 2022, the European Commission, or EC, approved pembrolizumab as first-line therapy in combination with chemotherapy, with or without bevacizumab, for treatment of persistent, recurrent or metastatic cervical cancer whose tumors express PD-L1. We are also aware of other companies that currently have products in development for the treatment of late-stage cervical cancer which could be competitive with TIVDAK, including Agenus, BMS, Iovance Biotherapeutics, Merck, Regeneron Pharmaceuticals, Sanofi-Aventis and Roche. Cemiplimab is being reviewed in several countries outside the U.S. for the treatment of patients with recurrent or metastatic cervical cancer following progression on platinum-based chemotherapy. A supplemental Biologics License Application for cemiplimab was withdrawn in the U.S. in January 2022. Cemiplimab received Canadian approval in March 2022 and a positive opinion for an all comers label from the EU's Committee for Medicinal Products for Human Use in October 2022, which may impact the potential future opportunity for TIVDAK in that geography.

Many other pharmaceutical and biotechnology companies are developing and/or marketing therapies for the same types of cancer that our product candidates are designed and being developed to treat. In addition, we are aware of a number of other companies that have ADC and other technologies that may be competitive with ours. We are also aware of a number of companies developing monoclonal antibodies directed at the same antigen targets or for the treatment of the same diseases as our product candidates. In addition, our ADC collaborators may develop compounds utilizing our technology that may compete with product candidates that we are developing.

The risk of biosimilar or generic challenges has also been increasing in our industry. In the U.S. and the EU, after a period of exclusivity for an innovator's approved biological product or branded drug has passed, there are abbreviated pathways for approval of biosimilar products or generic drugs. In addition, it is not possible to predict changes in law that might reduce regulatory exclusivity. As a result, and due to uncertainties regarding patent protection, it is not possible to predict the length of market exclusivity for any particular product with certainty based solely on the expiration of the relevant patent(s) or the current forms of regulatory exclusivity. Absent patent protection or regulatory exclusivity for our products, it is possible, both in the United States and elsewhere, that biosimilar, interchangeable or generic versions of those products may be approved and marketed, which would likely result in substantial and rapid reductions in revenues from sales of those products.

It is also possible that our competitors will succeed in developing technologies that are more effective than our products and product candidates or that would render our technology obsolete or noncompetitive, or will succeed in developing biosimilar, interchangeable or generic products for our products and product candidates. We anticipate that we will continue to face increasing competition in the future as new companies enter our market and scientific developments surrounding biosimilars and other cancer therapies continue to accelerate. We cannot predict to what extent the entry of biosimilars or other competing products will impact potential future sales of our products and product candidates.

Risks Related to Regulatory Oversight, and Other Legal Compliance Matters

Our products and any future approved products remain subject to extensive ongoing regulatory obligations and oversight, including post-approval requirements, that could result in penalties and significant additional expense and could negatively impact our and our collaborators' ability to commercialize our current and any future approved products.

Any product that has received regulatory approval remains subject to extensive ongoing obligations and continued review from applicable regulatory agencies. These obligations include, among other things, drug safety reporting and surveillance, submission of other post-marketing information and reports, pre-clearance of certain promotional materials, manufacturing processes and practices, product labeling, confirmatory or post-approval clinical research, import and export requirements and record keeping. These obligations may result in significant expense and limit our and our collaborators' ability to commercialize our current and any future approved products. Any violation of ongoing regulatory obligations could result in restrictions on the applicable product, including the withdrawal of the applicable product from the market.

If FDA approval is granted via the accelerated approval pathway or a product receives conditional marketing authorization from another comparable regulatory agency, we and our collaborators may be required to conduct a post-marketing confirmatory trial in support of full approval and to comply with other additional requirements. For example, in connection with ADCETRIS's conditional marketing authorization in relapsed Hodgkin lymphoma, relapsed cutaneous T-cell lymphoma, and both relapsed and frontline sALCL in the EU, Takeda is subject to certain post-approval requirements, including the requirement to conduct clinical trials to confirm clinical benefit. The FDA's accelerated approval of TIVDAK also included a requirement for a confirmatory trial. An unsuccessful post-marketing study or failure to complete such a study with due diligence could result in the withdrawal of marketing approval. Post-marketing studies may also suggest unfavorable safety information that could require us to update the product's prescribing information or limit or prevent the product's widespread use. In addition, the labeling, advertising and promotion of products that have received accelerated approval from the FDA, including TIVDAK, are subject to additional regulatory requirements, which entail significant expense and could negatively impact the product's commercialization.

Regulatory authorities may also impose additional post-marketing commitments, including requirements for companion diagnostics. For example, the FDA's approval of ADCETRIS in the frontline peripheral T-cell lymphoma indication included a post-marketing commitment to develop an in-vitro diagnostic device for the selection of patients with CD30-expressing PTCL, not including sALCL, for treatment with ADCETRIS in this indication. We and Takeda have a collaboration with Ventana Medical Systems, Inc., or Ventana, under which Ventana is working to develop such a diagnostic device.

We and the manufacturers of our current and any future approved products are also required, or will be required, to comply with current Good Manufacturing Practices, or cGMP, regulations, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation. Further, regulatory agencies must approve these manufacturing facilities before they can be used to manufacture our products and product candidates, and these facilities are subject to ongoing regulatory inspections. In addition, any approved product, its manufacturer and the manufacturer's facilities are subject to continual regulatory review and inspections, including periodic unannounced inspections. Failure to comply with applicable FDA and other regulatory requirements may subject us to administrative or judicially imposed sanctions and other consequences, including:

- issuance of Form FDA 483 notices or Warning Letters by the FDA or other regulatory agencies;
- imposition of fines and other civil penalties;
- criminal prosecutions;
- injunctions, suspensions or revocations of regulatory approvals;
- suspension of any ongoing clinical trials;
- total or partial suspension of manufacturing;
- delays in regulatory approvals and commercialization;
- refusal by the FDA to approve pending applications or supplements to approved applications submitted by us;
- refusals to permit drugs to be imported into or exported from the U.S.;
- restrictions on operations, including costly new manufacturing requirements;
- product recalls or seizures or withdrawal of the affected product from the market; and
- reputational harm.

The policies of the FDA and other regulatory agencies may change and additional laws and regulations may be enacted that could prevent or delay regulatory approval of our product candidates or of our products in any additional indications or territories, or further restrict or regulate post-approval activities. Any problems with a product or any violation of ongoing regulatory obligations could result in restrictions on the applicable product, including the withdrawal of the applicable product from the market. If we are not able to maintain regulatory compliance, we or our collaborators might not be permitted to commercialize our current or any future approved products and our business would suffer.

Healthcare law and policy changes may negatively impact our business, including by decreasing the prices that we and our collaborators receive for our products.

In recent years, there have been a number of legislative and regulatory actions and executive orders that have made reforms to the U.S. healthcare system. The implementation of certain of these policy changes has decreased our revenues and increased our costs, and federal and state legislatures, governments in countries outside the U.S., health agencies and third-party payors continue to focus on containing the cost of healthcare. Further legislative and regulatory changes, and increasing pressure from social sources, are likely to further influence the manner in which our products are priced, reimbursed, prescribed and purchased. Such additional reforms could result in further reductions in coverage and levels of reimbursement for our products, expansion of U.S. government rebate and discount programs, increases in the rebates and discounts payable under these programs, requests for additional or supplemental rebates, and additional downward pressure on the prices that we and our collaborators receive for our products.

The federal government has implemented reforms to government healthcare programs in the U.S., including changes to the methods for, and amounts of, Medicare reimbursement and changes to the Medicaid Drug Rebate Program. For example, on March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law, which eliminates the statutory Medicaid drug rebate cap, currently set at 100% of a drug's average manufacturer price, for single source and innovator multiple source drugs, beginning January 1, 2024. On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act, which included changes to the Medicare Part B program requiring rebates for some discarded drug products that are expected to increase future rebates for ADCETRIS, TIVDAK and possibly PADCEV with a target implementation date of the first quarter of 2023. The Biden administration also recently announced an Executive Order that includes initiatives to support the implementation of Canadian drug importation and reduce drug prices. In response to President Biden's Executive Order, on September 9, 2021, the U.S. Department of Health and Human Services, or HHS, released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue to advance these principles. Further, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or IRA, into law, which among other things, (i) directs HHS to negotiate the price of certain high-expenditure, single-source drugs and biologics covered under Medicare, and subjects drug manufacturers to civil monetary penalties and a potential excise tax for offering a price that is not equal to or less than the negotiated "maximum fair price" under the law; and (ii) imposes rebates under Medicare Part B and Medicare Part D to penalize drug price increases that outpace inflation. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. These provisions will take effect progressively beginning in fiscal year 2023, although they may be subject to legal challenges. It is currently unclear how the IRA will be effectuated but is likely to have a significant impact on the pharmaceutical industry.

Some states are also considering legislation, or have passed laws, that would control the prices and coverage and reimbursement levels of drugs, including laws to allow importation of pharmaceutical products from lower cost jurisdictions outside the U.S. and laws intended to impose price controls on state drug purchases.

In addition, governments in countries outside the U.S. control the costs of pharmaceuticals. Many European countries and Canada have established pricing and reimbursement policies that contain costs by referencing the price of the same or similar products in other countries. In these instances, if coverage or the level of reimbursement is reduced, limited or eliminated in one or more countries, we may be unable to obtain or maintain anticipated pricing or reimbursement in other countries or in new markets. This may create the opportunity for third-party cross-border trade or may influence our decision whether to sell a product in one or more countries, thus adversely affecting our geographic expansion plans.

It is also possible that governments may take additional action to reform the healthcare system in response to the evolving effects of the COVID-19 pandemic.

We cannot assure you as to the ultimate content, timing, or effect of future healthcare law and policy changes, nor is it possible at this time to estimate the impact of any such potential changes; however, such changes or the ultimate impact of changes could materially and adversely affect our revenue or sales of our current and or potential future products, as well as those of our collaborators.

We are subject to various state, federal and international laws and regulations, including healthcare laws and regulations, that may impact our business and could subject us to significant fines and penalties or other negative consequences.

Our operations may be directly or indirectly subject to various healthcare laws, including, without limitation, the federal Anti-Kickback Statute, federal civil and criminal false claims laws, regulations prohibiting off-label promotions and federal transparency requirements. These laws may impact, among other things, the sales, marketing and education programs for our products and any future approved products. In addition, the number and complexity of healthcare laws and regulations applicable to our business continue to increase.

The federal Anti-Kickback Statute prohibits, among other things, knowingly and willingly soliciting, offering, receiving or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing or arranging for a good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as the Medicare and Medicaid programs. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly, and practices that involve remuneration not intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor. In addition, a criminal conviction for violation of the federal Anti-Kickback Statute requires mandatory exclusion from participation in federal healthcare programs.

The federal civil and criminal false claims laws, including the civil False Claims Act, prohibit, among other things, persons or entities from knowingly presenting, or causing to be presented, a false claim to, or the knowing use of false statements to obtain payment from or approval by, the federal government, including the Medicare and Medicaid programs, or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim or to avoid, decrease, or conceal an obligation to pay money to the federal government. Many pharmaceutical and other healthcare companies have been investigated and have reached substantial financial settlements with the federal government under the civil False Claims Act for a variety of alleged improper marketing, promotion or other activities.

The FDA and other governmental authorities also actively investigate allegations of off-label promotion activities in order to enforce regulations prohibiting these types of activities. In recent years, private whistleblowers have also pursued False Claims Act cases against a number of pharmaceutical companies for causing false claims to be submitted as a result of off-label promotion. If we are found to have promoted an approved product for off-label uses, we may be subject to significant liability, including significant civil and administrative financial penalties and other remedies as well as criminal penalties and other sanctions. Even when a company is not determined to have engaged in off-label promotion, the allegation from government authorities or market participants that a company has engaged in such activities could have a significant impact on the company's sales, business and financial condition. The U.S. government has also required companies to enter into complex corporate integrity agreements, deferred prosecution agreements and/or non-prosecution agreements that impose significant reporting and other burdens on the affected companies.

The federal transparency requirements under the Physician Payments Sunshine Act require certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program to annually report information related to certain payments or other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners), and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals, and to report annually certain ownership and investment interests held by physicians and their immediate family members. Failure to submit timely, accurately and completely the required information for all payments, transfers of value and ownership or investment interests may result in civil monetary penalties of up to an aggregate of \$150,000 per year plus up to an aggregate of \$1 million per year for "knowing failures," as adjusted for inflation.

In addition, there has been increased scrutiny of company-sponsored patient assistance programs, including co-pay assistance programs, and donations to third-party charities that provide such assistance. There has also been enhanced scrutiny by governments of reimbursement support offerings, clinical education programs and promotional speaker programs. If we or our vendors are deemed to fail to comply with laws or regulations in the operation of these programs, we could be subject to damages, fines, penalties or other criminal, civil or administrative sanctions or enforcement actions. Further, in connection with civil settlements related to these laws and regulations, the U.S. government has and may in the future require companies to enter into complex corporate integrity agreements that impose significant reporting and other requirements.

Other healthcare laws and regulations that may affect our ability to operate include, among others, the federal civil monetary penalties statute and the healthcare fraud provisions of the federal Health Insurance Portability and Accountability Act, or HIPAA. In addition, many states and jurisdictions outside the U.S. have similar laws and regulations, such as anti-kickback, anti-bribery and corruption, false claims and transparency, to which we are currently and/or may in the future, be subject. Additional information about these requirements is provided under "Government Regulation—Healthcare Regulation" in our Annual Report on Form 10-K for the year ended December 31, 2021.

We are also subject to numerous other laws and regulations that while not specific to the healthcare industry, do apply to the healthcare industry in important ways. For example, we are subject to antitrust regulations with respect to interactions with other participants in the markets we currently serve or may serve in the future. These antitrust laws are vigorously enforced in the U.S. and in other jurisdictions in which we operate.

In an effort to comply with applicable laws and regulations, we have implemented a compliance program designed to actively identify, prevent and mitigate risk by implementing policies and systems and promoting a culture of compliance. We also actively work to revise and evolve our compliance program in an effort to keep pace with evolving compliance risks and the growing scale of our business. However, we cannot guarantee that our compliance program will be sufficient or effective, that we will be able to integrate the operations of newly formed affiliates or acquired businesses into our compliance program effectively or on a timely basis, that our employees will comply with our policies, that our employees will notify us of any violation of our policies, that we will have the ability to take appropriate and timely corrective action in response to any such violation, or that we will make decisions and take actions that will limit or avoid liability for whistleblower claims or actions by governmental authorities. If we are found to be in violation of any of the laws and regulations described above or other applicable laws, we may be subject to penalties, including significant civil, criminal and administrative penalties, damages, fines, disgorgement, contractual damages, reputational harm, administrative burdens, imprisonment, diminished profits and future earnings, exclusion from government healthcare reimbursement programs, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, and/or the curtailment or restructuring of our operations. Any of these outcomes could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Regardless of whether we have complied with the law, a government investigation could negatively impact our business practices, harm our reputation, divert the attention of management and increase our expenses. Moreover, achieving and sustaining compliance with applicable federal, state and healthcare laws outside the U.S. is costly and time-consuming for our management.

We are subject to stringent and changing obligations related to data privacy and information security. Our actual or perceived failure to comply with such obligations could lead to governmental investigations or actions, litigation, fines and penalties, a disruption of our business operations, reputational harm and other adverse business impacts.

We are subject to numerous privacy and data protection laws and regulations governing personal information, including healthcare information. In addition, the legislative and regulatory landscape for privacy and data protection continues to evolve.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data security and breach notification laws, personal data privacy laws, and consumer protection laws. The laws are not consistent, and states frequently amend existing laws, requiring attention to constantly changing regulatory requirements. For example, the California Consumer Privacy Act, or CCPA, became effective on January 1, 2020, and the California Privacy Rights Act, or CPRA, will take effect in January 2023 (with a look back for certain rights to January 2022). The CPRA will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. We may also be subject to additional U.S. privacy regulations in the future, including the Virginia Consumer Data Protection Act and the Colorado Privacy Act, both of which become effective in 2023. In addition, at the federal level, HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and its implementing regulations impose additional obligations on certain types of individuals and entities with respect to the security, privacy and transmission of individually identifiable health information.

EU member countries and other jurisdictions, including Switzerland, the United Kingdom, or the U.K., and Canada, have also adopted data protection laws and regulations which impose significant compliance obligations. For example, the EU's General Data Protection Regulation, or GDPR, imposes a range of requirements relating to the collection, use, handling and protection of personal data. Violations of the GDPR can result in significant penalties, including potential fines of up to €20 million or 4% of the annual global revenues of the non-compliant company, whichever is greater. The GDPR has increased our responsibility and potential liability in relation to all types of personal data that we process or that is processed on our behalf, including data from clinical trials, employees, collaborators and vendors. In addition, local data protection authorities can have different interpretations of the GDPR, leading to compliance challenges as a result of potential inconsistencies amongst various EU member states.

Among other requirements, the GDPR regulates transfers of personal data to countries that have not been found to provide adequate protection to such personal data, including the U.S. This includes transfers between us and our subsidiaries. In July 2020, the Court of Justice of the EU, or the CJEU, invalidated one of the primary safeguards enabling U.S. companies to import personal information from Europe, the EU-U.S. Privacy Shield. The same decision also raised questions about whether one of the primary alternatives to the EU-U.S. Privacy Shield, namely, the EC's Standard Contractual Clauses, or SCCs, provide sufficient protection for personal data transfers without analyzing each transfer and implementing supplementary measures to protect the data. As a result of the CJEU's decision, the EC issued new SCCs in June 2021 that repeal and replace the previous clauses. Companies relying on the SCCs for transfers have until December 2022 to implement the new clauses. Following recommendations from the European Data Protection Board, we are reviewing personal data transfers from the EU and adding the new SCCs and supplementary measures, when required. Since local data protection authorities can interpret GDPR and the CJEU's decision differently, there is no definitive set of controls that can ensure GDPR compliance across our business operations. In addition, authorities in Switzerland and the U.K., whose data protection laws are similar to those of the EU, have followed the EU's approach and CJEU decision. Additional compliance efforts may be needed to respond to evolving regulatory guidance. If our compliance solutions are found to be insufficient, we could face substantial fines under European data protection laws as well as injunctions against processing and/or transferring personal information from Europe. The inability to import personal information from Europe could restrict our clinical trial activities in Europe, limit our ability to collaborate with contract research organizations, service providers, contractors and other companies subject to European data protection laws, interfere with our ability to hire employees in Europe and require us to increase our data processing capabilities in Europe at significant expense.

In addition, we may be subject to other foreign data privacy and security laws. For example, China's Personal Information Protection Law, or PIPL, which took effect in November 2021, imposes various requirements related to personal information processing, similar to the GDPR and CCPA. In particular, the PIPL sets out personal information localization requirements, along with rules regarding the transfer of personal information outside of China. Such transfers may require assessment and/or approval by China's Cyberspace Administration, certification by professional institutions or entering into contracts with and supervising overseas recipients. Violations of the PIPL may lead to an administrative fine of up to RMB 50 million or 5% of turnover in the last year.

Any failure or alleged failure to comply with legal or contractual obligations, policies and industry standards relating to personal information, and any incident resulting in the unauthorized access to, or acquisition, release or transfer of, personal information, may result in governmental investigations or enforcement actions, litigation, fines, penalties, damage to our reputation and other adverse consequences. In addition, we expect that laws, regulations, policies and industry standards relating to privacy and data protection will continue to evolve. These changes may require us to modify our practices and may increase our costs of doing business. In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self-regulatory standards that may legally or contractually apply to us. If we fail to follow these standards, even if no personal information is compromised, we may incur significant fines or experience a significant increase in costs.

Product liability and product recalls could harm our business, and we may not be able to obtain adequate insurance to protect us against product liability losses.

The testing, manufacturing, marketing, and sale of products and product candidates expose us to product liability claims. As a result, it is possible that we may be named as a defendant in product liability suits that may allege that drug products we manufactured resulted in injury to patients. While we have obtained product liability insurance, it may not provide adequate coverage against all potential liabilities. In addition, we may not be able to maintain insurance coverage on acceptable terms or at all. If a product liability claim or series of claims is brought against us, we may experience substantial financial losses, including uninsured liabilities or liabilities in excess of insured amounts, and may be required to limit further development and commercialization of our products, either of which could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Additionally, product liability claims, regardless of their merits, could be costly, could divert management's attention and could adversely affect our reputation and the demand for our products.

Product recalls may be issued at our discretion, or at the discretion of government agencies and other entities that have regulatory authority for pharmaceutical sales. Any recall of our products could materially adversely affect our business by rendering us unable to sell our products for some time and by adversely affecting our reputation.

Our operations involve hazardous materials and are subject to environmental, health and safety laws and regulations.

We are subject to environmental, health and safety laws and regulations, including those governing the use and disposal of hazardous materials, and we spend considerable time complying with such laws and regulations. Our business activities involve the controlled use of hazardous materials, and although we take precautions to prevent accidental contamination or injury from these materials, we cannot completely eliminate the risk of using these materials. In this regard, with respect to our manufacturing facility, we may incur substantial costs to comply with environmental laws and regulations and may become subject to the risk of accidental contamination or injury from the use of hazardous materials in our manufacturing process. It is also possible that our manufacturing facility may expose us to environmental liabilities associated with historical site conditions that we are not currently aware of and did not cause. Some environmental laws impose liability for contamination on current owners or operators of affected sites, regardless of fault. In the event of an accident or environmental discharge, or new or previously unknown contamination is discovered or new cleanup obligations are otherwise imposed in connection with any of our currently or previously owned or operated facilities, we may be held liable for remediation obligations, damages or fines, which may exceed our insurance coverage and materially harm our business, financial condition and results of operations. Additional federal, state and local laws and regulations affecting our operations may be adopted in the future. We may incur substantial costs to comply with, and substantial fines or penalties if we violate, any of these laws or regulations.

Risks Related to Our Reliance on Third Parties

Our collaborators and licensees may not perform as expected, which may negatively affect our ability to develop and commercialize our products and product candidates and/or generate revenues through technology licensing, and may otherwise negatively affect our business.

We have established collaborations with third parties to develop and market each of our products and some of our current and potential future product candidates. These include our collaborations with Takeda for ADCETRIS, with Astellas for PADCEV, with Merck for TUKYSA, and with Genmab and Zai Lab for TIVDAK. We also have established clinical trial collaborations to develop certain of our products or product candidates in combination with the products or product candidates of third parties. Our dependence on these collaboration and licensing arrangements subjects us to a number of risks, including:

- we are not able to control the amount or timing of resources our collaborators and licensees devote to the development or commercialization of our programs, products or product candidates;
- the interests of our collaborators may not always be aligned with our interests, and such parties may not pursue regulatory approvals or market a product in the same manner or to the same extent that we would, which could adversely affect our revenue, or may adopt tax strategies that could have an adverse effect on our business, results of operations or financial condition;
- with respect to products or product candidates under joint control, we may encounter challenges in joint decision making and joint execution, including with respect to any joint development or commercialization plans or co-promotion activities, which may delay or otherwise harm the research, development, launch or commercialization of the applicable products and product candidates;
- disputes may arise between us and our collaborators or licensees, including with respect to the achievement and payment of milestones or ownership of rights to technology developed, that could result in litigation or arbitration;
- any failure on the part of our collaborators to comply with applicable laws, including tax laws, regulatory requirements and/or applicable contractual obligations or to fulfill any responsibilities they may have to protect and enforce any intellectual property rights underlying our products could have an adverse effect on our revenue as well as involve us in possible legal proceedings;
- any improper conduct or actions on the part of our collaborators, licensees or other third parties could subject us to civil or criminal investigations and monetary penalties and injunctions, impact the accuracy and timing of our financial reporting and/or adversely impact our ability to conduct business, our operating results and our reputation;
- business combinations or significant changes in a collaborator's business strategy may adversely affect such party's willingness or ability to complete its obligations under any arrangement;
- a collaborator could independently move forward with competing products, therapeutic approaches or technologies, either independently or in collaboration with others, including with our competitors; and
- our collaboration agreements may be terminated, breached or allowed to expire, or our collaborators may reduce the scope of our agreements with them.

If our collaborative and license arrangements are not successful, then our ability to advance the development and commercialization of the applicable products and product candidates, or to otherwise generate revenue from these arrangements, will be adversely affected, and our business and business prospects may be materially harmed. If any of our collaborators terminates our collaboration or opts out of their obligations, we may have to engage another collaborator, or we may have to complete the development process and undertake commercializing the applicable product or product candidate in our collaborator's current territories ourselves. This could significantly disrupt or delay the development and commercialization of the applicable product or product candidate and substantially increase our costs. Any of these events could have a material adverse effect on our business, results of operations, financial condition and growth prospects.

A substantial portion of our revenue results from payments made under agreements with our collaborators. The loss of any of our collaborators, changes in product development or business strategies of our collaborators, or the failure of our collaborators to perform their obligations under their agreements with us for any reason, including paying license or technology fees, milestone payments, royalties or reimbursements, could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Payments under our existing and potential future collaboration agreements are also subject to significant fluctuations in both timing and amount, which could cause our revenue to fall below the expectations of securities analysts and investors and cause a decrease in our stock price.

In addition to collaboration agreements, we also have ADC license agreements that allow our licensees to use our proprietary ADC technology. Our ADC licensees conduct all research, product development, manufacturing and commercialization of any product candidates under these agreements. Any delay or termination of the development and commercialization of a licensed product or product candidate by the licensee could adversely affect our business, results of operations, financial condition and growth prospects by reducing or eliminating the potential for us to receive applicable milestones and royalties.

We currently rely on third-party manufacturers and other third parties for production of our drug products, and our dependence on these third parties may impair the continued development and commercialization of our products and product candidates.

We own a biologics manufacturing facility located in Bothell, Washington, which we use to support our clinical supply needs, as well as for commercial production of PADCEV antibody, for which the facility was recently approved by the FDA. We have also signed a lease for a site in Everett, Washington, where we are constructing a new manufacturing facility that we intend to use for future biologics manufacturing. We have made and plan to continue to make significant investments in these facilities with no assurance that these investments will be recouped. We may experience cost overruns, delays or other difficulties in construction, obtaining regulatory approvals and permits or in otherwise bringing the Everett facility online. In addition, we rely and expect to continue to rely on collaborators, contract manufacturers and other third parties to produce and store sufficient quantities of drug product for both our clinical and commercial programs. In some cases, we rely on contract manufacturers and other third parties that are single-source suppliers to complete steps in the manufacturing process. If any of the parties in our supply chain cease or interrupt production or otherwise fail to deliver materials, products or services on a timely basis, with sufficient quality, and at commercially reasonable prices, and we fail to find replacements or to develop our own manufacturing capabilities, we may bear costly losses or be required to delay or suspend clinical trials or otherwise delay or discontinue development, production and sale of our products. As a result, our business, results of operations, financial condition and growth prospects could be materially and adversely affected.

There are a limited number of facilities in which each of our products and product candidates can be produced. Any interruption of the operation of those facilities, due to equipment malfunction or failure, damage to the facility, natural disasters, regulatory actions, contractual disputes or other events, could result in delays, cancellation of shipments, loss of product in the manufacturing process, or a shortfall in supply. Further, we and our collaborators depend on outside vendors for the supply of raw materials used to produce our products and product candidates. If these suppliers were to cease production or otherwise fail to supply quality raw materials and we or our collaborators were unable to contract with alternative suppliers for these raw materials on acceptable terms, our ability to have our products manufactured to meet clinical and commercial requirements would be adversely affected. In an effort to increase the availability of needed medical and other supplies and products in connection with the COVID-19 pandemic, we and our suppliers may elect to, or governments may require us or our suppliers to, allocate raw materials used in manufacturing or manufacturing capacity (for example pursuant to the U.S. Defense Production Act) in a way that adversely affects our ability to have our products manufactured to meet clinical and commercial requirements. In addition, if any of the parties in our supply chain are adversely impacted by the evolving effects of the COVID-19 pandemic, such as staffing shortages, productions slowdowns and/or disruptions in delivery systems, there could be disruptions and delays in the manufacturing and supply of our products and product candidates.

While we believe that the existing supplies of our products and our and our collaborators' contract manufacturing relationships will be sufficient to accommodate current clinical and commercial needs, we or our collaborators may need to obtain additional manufacturing arrangements or increase manufacturing capability to meet potential future commercial needs, which could require additional capital investment or cause delays. We cannot assure you that we can enter into additional manufacturing arrangements on commercially reasonable terms or at all. Forecasting demand for a new product or for a newly-approved territory or indication for an existing product can be challenging. If demand for a product exceeds our estimates or if our commercial manufacturers are unable or unwilling to increase production capacity commensurate with demand, our commercialization of the affected product could be negatively impacted by short-term product supply challenges. Supply challenges would adversely impact our revenues and could negatively affect our relationships with patients and healthcare professionals. In addition, any failures or delays in manufacturing adequate product supplies and in putting in place or expanding our manufacturing and supply infrastructure could delay or impede our and collaborators' ability to launch and commercialize our products, including PADCEV and TUKYSA, in additional markets where they have obtained regulatory approval.

In order to obtain regulatory approval of any product candidate or regulatory approval of any product in a new jurisdiction, the suppliers for that product or product candidate must obtain approval to manufacture and supply product. In addition, the facilities utilized to manufacture the product or product candidate will be subject to pre-approval regulatory inspections. Any delay or failure in generating the chemistry, manufacturing and control data required in connection with any application for regulatory approval, or challenges in the regulatory inspection process, could negatively impact our ability to meet our anticipated regulatory submission dates, delay any approval decisions and/or negatively affect our ability to obtain regulatory approval at all. Any failure of us, our collaborators or a manufacturer to obtain approval to manufacture and supply product in a jurisdiction, or to obtain and distribute adequate supplies of the product, on a timely basis or in accordance with applicable specifications and local requirements could negatively impact our ability to successfully launch and commercialize the applicable product in that jurisdiction and to generate sales of that product at the levels we expect. We or our collaborators may also encounter difficulties in meeting the regulatory requirements applicable to the manufacturing process for these agents, in managing the additional complexity of manufacturing for a number of markets outside the U.S. or in responding to changes in the amount or timing of supply needs. Any failures or delays in meeting these requirements could substantially delay or impede our ability to obtain regulatory approvals for and to market these agents, which could negatively impact our operating results and adversely affect our business.

We are dependent upon a small number of distributors for a significant portion of our net sales, and the loss of, or significant reduction or cancellation in sales to, any one of these distributors could adversely affect our revenues and increase our costs.

We sell ADCETRIS, PADCEV and TIVDAK through a limited number of specialty distributors. Healthcare providers order ADCETRIS, PADCEV and TIVDAK through these distributors. We receive orders from distributors and generally ship product directly to the healthcare provider. We sell TUKYSA through a distribution network of specialty pharmacies, integrated delivery network hospitals and practices that dispense in the office. These distributors and distribution network partners do not set or determine demand for our products; however, our ability to effectively commercialize our products will depend, in part, on their performance. If we lost a major distributor or partner, revenue during any period of disruption could suffer and we might incur additional costs. In addition, business disruptions arising from the COVID-19 pandemic could negatively affect the ability of some of our distributors or distribution network partners to pay amounts owed to us in a timely manner or at all.

We are dependent on third parties such as contract research organizations, medical institutions and clinical investigators to assist with the design, review, management and conduct of our clinical trials and other activities.

We depend on third parties such as contract research organizations, medical institutions and clinical investigators to assist with the design, review, management and conduct of our clinical trials and other activities. Our reliance on these third parties reduces our control over these activities but does not relieve us of our responsibilities. For example, we remain responsible for ensuring that each of our clinical trials is conducted in accordance with regulatory requirements, GCP and study protocols. To the extent these third parties fail to successfully carry out their contractual duties or meet expected deadlines, our clinical trials and regulatory filings may be negatively impacted including possible impacts to data, results, or conclusions, increased costs, and delays to regulatory timelines, which may harm our reputation and business.

Risks Related to Intellectual Property and Litigation

If we are unable to enforce our intellectual property rights or if we fail to sustain and further procure additional intellectual property rights, we may not be able to successfully commercialize our products or any future products and competitors may be able to develop competing therapies.

Our success depends, in part, on obtaining and maintaining patent protection and successfully enforcing these patents and defending them against third-party challenges in the U.S. and other countries. We own multiple U.S. and foreign patents and pending patent applications for our technologies. We also have rights to issued U.S. patents, patent applications, and their foreign counterparts, relating to our monoclonal antibody, linker and drug-based technologies. Our rights to these patents and patent applications are derived in part from worldwide licenses from third parties.

The standards that the U.S. Patent and Trademark Office, or USPTO, and patent offices in other countries use to grant patents are not always applied predictably or uniformly and can change. Consequently, our pending patent applications may not be allowed and, if allowed, may not contain the type and extent of patent claims that will be adequate to conduct our business as planned. Additionally, patents may have a shorter patent term than expected or may not contain claims that will permit us to stop competitors from using our technology or similar technology or from copying our products. Similarly, the standards that courts use to interpret patents are not always applied predictably or uniformly and may evolve, particularly as new technologies develop. For example, the U.S. Federal Circuit Court of Appeals and the U.S. Supreme Court have modified some legal standards applied by the USPTO in examination of U.S. patent applications, which may decrease the likelihood that we will be able to obtain patents and may increase the likelihood of challenges to patents we obtain or license. These changes and any future changes to the patent system in the U.S. or in other countries could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In addition, changes to patent laws may be applied retroactively to affect the validity, enforceability, or term of our patents. Patent protection outside the U.S. is particularly uncertain and costly. The laws of some countries may not protect our intellectual property rights to the same extent as U.S. laws, and many companies in our industry have encountered significant difficulties in protecting and defending such rights in these jurisdictions.

We rely on external agents to perform certain activities to maintain our patents. Although we carefully select and oversee these agents, the failure of an agent to properly perform these maintenance activities, whether through mistake or otherwise, could adversely affect our intellectual property rights. Additionally, if we do not control all of the intellectual property rights in-licensed to us with respect to a drug candidate and the entity that controls the intellectual property rights does not adequately protect those rights, our rights may be impaired, which may impact our ability to develop, market and commercialize the in-licensed drug candidate.

We rely on trade secrets and other proprietary information where we believe patent protection is not appropriate or obtainable. However, trade secrets and other proprietary information are difficult to protect. We have taken measures to protect our unpatented trade secrets and know-how, including the use of confidentiality and assignment of inventions agreements with our employees, consultants and certain contractors. It is possible, however, that these persons may breach the agreements or that our competitors may independently develop or otherwise discover our trade secrets or other proprietary information. Our research collaborators may also publish confidential data or other restricted information to which we have rights. If we cannot maintain the confidentiality of our technology and other confidential information in connection with our collaborations, then our ability to receive patent protection or protect our proprietary information may be impaired. In addition, under proposed or adopted policies in the EU, information related to clinical trials and clinical trial data that historically were considered confidential are now increasingly subject to public disclosure. The move toward public disclosure of this information could adversely affect our business in many ways, such as by requiring the disclosure of confidential methodologies for product development, preventing us from obtaining intellectual property right protection for innovations, requiring significant resources to prevent others from violating our intellectual property rights, adding complexity to compliance with applicable data privacy regulations, and enabling competitors to use our data to gain approvals for their own products.

We may incur substantial costs and lose important rights or may not be able to continue to commercialize our products or to commercialize any of our product candidates that may be approved for commercial sale as a result of litigation or other proceedings relating to patent and other intellectual property rights, and we may be required to obtain patent and other intellectual property rights from others.

We may face potential lawsuits by companies, academic institutions or others alleging infringement of their intellectual property. Due to the amount of intellectual property in our field, we cannot be certain that we do not infringe intellectual property rights of competitors or that we will not infringe intellectual property rights of competitors granted or created in the future. In addition, we are monitoring the progress of multiple pending patent applications of other organizations that, if granted, may require us to license or challenge their enforceability in order to continue commercializing our products or to commercialize our product candidates that may be approved for commercial sale. Our challenges to patents of other organizations may not be successful, which may affect our ability to commercialize our products or product candidates. If it is ultimately determined that our products infringe a third-party's intellectual property rights, we may be required to pay substantial damages, including lost profits, royalties, treble damages, attorneys' fees and costs. Even if infringement claims against us are without merit, the results may be unpredictable. In addition, defending lawsuits takes significant time, may be expensive and may divert management's attention from other business concerns. Further, we may be stopped from developing, manufacturing or selling our products unless and until we obtain a license from the owner of the relevant technology or other intellectual property rights, or we may be forced to undertake costly design-arounds, if feasible. If such a license is available at all, it may require us to pay substantial royalties or other fees.

We are or may be from time to time involved in the defense and enforcement of our patent or other intellectual property rights in a court of law, USPTO interference, inter partes review, or IPR, post-grant review or reexamination proceeding, foreign opposition proceeding or related legal and administrative proceeding in the U.S. and elsewhere. For example, we are involved in multiple disputes with Daiichi Sankyo Co. Ltd., or Daiichi Sankyo. In connection with one of these disputes, Daiichi Sankyo, Inc. and AstraZeneca Pharmaceuticals, LP, or AstraZeneca, filed two petitions for post-grant review with the USPTO, and on April 7, 2022, the USPTO instituted two post-grant review proceedings, but on July 15, 2022, the USPTO issued a new decision denying post-grant review of the claims asserted in the patent infringement action. See the risk factor below titled, "We have been and may in the future be subject to litigation, which could result in substantial expenses and damages and may divert management's time and attention from our business." In addition, if we choose to go to court to stop a third party from infringing our patents, that third party has the right to ask the court to rule that these patents are invalid, not infringed and/or should not be enforced. Under the America Invents Act, a third party may also have the option to challenge the validity of certain patents at the Patent Trial and Appeal Board, or PTAB, of the USPTO whether they are accused of infringing our patents or not, and certain entities associated with hedge funds, pharmaceutical companies and other entities have challenged valuable pharmaceutical patents through the IPR process. These lawsuits and administrative proceedings are expensive and consume time and other resources, and we may not be successful in these proceedings or in stopping infringement. In addition, there is a risk that a court will decide that these patents are not valid or not infringed or otherwise not enforceable, or that the PTAB will decide that certain patents are not valid, and that we do not have the right to stop a third party from using the patented subject matter. Successful challenges to our patent or other intellectual property rights through these proceedings could result in a loss of rights in the relevant jurisdiction and may allow third parties to use our proprietary technologies without a license from us or our collaborators, which may also result in loss of future royalty payments. Furthermore, if such challenges to our rights are not resolved promptly in our favor, our existing business relationships may be jeopardized and we could be delayed or prevented from entering into new collaborations or from commercializing potential products, which could adversely affect our business, results of operations, financial condition and growth prospects. In addition, we may challenge the patent or other intellectual property rights of third parties and if we are unsuccessful in actions we bring against the rights of such parties, through litigation or otherwise, and it is determined that we infringe the intellectual property rights of such parties, we may be prevented from commercializing potential products in the relevant jurisdiction, or may be required to obtain licenses to those rights or develop or obtain alternative technologies, any of which could harm our business.

We and our collaborators rely on license agreements for certain aspects of our products and product candidates and technologies such as our ADC technology. Failure to maintain these license agreements or to secure any required new licenses could prevent us from continuing to develop and commercialize our products and product candidates.

We have entered into agreements with third-party commercial and academic institutions to license technology for use in ADCETRIS, TUKYSA, our product candidates and technologies such as our ADC technology. Currently, we have license agreements with BMS, the University of Miami and Array BioPharma, Inc., among others. In addition to royalty provisions and other payment obligations, some of these license agreements contain diligence and milestone-based termination provisions, in which case our failure to meet any agreed upon royalty or diligence requirements or milestones may allow the licensor to terminate the agreement. Many of our license agreements grant us exclusive licenses to the underlying technologies. In addition, Astellas has agreements to license technology for use in PADCEV. We rely on Astellas to maintain these license agreements. If Astellas fails to maintain these license agreements, if our licensors terminate our license agreements or if we or our collaborators are unable to maintain the exclusivity of our exclusive license agreements, we may be unable to continue to develop and commercialize our products or product candidates. Further, we have had in the past, and we or our collaborators may in the future have, disputes with our licensors, which may impact our ability to develop and commercialize our products or product candidates or require us to enter into additional licenses. An adverse result in potential future disputes with our or our collaborators' licensors may impact our ability to develop and commercialize our products and product candidates, or may require us to enter into additional licenses or to incur additional costs in litigation or settlement. In addition, continued development and commercialization of our products and product candidates will likely require us to secure licenses to additional technologies. We may not be able to secure these licenses on commercially reasonable terms, if at all.

We have been and may in the future be subject to litigation, which could result in substantial expenses and damages and may divert management's time and attention from our business.

We are engaged in multiple legal disputes with Daiichi Sankyo. We have been in a dispute with Daiichi Sankyo regarding the ownership of certain technology used by Daiichi Sankyo in its cancer drug ENHERTU® (fam-trastuzumab deruxtecan-nxki) and certain product candidates. On August 12, 2022, the arbitrator in this dispute ruled in favor of Daiichi Sankyo, citing statute of limitations and disagreement with us on the interpretation of the contract. On September 14, 2022, Daiichi Sankyo submitted a petition for approximately \$58 million for reimbursement of its legal fees and costs associated with the arbitration. We filed an opposition to Daiichi Sankyo's request on October 12, 2022. In addition, we filed a complaint in the U.S. District Court for the Eastern District of Texas to commence an action for infringement of our U.S. Patent No. 10,808,039, or the '039 Patent, by Daiichi Sankyo's importation into, offer for sale, sale, and use in the U.S. of ENHERTU. Daiichi Sankyo (as well as Daiichi Sankyo, Inc. and AstraZeneca) subsequently filed an action in the U.S. District Court for the District of Delaware seeking a declaratory judgment that ENHERTU does not infringe the '039 Patent. The Delaware action has been stayed by court order. Daiichi Sankyo, Inc. and AstraZeneca also filed two petitions for post-grant review with the USPTO seeking to have claims of the '039 Patent cancelled as unpatentable. On June 24, 2021, the USPTO issued a decision denying both petitions for post-grant review. On April 7, 2022, the USPTO granted a request on rehearing and instituted two post-grant review proceedings, but on July 15, 2022, the USPTO issued a new decision denying post-grant review of the claims asserted in the patent infringement action. On April 8, 2022, a jury in the U.S. District Court for the Eastern District of Texas found that Daiichi Sankyo willfully infringed the asserted claims of the '039 Patent with its ENHERTU product, and also found that the asserted claims were not invalid. The U.S. District Court for the Eastern District of Texas also denied Daiichi Sankyo's claim that the '039 Patent should be unenforceable under the equitable theory of prosecution laches, entered judgment in favor of us based on the jury's verdict that Daiichi Sankyo willfully infringed the '039 Patent consisting of pre-trial damages in the sum of \$41.8 million, and awarded us pre- and post-trial interest and costs. We have requested a royalty in the range of 10-12% on Daiichi Sankyo's future sales of ENHERTU in the United States through November 5, 2024, the current expiration date of the '039 Patent, as well as \$12 million for reimbursement of our reasonable attorneys' fees. As a result of these disputes, we have incurred and will continue to incur litigation expenses. In addition, from time to time, we may become involved in other lawsuits, claims and proceedings relating to the conduct of our business, including those pertaining to the defense and enforcement of our patent or other intellectual property rights and our contractual rights.

These and other potential future litigations are subject to inherent uncertainties, and the actual costs to be incurred relating to litigations may be impacted by unknown factors. The outcome of litigation is necessarily uncertain, and we could be forced to expend significant resources in the course of these and potential future litigations, we may be subject to additional claims and counterclaims that may result in liabilities or require us to take or refrain from certain actions, and we may not prevail. Monitoring, defending against and pursuing legal actions can be time-consuming for our management and detract from our ability to fully focus our internal resources on our business activities, which could result in delays of our clinical trials or our development and commercialization efforts. In addition, we may incur substantial legal fees and costs in connection with these and potential future litigations. Decisions adverse to our interests in these and potential future litigations could result in the payment of substantial damages, or possibly fines, or affect our intellectual property rights and could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Successful challenges to our patent or other intellectual property rights could result in a loss of rights in the relevant jurisdiction and may allow third parties to use our proprietary technologies without a license from us or our collaborators. In addition, the uncertainty associated with litigation could lead to increased volatility in our stock price.

Risks Related to Our Operations, Managing Our Growth and Other Risks

The evolving effects of the COVID-19 pandemic and associated global economic instability could have further adverse effects on our business, including our commercialization efforts, supply chain, regulatory activities, clinical development activities and other business operations.

Our business is currently being adversely affected and could be materially and adversely affected in the future by the evolving effects of the COVID-19 pandemic. Our ongoing increased reliance on personnel working from home may present operational and workplace culture challenges, negatively impact productivity or disrupt, delay or otherwise adversely impact our business. This could also increase our cybersecurity risk, create data accessibility concerns and make us more susceptible to communication disruptions, any of which could adversely impact our business operations. Our field-based personnel are using a mix of in-person interactions and electronic communications, such as emails, phone calls and video conferences, to support healthcare providers and patients. Many healthcare professionals continue to face additional demands on their time during the ongoing COVID-19 pandemic. We expect the different quality of electronic interactions as compared with in-person interactions, as well as the reduced quantity of interactions during the COVID-19 pandemic, to reduce the effectiveness of our sales personnel, as well as those of our collaborators, which could negatively affect our product sales and those of our collaborators, as well as physician awareness of our products. In this regard, we believe that the need to conduct some of our activities virtually is negatively impacting our ability to connect with key customers, including those familiar with competitive products, and our ability to conduct payor engagements.

We face a number of challenges that will limit our ability to fully resume in-person interactions, including the potential for increasing COVID-19 infection rates, COVID-19 variants, low vaccination rates or low booster uptake in different areas, and the need to navigate varying restrictions for entering healthcare facilities. In addition, we may subsequently decide or be forced to resume a more restrictive remote work model, whether as a result of further spikes or surges in COVID-19 infection or hospitalization rates or otherwise. Moreover, the long-term effects of the COVID-19 pandemic are also unknown and it is possible that following the pandemic, healthcare institutions could alter their policies with respect to in person visits by pharmaceutical company representatives. Future COVID-19 related restrictions could also present product distribution challenges.

The evolving effects of the COVID-19 pandemic appear to have negatively affected and may continue to negatively affect our product sales due to challenges in patient access to healthcare settings, loss of individual health insurance coverage, and inability to access government healthcare programs due to backlogs, some or all of which appear to have negatively affected Hodgkin lymphoma diagnosis rates earlier in the pandemic, may affect side effect management and course of treatment and may increase enrollment in our patient support programs. In this regard, impacts associated with the COVID-19 pandemic appear to have led to a reduction in the rate of Hodgkin lymphoma diagnoses earlier in the pandemic, may have adversely affected diagnosis rates of other cancers, and may further adversely affect rates of cancer diagnoses in the future. We also expect that the conversion of medical conferences to a virtual format may reduce our ability to effectively disseminate scientific information about our products, which may result in decreased physician awareness of our products, their approved indications and their efficacy and safety.

Some of the sites participating in our clinical trials are affected by site closings, reduced capacity, staffing shortages or other effects of the COVID-19 pandemic. At some sites, we are experiencing impacts to our ability to monitor patients, activate sites, screen and enroll patients, complete site monitoring and manage samples. The extent of the impact on a particular clinical trial depends on the current stage of activities at a given site, for example study start up versus post-enrollment, and the number of impacted sites participating in that trial. Impacts on diagnosis rates associated with the COVID-19 pandemic may also negatively impact enrollment. While we do not at this time anticipate the need to revise our publicly reported projected clinical milestone dates as a result of the effects of the COVID-19 pandemic, there may continue to be adverse impacts to our clinical study timelines, which, depending upon the duration and severity of the evolving effects of the COVID-19 pandemic, could ultimately delay data availability. Due to the suspension of data monitoring activities at sites that do not currently allow remote monitoring, as well as impacts on the ability to monitor patients, maintain patient treatment according to the trial protocols and manage samples, there is also the potential for negative impacts on data quality. While we are actively utilizing digital monitoring measures and other mitigations designed to prevent negative data quality impacts, if there were in fact a negative impact on data quality, we or our collaborators could be required to repeat, extend the duration of, or increase the size of clinical trials, which could significantly delay potential commercialization and require greater expenditures. We expect that similar factors will impact clinical studies operationalized by our collaborators.

The effects of the COVID-19 pandemic have increased market volatility and could result in a significant long-term disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, economic instability resulting from the effects of the COVID-19 pandemic could materially affect our business and the value of our common stock.

The extent to which the evolving effects of the COVID-19 pandemic impact our business will depend on future developments that are highly uncertain, such as coronavirus variants that may prove to be especially contagious or virulent, the ultimate duration and severity of the pandemic, government actions, such as travel restrictions, quarantines and social distancing requirements in the U.S. and in other countries, business closures or business disruptions and the effectiveness of vaccine programs and other actions taken to contain and treat the disease. Accordingly, we do not yet know the full extent of potential effects from the pandemic. However, these effects could materially and adversely affect our business, results of operations, financial condition and growth prospects. In addition, the evolving effects of the COVID-19 pandemic may also heighten many of the other risks described elsewhere in this “Risk Factors” section. It is also possible that future global pandemics could occur and materially and adversely affect our business, results of operations, financial condition and growth prospects.

If we are unable to manage our growth, our business, results of operations, financial condition and growth prospects may be adversely affected.

We have experienced and expect to continue to experience significant growth in the number of our employees and in the scope and complexity of our operations. This rapid growth and additional complexity places significant demands on our management and other personnel, our operational and financial resources and our third party suppliers. Our current and planned personnel, operational and financial systems, procedures, controls and suppliers may not be adequate to support our growth, and we may experience operating inefficiencies, delays, control deficiencies, compliance issues or other problems. In addition, we may not be able to achieve any necessary growth objectives in a timely or cost-effective manner, or at all, and may not realize a positive return on our investment. If we are unable to manage our growth effectively, our business, results of operations, financial condition and growth prospects may be adversely affected.

Risks associated with our expanding operations in countries outside the U.S. could materially adversely affect our business.

We have operations outside the U.S., and we plan to continue expanding our operations internationally. For example, we are continuing to expand our commercial infrastructure in Europe and Canada. Consequently, we are, and will increasingly be, subject to risks and complexities related to operating internationally, including:

- the increased complexity and costs inherent in managing international operations, including in geographically disparate locations;
- diverse clinical, drug safety, drug quality, drug supply, healthcare compliance and other pharmaceutical regulatory regimes, and any future changes to such requirements, in the countries and regions where we are located or do business;
- multiple, differing and changing laws and regulations such as tax laws, privacy regulations, tariffs, trade restrictions, export and import restrictions, employment, immigration and labor laws, corporate laws, and other governmental approvals, permits and licenses;
- differing payor reimbursement regimes, governmental payors or patient self-pay systems and price controls;

- adverse tax consequences, including changes in applicable tax laws and regulations;
- political tensions, economic weakness, including inflation, or political or economic instability in particular economies and markets;
- currency fluctuations, which could result in increased operating expenses or reduced revenues;
- challenges inherent in efficiently managing employees in diverse geographies and different languages;
- challenges in adapting systems, policies, benefits and compliance programs for different countries;
- reliance on vendors who are located far from our headquarters and with whom we have not worked previously; and
- workforce uncertainty in countries where labor unrest is more common.

For example, the U.S. government and other nations have imposed sanctions, including significant restrictions on most companies' ability to do business in Russia, as a result of the ongoing military conflict between Russia and Ukraine. It is not possible to predict the broader or longer-term consequences of this conflict, which could include further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, security conditions, currency exchange rates, the price and availability of energy, and financial markets. Such geopolitical instability and uncertainty could have a negative impact on our ability to continue expanding our operations internationally and to otherwise generate revenues and develop our product candidates internationally. In addition, a significant escalation or expansion of economic disruption or the conflict's current scope could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Recent strengthening of the U.S. dollar as compared to other currencies, including currencies in jurisdictions where we and our licensees sell products, has adversely affected royalty revenues and TUKYSA net product sales in Europe and could further adversely affect these sources of revenues.

Additionally, the U.S. Foreign Corrupt Practices Act, or FCPA, and the anti-bribery laws and regulations of other countries are extensive and far-reaching. We must ensure that accurate records and controls required by the FCPA are maintained with respect to the activities of our employees, distributors and service providers in all of the countries where we operate. In the course of conducting operations internationally, we interact with regulatory authorities, as well as with healthcare professionals who are often employed by governments and may be deemed to be foreign officials under the FCPA. Any interactions with any such third parties that are found to be in violation of relevant laws could result in substantial fines and penalties and could materially harm our business. Emerging-market countries may be especially vulnerable to periods of political, legal, and financial instability and may have a higher risk of corrupt business practices. As we expand our international operations, we continue to supplement and expand our global compliance program, controls, policies and procedures. However, there can be no assurance that such measures will work effectively at all times or protect us against liability. There is a risk that acts committed by our employees, agents, distributors, collaborators or third-party providers might violate the FCPA and other anti-corruption laws and that we might be held responsible. Furthermore, any finding of a violation under one country's laws may increase the likelihood that we will be prosecuted and be found to have violated another country's laws. Our failure, or the failure of others who we engage to act on our behalf, to comply with the laws and regulations of the countries in which we operate, or will operate in the future, could result in criminal and civil penalties, other remedial measures and reputational damage, all of which could materially harm our business, financial condition, results of operations, and prospects. As we continue to expand our footprint and activities internationally, our exposure to compliance risks under the FCPA and other similar laws will likewise increase.

As a business, we do not have significant experience conducting operations outside of the U.S. and Canada. We might not be successful in establishing and conducting commercial and other operations in these regions and may not realize a positive return on our investment. Our failure to successfully do so could have a material adverse effect on our business, results of operations, financial condition and growth prospects. These and other risks associated with expanding our international operations, as described elsewhere in these risk factors, could have a material adverse effect on our business, results of operations, financial condition and growth prospects.

We have engaged in, and may in the future engage in, strategic transactions that increase our capital requirements, dilute our stockholders, cause us to incur debt or assume contingent liabilities and subject us to other risks.

We actively evaluate various strategic transactions on an ongoing basis, including licensing or otherwise acquiring complementary products, product candidates, technologies or businesses. We may spend significant amounts, issue dilutive securities and/or assume or incur significant debt obligations in connection with these transactions. In addition, these transactions, including our in-license of development and commercialization rights to disitamab vedotin and LAVA-1223, and any potential future acquisitions or licensing transactions entail numerous risks, including:

- risks associated with satisfying the closing conditions relating to such transactions and realizing their anticipated benefits;

- increased operating expenses and cash requirements;
- difficulty integrating acquired technologies, products, operations, compliance programs and personnel with our existing business;
- acquired or licensed products, product candidates or technologies, such as disitamab vedotin and LAVA-1223, may not perform as expected and may not result in regulatory approvals;
- failure to successfully develop and commercialize acquired or licensed products, product candidates or technologies or to achieve other strategic objectives;
- the potential disruption of our historical core business;
- diversion of management's attention in connection with both negotiating the acquisition or license and integrating the business, technology or product;
- retention of key employees;
- uncertainties in our ability to maintain key business relationships of any acquired companies;
- difficulty implementing and maintaining effective internal control over financial reporting of businesses that we acquire;
- exposure to unanticipated liabilities of acquired companies or companies in which we invest;
- the potential need to write down assets or recognize impairment charges or significant amortization expenses; and
- potential costly and time-consuming litigation, including stockholder lawsuits.

As a result of these or other problems and risks, businesses, technologies or products we acquire or invest in or obtain licenses to may not produce the revenues, earnings, business synergies or other benefits that we anticipated, within the expected timeframe or at all. As a result, we may incur higher costs and realize lower revenues than we had anticipated. We cannot assure you that any acquisitions or investments we have made or may make in the future will be completed or that, if completed, the acquired business, licenses, investments, products, or technologies will generate sufficient revenue to offset the costs or other negative effects on our business. Further, while we seek to mitigate risks and liabilities of potential acquisitions and in-licensing transactions through, among other things, due diligence, there may be risks and liabilities that we fail to discover, that are not disclosed to us, or that we inadequately assess. Any failure in identifying and managing these risks, liabilities and uncertainties effectively, including in connection with our in-license of development and commercialization rights to disitamab vedotin and LAVA-1223, could have a material adverse effect on our business, results of operations, financial condition and growth prospects. Moreover, we may not be able to identify, negotiate and close strategic acquisition or in-licensing opportunities in the future, and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business. Other pharmaceutical companies, many of which may have substantially greater resources, compete with us for these opportunities. Failure to effectively advance our business strategy and manage our operations through acquisitions or in-licensing transactions could have a material adverse effect on our business, results of operations, financial condition, and growth prospects.

If we lose our key personnel or are unable to attract and retain additional qualified personnel, our future growth and ability to compete would suffer.

We are highly dependent on the efforts and abilities of the principal members of our senior management and other key personnel. For example, we have scientific personnel with significant and unique expertise in monoclonal antibodies, ADCs and related technologies, and our products and product candidates. The loss of the services of any one of the principal members of our managerial, scientific or other key staff may prevent us from achieving our business objectives. For example, in May 2022, Clay B. Siegall resigned as our President and Chief Executive Officer and as a member of our Board of Directors, and Roger Dansey, M.D., our Chief Medical Officer, was appointed as our Interim Chief Executive Officer. Changes to company strategy, which can often times occur with the appointment of new executive leadership, can create uncertainty, may negatively impact our ability to execute quickly and effectively, and may ultimately be unsuccessful. In addition, executive leadership transition periods are often difficult as the new executives gain detailed knowledge of our operations, and friction can result from changes in strategy and management style. Executive management transition, particularly at the principal executive officer level, inherently causes some loss of institutional knowledge, which can negatively affect strategy, execution and our ability to compete. In any event, changes in our organization as a result of executive management transition may have a disruptive impact on our ability to implement our strategy and could have a material adverse effect on our business, results of operations, financial condition and growth prospects.

In addition, the competition for qualified personnel in the biotechnology field is intense, and our future success depends upon our ability to attract, retain and motivate highly skilled biotechnology employees. In order to continue to commercialize our products, and advance the development and commercialization of our product candidates, we will be required to expand our workforce and management team, particularly in the areas of manufacturing, clinical trials, regulatory affairs, business development, sales and marketing, both in the U.S. and in Europe. We continue to face intense competition for qualified individuals from numerous pharmaceutical and biotechnology companies, as well as academic and other research institutions, and with increasing reliance on remote work arrangements, the geographic market in which we compete for talent is expanding. Our ability to attract and retain talent in this competitive environment may be further complicated by evolving employment trends arising from the COVID-19 pandemic, including an increased preference for remote, alternative or flexible work arrangements. Our failure to effectively compete for and retain talent could negatively affect our ability to achieve our business objectives and have a material adverse effect on our business, results of operations, financial condition and growth prospects.

If our information technology systems or data are or were compromised, we could experience interruptions to our operations, legal claims, liability, harm to our reputation, a loss of sales and other adverse impacts.

We and our collaborators, suppliers and service providers rely on information technology systems to keep financial and other records, capture laboratory and clinical trial data, support internal and external communications and operate other critical functions. Despite our security measures, these systems are potentially vulnerable to malware, cyber-attacks, security breaches, natural disasters, terrorism, software and hardware failures, telecommunication and electrical failures, and similar issues. If such an event were to occur, it could result in material interruptions to our operations, loss of data or applications, loss of sales, significant extra expenses to restore data or systems, reputational harm and diversion of funds. For example, the loss of preclinical study or clinical trial data could result in delays in our product development or regulatory approval efforts and significantly increase our costs in order to recover or reproduce the data. The effects of the COVID-19 pandemic have intensified our dependence on information technology systems as many of our critical business activities are currently being conducted remotely and our increased reliance on personnel working from home could increase our cybersecurity risk. In addition, our cybersecurity risk could be increased as a result of the ongoing military conflict between Russia and Ukraine and the related sanctions imposed against Russia.

In addition to traditional computer “hackers” and threat actors, sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). Ransomware attacks, including those from organized criminal threat actors, nation-states and nation-state supported actors, are becoming increasingly prevalent and severe. To alleviate the financial, operational and reputational impact of a ransomware attack, it may be preferable to make extortion payments, but we may be unwilling or unable to do so (including, for example, if applicable laws or regulations prohibit such payments). Similarly, supply chain attacks have increased in frequency and severity. We cannot guarantee that third parties and infrastructure in our supply chain have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us.

Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Although, to our knowledge, we have not experienced any material security breach to date, any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. While we have taken steps to protect the security of the personal data and other sensitive information that we handle, there can be no assurance that any security measures will be effective against current or future security threats. Any unauthorized or accidental access to, or disclosure, modification, misuse, or loss of, personal or other data could result in legal claims or proceedings, liability, significant regulatory penalties, and loss of trade secrets or other intellectual property. In addition, such an event could disrupt our operations, damage our reputation and delay development of our product candidates.

Risks Related to Our Operating Results, Financial Condition and Capital Requirements

Our operating results are difficult to predict and may fluctuate. If our operating results are below the expectations of securities analysts or investors, the trading price of our stock could decline.

Our operating results are difficult to predict and may fluctuate significantly from quarter to quarter and year to year. We believe that our quarterly and annual results of operations may be affected by a variety of factors, including:

- customer ordering patterns for our products, which may vary significantly from period to period;
- the overall level of demand for our products, including the impact of any competitive or biosimilar products;
- the extent to which coverage and adequate reimbursement for our products is available from government and other third-party payors;

- changes in the amount of deductions from gross sales, including government-mandated rebates, chargebacks and discounts that can vary because of changes to the government discount percentage, including increases in the discount percentage resulting from price increases, or due to different levels of utilization by entities entitled to government rebates and discounts and changes in patient demographics;
- increases in the scope of eligibility for customers to purchase our products at the discounted government price or to obtain government-mandated rebates on purchases of our products;
- the timing, receipt and amount of development funding and milestone, royalty and other payments under collaboration and license arrangements, which may vary significantly from quarter to quarter;
- entry into new strategic transactions, such as collaborations, license agreements or acquisitions of products, technologies or businesses;
- changes in our cost of sales due to potential new product launches, royalties owed under technology license agreements or write-offs of inventory;
- the incidence rate of new patients in the approved indications for our products;
- the evolving effects of the COVID-19 pandemic, including those leading to past and potential future reductions in rates of cancer diagnoses;
- the timing, cost and level of investment in our sales and marketing efforts to support our products sales;
- the timing, cost and level of investment in clinical trials, research and development, pre-commercialization, manufacturing and other activities by us or our collaborators; and
- expenditures to develop and/or commercialize any additional products, product candidates, or technologies that we may develop, in-license, or acquire.

Sales of a newly-approved product, or sales an existing product in a newly-approved indication or territory, are particularly difficult to predict. Sales results or trends for such products, indications or territories in any period may not necessarily be indicative of future performance. Changes in our operations, such as new or expanding pipeline programs, the continued expansion or our international operations, additional business activities, or entry into strategic transactions, including potential future acquisitions of products, technologies or businesses, may cause significant fluctuations in our expenses. In addition, stock-based compensation expense may vary significantly from period to period. The variables we use for valuing these awards, including our underlying stock price, change over time. Additionally, from time to time, we have implemented long-term incentive plans for eligible employees, and the incentives provided under these plans are contingent upon the achievement of certain regulatory milestones. Costs of performance-based compensation under these plans are not recorded as an expense until the achievement of the applicable milestones is deemed probable, which may result in large fluctuations to the expense we must recognize in any particular period.

For these and other reasons, it is difficult for us to accurately forecast future sales of our current or any future approved products, collaboration and license agreement revenues, royalty revenues, operating expenses or future profits or losses. In addition, although we provide financial guidance from time to time, such guidance is based on assumptions that may be incorrect or that may change from quarter to quarter. You also should not rely on operating results in any period as being indicative of future performance. Our operating results have on occasion been, and in future periods may also be, below prior period results, our own guidance and/or the expectations of securities analysts or investors. Such results could cause the trading price of our common stock to decline, perhaps substantially.

We have a history of net losses. We expect to continue to incur net losses and may not achieve future sustained profitability for some time, if at all.

We have incurred substantial net losses in each of our years of operation, other than the year ended December 31, 2020. We have incurred these losses principally from costs incurred in our research and development programs and from our selling, general and administrative expenses. We expect to continue to spend substantial amounts on research and development, including amounts for conducting clinical trials of our products and product candidates. In addition, we expect to make substantial expenditures to commercialize our products and potentially commercialize our product candidates. For example, in connection with our in-license of development and commercialization rights to disitamab vedotin, we have incurred and expect to continue to incur substantial expenses, including to further develop and potentially commercialize disitamab vedotin. We may also pursue new operations or continue the expansion of our existing operations, including with respect to the continued development of our commercial infrastructure in Europe and our plans to otherwise continue to expand our operations internationally. Accordingly, we expect to continue to incur net losses in the future and may not achieve sustained profitability for some time, if at all. Although we recognize revenue from product sales and we continue to earn amounts under our collaboration agreements, our revenue and profit potential is unproven and our future operating results are difficult to predict. Even if we do achieve profitability in the future, we may not be able to sustain or increase profitability on a quarterly or annual basis. If we are unable to achieve and sustain profitability, the market value of our common stock will likely decline.

We may need to raise additional capital that may not be available to us.

We expect to make additional capital outlays and to increase operating expenditures over the next several years as we hire additional employees, support our development and commercialization activities, invest in our facilities, and expand globally, which may require us to raise additional capital. In addition, we may pursue new operations or continue the expansion of our existing operations, including with respect to the continued development of our commercial infrastructure in Europe and our plans to otherwise continue to expand our operations internationally. Our commitment of resources to the continuing development, regulatory and commercialization activities for our products, the continued research, development and manufacturing of our product candidates, our pursuit of regulatory approvals for and preparing to potentially launch and commercialize our product candidates, and the anticipated expansion of our pipeline and operations may require us to raise additional capital. Further, we actively evaluate various strategic transactions on an ongoing basis, including licensing or otherwise acquiring complementary products, technologies or businesses, and we may require significant additional capital in order to complete or otherwise provide funding for such transactions. We may seek additional capital through some or all of the following methods: corporate collaborations, licensing arrangements and public or private debt or equity financings. We do not know whether additional capital will be available when needed, or that, if available, we will obtain financing on terms favorable to us or our stockholders. If we are unable to raise additional funds when we need them, we may be required to scale back our operations, delay, reduce the scope of, or eliminate development programs enter into collaboration or license agreements on terms that are not favorable to us, sell or relinquish rights to certain assets, proprietary technologies or product candidates or forego strategic opportunities. Our future capital requirements will depend upon a number of factors, including:

- the level of sales of our products and any future approved products;
- the time and costs involved in pursuing regulatory approvals and the timing of any approvals;
- the costs, timing, progress and results of our research and development, including preclinical testing and clinical trials;
- the timing, receipt and amount of royalty revenue generated from commercial sales by our collaborators and licensees, as well as development funding, milestone payments and other payments under collaboration and license arrangements;
- the cost of establishing and maintaining clinical supplies of our products and product candidates and commercial supplies of our current and any future approved products;
- the extent of our investment in development, manufacturing and commercialization outside the U.S.;
- the costs associated with past and potential future strategic transactions, including acquisitions or licenses of additional technologies, products or businesses as well as licenses we may need to commercialize our current or any future approved products;
- the terms and timing of any future collaboration, licensing and other arrangements;
- expenses associated with current or future litigation;
- the potential costs associated with international, state and federal taxes; and
- competing technological and market developments.

In addition, changes in our spending rate may occur that would consume available capital resources sooner, such as increased development, manufacturing and clinical trial expenses in connection with our expanding pipeline programs or our undertaking of additional programs, business activities or entry into additional strategic transactions, including potential future acquisitions of products, technologies or businesses. Moreover, we may choose to raise additional capital due to market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. Debt financing arrangements may require us to pledge certain assets or enter into covenants that could restrict our operations or our ability to pay dividends or other distributions on our common stock or incur further indebtedness. To the extent that we raise additional funds through collaboration and licensing arrangements, we may be required to relinquish some rights to our technologies or product candidates, or grant licenses on terms that are not favorable to us.

During the past several years, domestic and international financial markets have experienced, and they may continue to experience, extreme disruption from time to time, including, among other things, high volatility, significant declines in stock prices and severely diminished liquidity and credit availability for both borrowers and investors. Such adverse capital and credit market conditions could make it more difficult to obtain additional capital on favorable terms, or at all, which could have a material adverse effect on our business and growth prospects. For example, our ability to raise additional capital may be adversely impacted by deteriorating global economic conditions and the disruptions to and volatility in the credit and financial markets in the U.S. and worldwide resulting from the evolving effects of the COVID-19 pandemic, inflationary pressures, rising interest rates, the ongoing military conflict between Russian and Ukraine and related sanctions imposed against Russia and otherwise.

The potential future impairment of intangible assets and goodwill may negatively affect our results of operations and financial position.

As of September 30, 2022, we carried \$518.0 million of intangible assets, net and goodwill on our condensed consolidated balance sheet. Our intangible assets and goodwill are subject to an impairment analysis whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Additionally, goodwill and indefinite-lived assets are subject to an impairment test at least annually. Events giving rise to impairment are an inherent risk in the pharmaceutical industry and cannot be predicted. Our results of operations and financial position in future periods could be negatively impacted should future impairments of intangible assets or goodwill occur.

Risks Related to Our Common Stock

Our stock price is volatile and our shares may suffer a decline in value.

The market price of our stock has been, and is likely to continue to be, volatile. As a result of fluctuations in the price of our common stock, you may be unable to sell your shares at or above the price you paid for them. The market price of our common stock may be subject to substantial volatility in response to many risk factors listed in this section, and others beyond our control, including:

- the levels of product sales;
- regulatory approval or non-approval of our products or product candidates, specific label indications for or restrictions, warnings or limitations in their use, or delays in the regulatory review process;
- clinical trial results;
- announcements regarding the results of discovery efforts, product development and commercial activities by us, our collaborators or our competitors;
- announcements regarding, or negative publicity concerning, adverse events or safety concerns associated with the use of our products or product candidates;
- issuance of new or changed analysts' reports and recommendations regarding us or our competitors;
- termination of or changes in our existing collaborations or licensing arrangements, or establishment of new collaborations or licensing arrangements;
- our failure to achieve the perceived benefits of our strategic transactions, including our in-license of development and commercialization rights to disitamab vedotin, as rapidly or to the extent anticipated by financial analysts or investors;
- our entry into additional material strategic transactions including licensing or acquisition of products, businesses or technologies;
- regulatory actions with respect to our products, product candidates, clinical trials or regulatory filings;
- our raising of additional capital and the terms upon which we may raise any additional capital;

- developments or disputes concerning our proprietary rights, including with respect to our disputes with Daiichi Sankyo;
- developments regarding any litigation or potential litigation;
- the evolving effects of the COVID-19 pandemic;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- changes in laws, regulations or government policies, including with respect to pricing and reimbursement;
- market conditions for equity investments in general, or the biotechnology or pharmaceutical industries in particular; and
- other economic, social or political conditions.

The stock markets in general, and the markets for biotechnology and pharmaceutical stocks in particular, have historically experienced significant volatility that has often been unrelated or disproportionate to the operating performance of particular companies. In the past, companies whose securities have experienced periods of volatility in market price have been subjected to securities class action or derivative litigation. In this regard, we have been, and may in the future again become, subject to claims and litigation alleging violations of the securities laws or other related claims. Lawsuits brought against us could result in substantial costs, which would hurt our financial condition and results of operations and divert management's attention and resources.

Substantial future sales or issuances of shares of our common stock or equity-related securities could cause the market price of our common stock to decline.

Sales of a substantial number of shares of our common stock, and sales by members of our management or board of directors or entities affiliated with such members, could occur at any time. In addition, in December 2020, pursuant to a ten-year registration rights agreement we entered into with certain entities affiliated with Baker Bros. Advisors LP, or the Baker Entities, we registered up to 47,366,602 shares of our common stock for resale by the Baker Entities, and we may be required to register the resale of additional shares held by the Baker Entities from time to time in the future. Sales by our management, our directors, their affiliates, or significant shareholders like the Baker Entities, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock, perhaps substantially, and could impair our ability to raise capital through the sale of additional equity or equity-related securities. In addition, we may issue a substantial number of shares of our common stock or equity-related securities, including convertible debt, to meet our capital needs, including in connection with funding potential future acquisition or licensing opportunities, capital expenditures or product development costs. These issuances could be substantially dilutive and could adversely affect the market price of our common stock. Likewise, future issuances of our common stock upon the exercise, conversion or settlement of equity-based awards or other equity-related securities would dilute existing stockholders' ownership interest in our company.

Our existing stockholders have significant control of our management and affairs.

Based on information available to us as of September 30, 2022, the Baker Entities collectively beneficially owned approximately 25% of our common stock. In addition, based solely on the most recent Schedules 13G and 13D filed with the SEC, reports filed with the SEC under Section 16 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and our outstanding shares of common stock as of September 30, 2022, our executive officers and directors and holders of greater than five percent of our outstanding common stock beneficially owned approximately 53% of our voting power as of September 30, 2022. As a result, these stockholders are able to exert substantial influence over our management and affairs and matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as mergers, consolidations or the sale of substantially all of our assets. Consequently, this concentration of ownership may result in our taking corporate actions that other stockholders may not consider to be in their best interest. For example, it may have the effect of delaying, deferring or preventing a change in control, including a merger, consolidation, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control, which might affect the market price of our common stock.

Anti-takeover provisions could make it more difficult for a third party to acquire us.

Our Board of Directors has the authority to issue up to 5,000,000 shares of preferred stock and to determine the terms of those shares, including voting rights, without any further action by the stockholders. The rights of the holders of common stock may be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued in the future. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change of control of Seagen. Further, certain provisions of our charter documents, including provisions eliminating the ability of stockholders to take action by written consent and limiting the ability of stockholders to raise matters at a meeting of stockholders without giving advance notice, may have the effect of delaying or preventing changes in control or management of Seagen, which could have an adverse effect on the market price of our stock. In addition, our charter documents provide for a classified board, which may make it more difficult for a third party to gain control of our Board of Directors. Similarly, state laws in Delaware and Washington related to corporate takeovers may prevent or delay a change of control of Seagen.

Our disclosures related to environmental, social and governance, or ESG, matters expose us to various risks, including risks to our reputation and stock price.

Investors are increasingly likely to factor ESG disclosures into their investment decisions. We have elevated the degree to which we manage, track and report on our ESG efforts and goals. Where provided, goal statements are aspirational, are subject to a number of risks, many of which are beyond our control, and are not guarantees. Our processes and operations may not always conform to various frameworks for identifying, measuring and reporting ESG metrics, and ESG reporting standards may change over time, either of which could result in significant revisions to reported metrics. In addition, our interpretation of reporting standards may differ from those of others. Any failure or perceived failure to pursue or fulfill our goals or to satisfy various reporting standards could have negative impacts on our reputation and stock price and expose us to litigation or government actions. Moreover, the SEC has recently proposed certain mandated ESG reporting requirements, such as the SEC's proposed rules designed to enhance and standardize climate-related disclosures, which, if finally approved, would significantly increase our compliance and reporting costs and may also result in disclosures that certain investors or other stakeholders may deem to negatively impact our reputation and/or that harm our stock price.

General Risk Factors

Changes in tax laws or regulations may have a material adverse effect on our business, results of operations, financial condition or growth prospects.

Due to economic and political conditions, various countries have made or are actively considering changes to existing tax laws, which could adversely affect our business operations and financial performance, and we cannot predict the form or timing of such changes. For example, beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminates the option to deduct research and development expenditures in the year incurred, requiring amortization in accordance with IRC Section 174. If this requirement is not repealed or otherwise modified, it will reduce our operating cash flows. In addition, the current U.S. presidential administration continues to pursue numerous corporate tax reform proposals to increase taxation of international business operations. Further, organizations such as the Organization for Economic Cooperation and Development have published actions plans that, if adopted by countries where we do business, could increase our tax obligations in those countries. Changes in corporate tax rates or in rules applicable to the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings or the deductibility of expenses could have a material impact on the value of our deferred tax assets, result in significant one-time charges, increase our future tax expense or otherwise have a material adverse effect on our business, results of operations, financial condition or growth prospects.

If our facilities are damaged or our research and development, manufacturing or other business processes are interrupted, our business could be seriously harmed.

We conduct most of our business in a limited number of facilities. Damage or extended periods of interruption to these facilities due to fire, natural disaster, severe weather, power loss, communications failure, unauthorized entry or other events could cause significant disruption and/or delays in our research and development, manufacturing and commercial activities and could cause us to incur large expenses to repair or replace the facilities. Although we maintain property damage and business interruption insurance coverage on these facilities, our insurance might not cover all losses under such circumstances and our business may be seriously harmed by such disruption, delays and costs.

Legislative actions and new accounting pronouncements are likely to impact our future financial position or results of operations.

Future changes in financial accounting standards may cause adverse, unexpected revenue fluctuations and affect our financial position or results of operations. New pronouncements and varying interpretations of pronouncements have occurred with frequency in the past and are expected to occur again in the future. As a result we may be required to make changes in our accounting policies that could adversely affect our reported revenues and expenses, future profitability or financial position. The application of existing or future financial accounting standards, particularly those relating to the way we account for revenues and costs, could have a significant impact on our reported results.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporation By Reference			
		Form	SEC File No.	Exhibit	Filing Date
3.1	Fourth Amended and Restated Certificate of Incorporation of Seagen Inc. (f/k/a Seattle Genetics, Inc.).	10-Q	000-32405	3.1	11/7/2008
3.2	Certificate of Amendment of Fourth Amended and Restated Certificate of Incorporation of Seagen Inc. (f/k/a Seattle Genetics, Inc.).	8-K	000-32405	3.3	5/26/2011
3.3	Certificate of Amendment of Fourth Amended and Restated Certificate of Incorporation of Seagen Inc. (f/k/a Seattle Genetics, Inc.).	8-K	000-32405	3.1	10/8/2020
3.4	Amended and Restated Bylaws of Seagen Inc.	8-K	000-32405	3.1	4/15/2022
4.1	Specimen Stock Certificate.	10-K	000-32405	4.2	2/12/2021
4.2	Investor Rights Agreement dated July 8, 2003 among Seagen Inc. (f/k/a Seattle Genetics, Inc.) and certain of its stockholders.	10-Q	000-32405	4.3	11/7/2008
4.3	Registration Rights Agreement dated September 10, 2015 between Seagen Inc. (f/k/a Seattle Genetics, Inc.) and the persons listed on Schedule A attached thereto.	8-K	000-32405	10.1	9/11/2015
10.1+†	License and Collaboration Agreement, effective October 7, 2011, between Genmab A/S and Seagen Inc. (f.k.a. Seattle Genetics, Inc.).	—	—	—	—
10.2+†	Seventh Amendment to Development and Supply Agreement dated January 2, 2013 between Seagen Inc. (f.k.a. Seattle Genetics, Inc.) and Abbott Laboratories, Inc.	—	—	—	—
10.3+†	Second Amendment to the Collaboration and License Agreement between Seagen Inc. and Agensys, Inc. dated effective January 1, 2022.	—	—	—	—
10.4+*	Form of Global Stock Unit Grant Notice and Global Stock Unit Agreement under the Amended and Restated 2007 Equity Incentive Plan (approved August 15, 2022).	—	—	—	—
10.5+*	Form of Global Performance Stock Unit Grant Notice and Global Performance Stock Unit Agreement under the Amended and Restated 2007 Equity Incentive Plan (approved August 15, 2022).	—	—	—	—
10.6+*	Form of Global Stock Option Grant Notice and Global Stock Option Agreement under the Amended and Restated 2007 Equity Incentive Plan (approved August 15, 2022).	—	—	—	—
10.7+*	Form of French-Qualified Stock Unit Grant Notice and French-Qualified Stock Unit Agreement under the Amended and Restated 2007 Equity Incentive Plan (approved August 15, 2022).	—	—	—	—
31.1+	Certification of Interim 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 Interim Chief Executive Officer pursuant to 18 U.S.C. Section 1350.	—	—	—	—
32.2+	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.	—	—	—	—
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Loss, (iii) Condensed Consolidated Statements of Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.	—	—	—	—
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).	—	—	—	—

- + Filed herewith.
- † Certain confidential information contained in this Exhibit, marked by brackets in the Exhibit, has been omitted, because it is both not material and is the type that the registrant treats as private or confidential.
- * Indicates a management contract or compensatory plan or arrangement.

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.

SEAGEN INC.

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

Date: October 27, 2022

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

Execution Copy

LICENSE AND COLLABORATION AGREEMENT

by and between

Seattle Genetics, Inc.

and

Genmab A/S

Effective as of: October 7, 2011

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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 foregoing, 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 E, 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 [*] 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 [*] 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 [*] 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 [*] 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 [*] 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 [*] 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 [*] 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 (hereafter 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 [*] of Regulatory Approvals. Unless otherwise proposed by the JSC and agreed to by the Parties, [*] shall [*] all INDs, BLAs and other Regulatory Approvals for a Collaboration Product [*]. 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 than [*] 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 [*] period or for the remainder of the [*] 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 [*] year period or for the remainder of the [*] 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.

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 E.

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 Opt-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 [*] 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 [*] 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 [*] 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 [*] 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 [*], provided such [*].

17.5 Termination if SGI Challenges Genmab Patents. Genmab may terminate this Agreement for cause at any time after [*] 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 [*], provided such [*].

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) [*], (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 [*]. All [*] and [*] under a [*] under this Agreement shall terminate upon [*] prior written notice by [*] if [*] performs any action that would [*] a [*] of any [*] of such [*] and [*] to [*] such [*] within such [*] period (or in the event any [*] is [*] of [*] in such [*], if [*] a [*] within such [*] and [*] the [*] to [*]); provided, however, that such [*] may be [*] by [*] of the Parties. [*] shall [*] that the [*] for [*] with [*] is [*] for the [*] of this [*].

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 [*] license in the Territory under the [*] to make, have made, use, sell, offer to sell and import [*]. For the avoidance of doubt [*] shall not [*].

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 [*] of any [*] of this Agreement by the indemnifying Party, including a [*] of any representation or warranty made by such Party in this Agreement, or (b) the [*] 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's 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 [*] of the indemnifying Party, its Affiliates, employees, agents or Sublicensees; or (b) any [*] by the indemnifying Party of any [*] of this Agreement, including a [*] 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 [*] 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, [*], unless the [*], in which case [*]. 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.

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.

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:

[*]

[*]

[*]

[*]

[*]

[*]

Invoices to SGI: [*]

If to Genmab:

[*]

[*]

[*]

[*]

[*]

[*]

[*]

[*]

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 [*], without regard to the conflict of law principles thereof that may dictate application of the laws of any other [*], or the [*] 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 [*] in [*] except as otherwise provided herein. The Parties shall [*] within [*] of [*]. The [*] shall be [*]. If [*], the [*] shall [*] within [*] of [*]. The [*] shall [*]. 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 [*], any [*] shall [*].

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

Schedule A

SGI PATENTS

[*]

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

[*]

{2 pages omitted}

Schedule E

GENMAB DEVELOPMENT PLAN AND GENMAB BUDGET

[*]

Schedule F

GENMAB PATENTS

[*]

{9 pages omitted}

[*] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

SEVENTH AMENDMENT TO DEVELOPMENT AND SUPPLY AGREEMENT

Effective as of date of the last signature below, Abbott Laboratories, an Illinois corporation having a principal place of business at 100 Abbott Park Road, Abbott Park, Illinois 60064-3500 ("Abbott"), and Seattle Genetics, Inc., a Delaware corporation having a principal place of business at 21823 – 30th Drive Southeast in Bothell, Washington 98021 ("Seattle Genetics") (individually the "Party" or collectively the "Parties") agree to the following terms and conditions (this "Seventh Amendment") as set forth below.

WHEREAS, the Parties entered into a Development and Supply Agreement with an Effective Date of February 23, 2004 for the manufacture of a chimeric anti-CD30 AC10 monoclonal antibody known as cAC10 Bulk Drug Substance (the "Original Agreement"), which also constitutes the antibody component of SGN-35 and the Parties subsequently entered into six amendments to the Original agreement (the "First Amendment", "Second Amendment", "Third Amendment", "Fourth Amendment", "Fifth Amendment" and "Sixth Amendment", respectively. Collectively the Original Agreement, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and the Sixth Amendment are hereinafter referred to as the "Agreement"); and

WHEREAS, the Parties desire to further amend the Agreement as herein provided as of the date hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained here and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Incorporation of the Agreement. All capitalized terms which are used but not otherwise defined herein shall have the same meanings as set forth in the Agreement, and the Agreement, to the extent not inconsistent with this Seventh Amendment, is incorporated herein by this reference as though the same was set forth in its entirety. To the extent any terms and provisions of the Agreement are inconsistent with the amendments set forth in Paragraphs 2 and 3 below, such terms and provisions shall be deemed superseded hereby. Except as specifically set forth herein, the Agreement shall remain in full force and effect and its provisions shall be binding on the parties.

2. Process Development Work. The Parties agree that Abbott shall perform the activities set forth in Stage 13a of Attachment 1 hereto pursuant to the terms and conditions of the Agreement.

3. Payment Schedule. As compensation for the activities to be performed by Abbott pursuant to Attachment 1 hereto, Seattle Genetics shall pay to Abbott the price established for each project stage on the dates set forth in Attachment 2. Billings associated with this Seventh Amendment may be combined on the same invoice with other, regular Payment Schedule charges.

4. Project References. All references to the Project set forth in the Agreement, with the exception of the Payment Schedule and Facility Reservation Fee for the Project, shall also be deemed to apply to the activities performed by Abbott, pursuant to this Seventh Amendment.

6. Effectuation. The amendment to the Agreement contemplated by this Seventh Amendment shall be deemed effective as of the last date written below upon the full execution of this Seventh Amendment and without any further action required by the parties hereto. There are no conditions precedent or subsequent to the effectiveness of this Seventh Amendment. All terms and conditions set forth in Agreement that are not amended hereby shall remain in full force and effect. Any term of this Seventh Amendment may be amended with the written consent of both parties. From the date hereof, any reference to the Agreement shall be deemed to refer to the Agreement as amended by this Seventh Amendment.

7. Counterparts. This Seventh Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. One or more counterparts of this Seventh Amendment may be delivered by facsimile, with the intention that delivery by such means shall have the same effect as delivery of an original counterpart thereof.

8. Entire Agreement. This Seventh Amendment and exhibits hereto are the product of both of the Parties hereto, and together with the Agreement and exhibits thereto constitute the entire agreement between such parties pertaining to the subject matter hereof, and merge all prior negotiations and drafts of the Parties with regard to the transactions contemplated herein.

IN WITNESS WHEREOF, the parties have executed Second Amendment of the dates set forth below.

ABBOTT LABORATORIES

By: /s/ Keith Kentala
Name: Keith Kentala
Title: General Manager, Commercial Operations
Date: 01/02/2013

SEATTLE GENETICS, INC.

By: /s/ Clay B. Siegall
Name: Clay. B. Siegall
Title: President & CEO
Date: 12/19/12

STAGE 13A: REFERENCE STANDARD GENERATION AND STABILITY

[*].

Table 1: Reference Standard Testing – Qualification and Stability (i.e. Re-evaluation) Testing

Storage Temperature	Time point (Months)					
	[*]	[*]	[*]	[*]	[*]	[*]
[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*]						
Seattle Genetics Deliverables:						
[*]						
Abbot Deliverables:						
[*]						
Price:						
Reference standard generation & year [*] testing:						\$[*]
Stability testing – years [*] through [*]						\$[*]
Total						\$[*]

PAYMENT SCHEDULE

[*]

2012

<u>Stage</u>	<u>Activities</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Year</u>
13A	Reference Std Gen and Testing											[*]		[*]
13A	Reference Std Gen and Testing											[*]		[*]
	Total	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]

2013

<u>Stage</u>	<u>Activities</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Year</u>
13A	Reference Std Gen and Testing											[*]		[*]
13A	Reference Std Gen and Testing											[*]		[*]
	Total	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]

2014

<u>Stage</u>	<u>Activities</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Year</u>
13A	Reference Std Gen and Testing											[*]		[*]
13A	Reference Std Gen and Testing											[*]		[*]
	Total	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]

2015

<u>Stage</u>	<u>Activities</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Year</u>
13A	Reference Std Gen and Testing											[*]		[*]
13A	Reference Std Gen and Testing											[*]		[*]
	Total	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]

2016

<u>Stage</u>	<u>Activities</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Year</u>
13A	Reference Std Gen and Testing											[*]		[*]
13A	Reference Std Gen and Testing											[*]		[*]
	Total	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential.

Exhibit 10.3

SECOND AMENDMENT TO COLLABORATION AND LICENSE AGREEMENT

This SECOND AMENDMENT TO COLLABORATION AND LICENSE AGREEMENT (the “**Amendment**”), effective as of January 1, 2022 (the “**Amendment Effective Date**”) is entered into by and between Agensys, Inc., a California corporation (“**Agensys**”) and Seagen Inc. (formerly known as Seattle Genetics, Inc.), a Delaware corporation (“**SGI**”). Agensys and SGI are referred to individually as a “**Party**,” and together as the “**Parties**.”

RECITALS

WHEREAS, Agensys and SGI entered into a Collaboration and License Agreement, dated as of January 7, 2007, which was amended by that certain Amendment to Collaboration and License Agreement effective as of November 20, 2009 (as amended the “**Collaboration Agreement**”), to, among other things, collaborate on the development and commercialization of Collaboration Products (as defined in the Collaboration Agreement);

WHEREAS, effective as of October 20, 2018, Agensys and SGI entered into a certain Joint Commercialization Agreement, which was amended by that certain First Amendment to the Joint Commercialization Agreement effective as of January 1, 2020 (as amended the “**Commercialization Agreement**”), pursuant to which the parties agreed to jointly Promote and Commercialize the Product (as defined in the Commercialization Agreement) developed under the Collaboration Agreement; and

WHEREAS, the Parties now wish to amend the Collaboration Agreement to update certain details concerning the FTE rate used to calculate certain internal costs of each Party that may be incurred under both the Collaboration Agreement and the Commercialization Agreement.

NOW, THEREFORE, in consideration for the mutual promises provided herein, the Parties agree to the following:

AMENDMENT

1. Except as otherwise provided by this Amendment, all capitalized terms shall have the meaning set forth in the Collaboration Agreement.
2. The following definition in Section 1.1 of the Collaboration Agreement shall be amended and restated in its entirety:

“**Internal Expenses**” means all expenses associated with an FTE; provided that the same person hours shall not be attributed to more than one FTE, and provided further that the rate per FTE (a) shall include, but shall not be limited to, direct labor (including fringe benefits), [*], (b) [*], and (c) [*]. The Parties agree that the rate per FTE shall be [*]. The rate per FTE shall be [*]. The FTE rates and any applicable [*] shall be referred to as the “**FTE Fees**.”

3. Except as otherwise amended hereby, the terms and provisions of the Collaboration
- Second Amendment to Collaboration and License Agreement

Agreement shall remain in full force and effect. In the event of any conflict between the terms of the Collaboration Agreement and this Amendment, this Amendment shall control.

4. This Amendment and the rights and obligations of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of California.
5. This Amendment may be signed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one amendment.

[Signature page follows]

THIS AMENDMENT IS EXECUTED by the authorized representatives of the Parties effective as of the Amendment Effective Date.

AGENSYS, INC.

By: /s/ Yoshitsugu Shitaka

Name: Yoshitsugu Shitaka

Title: Chief Scientific Officer

SEAGEN INC.

By: /s/ Kate Skrable

Name: Kate Skrable

Title: Vice President, Strategic Alliances and Partner

SEAGEN INC.
GLOBAL STOCK UNIT GRANT NOTICE
(AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN)

Seagen Inc. (the “*Company*”), pursuant to its Amended and Restated 2007 Equity Incentive Plan (the “*Plan*”), hereby awards to Participant a Stock Unit Award for the number of stock units set forth below (the “*Award*”). The Award is subject to all of the terms and conditions as set forth herein and in the Plan and the Global Stock Unit Agreement (including any additional terms and conditions for Participant’s country set forth in the attached appendix (the “*Appendix*”), both of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Global Stock Unit Agreement, as applicable. Except as otherwise explicitly provided herein, in the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control.

Participant: ☐

Date of Grant: ☐

Vesting Commencement Date: ☐

Number of Stock Units
 Subject to Award: ☐

Vesting Schedule: Subject to Section 2 of the Global Stock Unit Agreement, the Award shall vest on the below vesting date(s). Notwithstanding the following, vesting shall terminate upon the Participant’s Termination of Employment.

☐

Issuance Schedule: The Shares to be issued in respect of the Award will be issued in accordance with the issuance schedule set forth in Section 7 of the Global Stock Unit Agreement.

Sell to Cover Election: By accepting this Award, Participant hereby: (1) elects, effective on the date Participant accepts this Award, to sell Shares issued in respect of the Award in an amount determined in accordance with Section 11(c) of the Global Stock Unit Agreement, and to allow the Agent to remit the cash proceeds of such sale to the Company as more specifically set forth in Section 11(c) of the Global Stock Unit Agreement (a “*Sell to Cover*”); (2) directs the Company to make a cash payment to satisfy the Withholding Obligation from the cash proceeds of such sale directly to the appropriate taxing authorities; and (3) **represents and warrants that (i) Participant has carefully reviewed Section 11(c) of the Global Stock Unit Agreement, (ii) Participant is not aware of any material, nonpublic information with respect to the Company or any securities of the Company as of the Date of Grant, provided that if Participant is in possession of such material, nonpublic information as of the Date of Grant, then the mandatory sale of Shares pursuant to Section 11(c) of the Global Stock Unit Agreement shall become a binding contract as of the first date thereafter on which Participant is not in possession of material, nonpublic information and Participant shall not effect any sales pursuant to Section 11(c) on the basis of material, nonpublic information of which Participant was aware of on the Date of Grant, (iii) on the date Participant accepts this Award Participant is not subject to any legal, regulatory or contractual restriction that would prevent the Agent from conducting**

sales, does not have, and will not attempt to exercise, authority, influence or control over any sales of Shares effected by the Agent pursuant to the Global Stock Unit Agreement, and is entering into the Global Stock Unit Agreement and this election to Sell to Cover in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 (regarding trading of the Company's securities on the basis of material nonpublic information) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws), and (iv) it is Participant's intent that this election to Sell to Cover and Section 11(c) of the Global Stock Unit Agreement comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws) and be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws). Participant further acknowledges that by accepting this Award, Participant is adopting a 10b5-1 Plan (as defined in Section 11(c) of the Global Stock Unit Agreement) to permit Participant to conduct a Sell to Cover sufficient to satisfy the Withholding Obligation as more specifically set forth in Section 11(c) of the Global Stock Unit Agreement.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Global Stock Unit Grant Notice, the Global Stock Unit Agreement (including the provisions of Section 11(c) thereof with respect to the Sell to Cover and the Appendix) and the Plan. Participant also acknowledges receipt of the Prospectus for the Plan. Participant further acknowledges that as of the Date of Grant, this Global Stock Unit Grant Notice, the Global Stock Unit Agreement (including the Appendix) and the Plan set forth the entire understanding between Participant and the Company regarding the Award and supersede all prior oral and written agreements on that subject, with the exception of any arrangement that would provide for vesting acceleration of the Award upon the terms and conditions set forth therein.

Participant's electronic acceptance shall signify Participant's execution of this Global Stock Unit Grant Notice and understanding that this Award is granted and governed under the terms and conditions set forth herein.

SEAGEN INC.

Jean I. Liu
Chief Legal Officer

****PLEASE PRINT AND RETAIN THIS AGREEMENT FOR YOUR RECORDS****

SEAGEN INC.
AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN
GLOBAL STOCK UNIT AGREEMENT

Pursuant to the Global Stock Unit Grant Notice (“**Grant Notice**”) and this Global Stock Unit Agreement, including any additional terms and conditions for your country set forth in the appendix attached hereto (this “**Agreement**”), Seagen Inc. (the “**Company**”) has awarded you a Stock Unit Award (the “**Award**”) under its Amended and Restated 2007 Equity Incentive Plan (the “**Plan**”). Your Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for this Award. This Agreement shall be deemed to be agreed to by the Company and you upon your execution of the Grant Notice to which it is attached. Capitalized terms not explicitly defined in this Agreement shall have the same meanings given to them in the Plan or the Grant Notice, as applicable. Except as otherwise explicitly provided herein, in the event of any conflict between the terms in this Agreement and the Plan, the terms of the Plan shall control. The details of your Award, in addition to those set forth in the Grant Notice and the Plan, are as follows.

1. GRANT OF THE AWARD. This Award represents the right to be issued on a future date the number of Shares that is equal to the number of stock units indicated in the Grant Notice (the “**Stock Units**”). As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the “**Account**”) the number of Stock Units subject to the Award. This Award is granted in consideration of your services to the Company or an Affiliate. Except as otherwise provided herein, you will not be required to make any payment to the Company (other than future services to the Company) with respect to your receipt of the Award, the vesting of the Stock Units or the delivery of the Shares to be issued in respect of the Award.

2. VESTING.

(a) Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, provided that you have not incurred a Termination of Employment before the vesting date set forth in the Grant Notice. Upon your Termination of Employment, the Stock Units credited to the Account that are not vested on the date of such Termination of Employment will be forfeited at no cost to the Company and you will have no further right, title or interest in the Stock Units or the Shares to be issued in respect of the Award.

(b) By accepting the grant of this Award, you acknowledge and agree that the terms set forth in this Section 2 supersede any contrary terms regarding the vesting of this Award set forth in any notice or other communication that you receive from, or that is displayed by, E*TRADE or other third party designated by the Company.

(c) For purposes of your Award, your Termination of Employment will be considered to be (regardless of the reason of termination, whether or not later found to be invalid or in breach of employment or other laws or rules in the jurisdiction where you are providing services or the terms of your employment or service agreement, if any) effective as of the date that

you cease to actively provide services to the Company or any Affiliate and will not be extended by any notice period (e.g., employment or service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment or other laws in the jurisdiction where you are employed or providing services or the terms of your employment or service agreement, if any). The Company shall have exclusive discretion to determine when you are no longer actively employed or providing services for purposes of the Plan (including whether you still may be considered to be providing services while on a leave of absence).

(d) Notwithstanding the foregoing or anything in this Agreement to the contrary, in the event of your Termination of Employment as a result of your Disability, the vesting of your Award shall accelerate such that your Award shall become vested as to an additional twelve (12) months, effective as of the date of such Termination of Employment, to the extent that your Award is outstanding on such date.

(e) Notwithstanding the foregoing or anything in this Agreement to the contrary, in the event of your Termination of Employment as a result of your death, your Award (and all other Seagen Inc. stock units granted to you that do not have performance or milestone vesting conditions) shall accelerate and vest in full, effective as of the date of such Termination of Employment, to the extent that your Award is outstanding on such date.

3. FORFEITURE OF AWARD NOT TIMELY ACCEPTED. The Award is conditioned upon your electronic acceptance of the Award, as set forth in the Grant Notice. Notwithstanding the foregoing or anything in this Agreement to the contrary, if you fail to accept the Award prior to the vesting dates set forth in the Grant Notice, the portion of the Award that otherwise would have vested on each such date will be forfeited at no cost to the Company, and you will have no further right, title or interest in such portion. In the event of your Termination of Employment as a result of your death or Disability prior to acceptance of the Award, the Company will deem the Award as being accepted.

4. NUMBER OF SHARES.

(a) The number of Stock Units subject to your Award may be adjusted from time to time for changes in capitalization, as provided in Section 13 of the Plan.

(b) Any additional Stock Units that become subject to the Award pursuant to this Section 4 shall be subject, in a manner determined by the Administrator, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Stock Units covered by your Award.

(c) Notwithstanding the provisions of this Section 4, no fractional Shares or rights for fractional Shares shall be created pursuant to this Section 4. The Administrator shall, in its discretion, determine an equivalent benefit for any fractional Shares or fractional Shares that might be created by the adjustments referred to in this Section 4.

5. COMPLIANCE WITH APPLICABLE LAWS. You may not be issued any Shares in respect of your Award unless either (i) such Shares are registered under the Securities Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws); or (ii) the

Company has determined that such issuance would be exempt from the registration requirements of the Securities Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws). Your Award also must comply with other applicable laws and regulations governing the Award and issuance of Shares, and you will not receive such Shares if the Company determines that such receipt would not be in material compliance with such laws and regulations. You represent and warrant that you (a) have been furnished with a copy of the prospectus for the Plan and all information deemed necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

6. TRANSFER RESTRICTIONS. Your Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the Shares subject to the Award until such Shares are issued to you in accordance with Section 7 of this Agreement. After such Shares have been issued to you, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such Shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

7. DATE OF ISSUANCE.

(a) If the Award is exempt from application of Section 409A of the Code and any state law of similar effect (collectively ***“Section 409A”***), then, subject to Section 11, the Company will deliver to you a number of Shares equal to the number of vested Stock Units subject to your Award, including any additional Stock Units received pursuant to Section 4 above that relate to those vested Stock Units on or within 60 days following the applicable vesting date (the ***“Original Issuance Date”***). However, if the Original Issuance Date falls on a date that is not a business day, such delivery date shall instead fall on the next following business day. Notwithstanding the foregoing, if (i) the Original Issuance Date does not occur (1) during an “open window period” applicable to you, as determined by the Company in accordance with the Company’s then-effective policy or policies on trading in Company securities or (2) on a date when you are otherwise permitted to sell Shares on the open market; and (ii) the Company elects, prior to the Original Issuance Date, (x) not to satisfy the Withholding Obligation (as defined in Section 11(b) hereof) by withholding Shares from the Shares otherwise due, on the Original Issuance Date, to you under this Award pursuant to Section 11 hereof, (y) not to permit you to then effect a Sell to Cover under the 10b5-1 Plan (as defined in Section 11(c) of this Agreement), and (z) not to permit you to satisfy the Withholding Obligation in cash, then such Shares shall not be delivered on such Original Issuance Date and shall instead be delivered on the first business day of the next occurring open window period applicable to you or the next business day when you are not prohibited from selling Shares on the open market, as applicable (and regardless of whether there has been a Termination of Employment before such time), but in no event later than the 15th day of the third calendar month of the calendar year following the calendar year in which the Stock Units are no longer considered to be subject to a substantial risk of forfeiture. Delivery of the Shares pursuant to the provisions of this Section 7(a) is intended to comply with the requirements for the short-term deferral exemption available under Treasury Regulations Section 1.409A-

1(b)(4) and shall be construed and administered in such manner. The form of such delivery of the Shares (*e.g.*, a stock certificate or electronic entry evidencing such Shares) shall be determined by the Company.

(b) The provisions of this Section 7(b) are intended to apply if the Award is subject to Section 409A because of the terms of a severance arrangement or other agreement between you and the Company, if any, that provide for acceleration of vesting of the Award upon your separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (“*Separation from Service*”) and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4) or 1.409A-1(b)(9) (“*Non-Exempt Severance Arrangement*”). If the Award is subject to and not exempt from application of Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions in this Section 7(b) shall supersede anything to the contrary in Section 7(a).

(i) If the Award vests in the ordinary course before your Termination of Employment in accordance with the vesting schedule set forth in the Grant Notice, without accelerating vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the Shares to be issued in respect of your Award be issued any later than December 31st of the calendar year that includes the applicable vesting date.

(ii) If vesting of the Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Award and, therefore, are part of the terms of the Award as of the date of grant, then the Shares will be earlier issued in respect of your Award upon your Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date of your Separation from Service. However, if at the time the Shares would otherwise be issued you are subject to the distribution limitations contained in Section 409A applicable to “specified employees,” as defined in Section 409A(a)(2)(B)(i) of the Code, such Shares shall instead be issued on the date that is six months following the date of your Separation from Service, or, if earlier, the date of your death that occurs within such six-month period.

(iii) If either (A) vesting of the Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Award and, therefore, are not a part of the terms of the Award on the date of grant, or (B) vesting accelerates pursuant to Section (a) or Section 13 of the Plan, then such acceleration of vesting of the Award shall not accelerate the issuance date of the Shares (or any substitute property), but such Shares (or substitute property) shall instead be issued on the same schedule as set forth in the Grant Notice as if they had vested in the ordinary course before your Termination of Employment, notwithstanding the vesting acceleration of the Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

(c) Notwithstanding anything to the contrary set forth herein, the Company explicitly reserves the right to earlier issue the Shares in respect of the Award to the extent

permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(ix).

(d) The provisions in this Agreement for delivery of the Shares in respect of the Award are intended either to comply with the requirements of Section 409A or to provide a basis for exemption from such requirements so that the delivery of such Shares will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

(e) The Administrator may modify the terms of this Agreement and/or the Plan without your consent, in the manner that the Administrator may determine to be necessary or advisable in order to comply with Code Section 409A or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Code Section 409A if compliance is not practical. This Section 7(e) does not create an obligation on the part of the Company to modify the terms of this Agreement or the Plan and does not guarantee that this Award or the delivery of Shares upon settlement of the Award will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Agreement shall provide a basis for any person to take any action against the Company or any of its Subsidiaries or Affiliates based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Agreement, and neither the Company nor any of its Subsidiaries or Affiliates will have any liability under any circumstances to the Participant or any other party if the Award, the delivery of Shares upon vesting/settlement of the Award or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Administrator with respect thereto.

8. DIVIDENDS. You shall receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a change in capitalization as provided in Section 13 of the Plan; provided, however, that this sentence shall not apply with respect to any Shares that are delivered to you in connection with your Award after such Shares have been delivered to you.

9. AWARD NOT A SERVICE CONTRACT.

(a) Nothing in this Agreement (including, but not limited to, the vesting of your Award pursuant to the schedule set forth in Section 2 herein or the issuance of the Shares in respect of your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company or an Affiliate of the right to terminate your employment without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the schedule set forth in Section 2 is earned only by

continuing as an employee, director or consultant of the Company or Affiliate, as applicable (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). You further acknowledge and agree that such a reorganization could result in your Termination of Employment, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere in any way with your right or the Company's right to terminate your service at any time, with or without cause and with or without notice.

10. NATURE OF AWARD. In accepting your Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted under the Plan;

(b) the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Awards (whether on the same or different terms), or benefits in lieu of an Award, even if an Award has been granted in the past;

(c) all decisions with respect to future awards of Stock Units or other grants, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) the Award and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the future value of the Shares underlying the Award is unknown, indeterminable and cannot be predicted with certainty;

(g) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from your Termination of Employment (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or rendering services or the terms of your employment agreement, if any);

(h) unless otherwise provided herein, in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;

(i) unless otherwise agreed with the Company, the Award and the Shares subject to the Award, and the income from and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of an Affiliate;

(j) if the Award vests and you are issued Shares, the value of such Shares may increase or decrease in value following the date the Shares are issued; even below the Fair Market Value on the date the Award is granted to you;

(k) the Award and the Shares subject to the Award, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments; and

(l) the Award and the Shares subject to the Award, and the income and value of same, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any benefit plan sponsored by the Company, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's benefit plans.

11. TAX OBLIGATIONS.

(a) By accepting this Award, you acknowledge that, regardless of any action taken by the Company or any Affiliate the ultimate liability for any and all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("**Tax-Related Items**") is and remains your responsibility and may exceed the amount actually withheld by the Company or its Affiliates, if any. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or its Affiliates may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company has no duty or obligation to minimize the tax consequences to you of this Award and shall not be liable to you for any adverse tax consequences to you arising in connection with this Award.

(b) On or before the time you receive a distribution of Shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Shares issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy any and all Tax-Related Items (the "**Withholding Obligation**").

(c) By accepting this Award, you hereby (i) acknowledge and agree that you have elected a Sell to Cover (as defined in the Grant Notice) to permit you to satisfy the Withholding Obligation and that the Withholding Obligation shall be satisfied pursuant to this Section 11(c) to the fullest extent not otherwise satisfied pursuant to the provisions of Section 11(d) hereof and (ii) further acknowledge and agree to the following provisions:

(i) You hereby irrevocably appoint E*TRADE, or such other registered broker-dealer that is a member of the Financial Industry Regulatory Authority as the Company may select, as your agent (the "**Agent**"), and you authorize and direct the Agent to:

(1) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the date on which the Shares are delivered to you pursuant to Section 7 hereof in connection with the vesting of the Stock Units, the number (rounded up to the next whole number) of Shares sufficient to generate proceeds to cover (A) the satisfaction of the Withholding Obligation arising from the vesting of those Stock Units and the related issuance of Shares to you that is not otherwise satisfied pursuant to Section 11(d) hereof and (B) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto;

(2) Remit directly to the Company and/or any Affiliate the proceeds necessary to satisfy the Withholding Obligation;

(3) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale of the Shares referred to in clause (1) above; and

(4) Remit any remaining funds to you.

(ii) You acknowledge that your election to Sell to Cover and the corresponding authorization and instruction to the Agent set forth in this Section 11(c) to sell Shares to satisfy the Withholding Obligation is intended to comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws) and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws) (your election to Sell to Cover and the provisions of this Section 11(c), collectively, the “**10b5-1 Plan**”). You acknowledge that by accepting this Award, you are adopting the 10b5-1 Plan to permit you to satisfy the Withholding Obligation. You hereby authorize the Company and the Agent to cooperate and communicate with one another to determine the number of Shares that must be sold pursuant to Section 11(c)(i) to satisfy your obligations hereunder.

(iii) You acknowledge that the Agent is under no obligation to arrange for the sale of Shares at any particular price under this 10b5-1 Plan and that the Agent may effect sales as provided in this 10b5-1 Plan in one or more sales and that the average price for executions resulting from bunched orders may be assigned to your account. You further acknowledge that you will be responsible for all brokerage fees and other costs of sale associated with this 10b5-1 Plan, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. In addition, you acknowledge that it may not be possible to sell Shares as provided for in this 10b5-1 Plan due to (i) a legal or contractual restriction applicable to you or the Agent, (ii) a market disruption, (iii) a sale effected pursuant to this 10b5-1 Plan that would not comply (or in the reasonable opinion of the Agent’s counsel is likely not to comply) with the Securities Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws), (iv) the Company’s determination that sales may not be effected under this 10b5-1 Plan or (v) rules governing order execution priority on the national exchange where the Shares may be traded. In the event of the Agent’s inability to sell Shares, you will continue to be responsible for the timely payment to the Company of all federal, state, local and foreign taxes

that are required by applicable laws and regulations to be withheld, including but not limited to those amounts specified in Section 11(c)(i)(1) above.

(iv) You acknowledge that regardless of any other term or condition of this 10b5-1 Plan, the Agent will not be liable to you for (A) special, indirect, punitive, exemplary, or consequential damages, or incidental losses or damages of any kind, or (B) any failure to perform or for any delay in performance that results from a cause or circumstance that is beyond its reasonable control.

(v) You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this 10b5-1 Plan. The Agent is a third-party beneficiary of this Section 11(c) and the terms of this 10b5-1 Plan.

(vi) Your election to Sell to Cover and to enter into this 10b5-1 Plan is irrevocable. Upon acceptance of the Award, you have elected to Sell to Cover and to enter into this 10b5-1 Plan, and you acknowledge that you may not change this election at any time in the future. This 10b5-1 Plan shall terminate not later than the date on which the Withholding Obligation arising from the vesting of your Stock Units and the related issuance of Shares has been satisfied.

(d) Alternatively, or in addition to or in combination with the Sell to Cover provided for under Section 11(c), you authorize the Company, at its discretion, to satisfy the Withholding Obligation by the following means (or by a combination of the following means):

(i) Requiring you to pay to the Company any portion of the Withholding Obligation in cash;

(ii) Withholding from any compensation otherwise payable to you by the Company; and/or

(iii) Withholding Shares from the Shares issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date Shares are issued pursuant to Section 7) equal to the amount of the Withholding Obligation.

(e) Unless the Withholding Obligation of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Shares.

(f) In the event the Withholding Obligation of the Company arises prior to the delivery to you of Shares or it is determined after the delivery of Shares to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

12. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the consequences of

accepting this Award and by signing the Grant Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so.

13. UNSECURED OBLIGATION. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue Shares pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the Shares to be issued pursuant to this Agreement until such Shares are issued to you pursuant to Section 7 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

14. OTHER DOCUMENTS. You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's policy on trading in Company securities permitting employees to sell Shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

15. NOTICES; ELECTRONIC DELIVERY AND ACCEPTANCE. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company, the Agent or another third party designated by the Company and agree notice shall be provided upon posting to your electronic account held by the Company, the Agent or another third party designated by the Company. You hereby acknowledge that delivery, execution and acceptance of this or any other such documents by electronic means constitutes valid and effective delivery, execution and acceptance and shall be legally effective to create a valid and binding agreement.

16. CLAWBACK/RECOUPMENT. The Award will be subject to recoupment, rescission, payback, cancelation or other action, in each case, in accordance with (i) any clawback policy adopted by the Company (whether such policy is adopted on or after the date of this Agreement or required under applicable law) providing for the recovery of Awards, Shares, proceeds, or payments to you in the event of fraud or as required by applicable law or governance considerations or in other similar circumstances and (ii) any such other clawback, recovery or recoupment provisions set forth in an individual written agreement between you and the Company. No recovery of compensation under such a clawback policy will be an event giving rise to your right to resign for "good reason" or "constructive termination" (or similar term) under any plan of, or agreement with, the Company.

17. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

(d) You acknowledge and agree that the Company shall not be liable for any exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of your Award or of any amounts due to you pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.

(e) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(f) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

18. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Except as expressly provided herein, in the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

19. ENTIRE AGREEMENT. The Plan, this Agreement and the Grant Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof, with the exception of any arrangement that would provide for vesting acceleration of this Award upon the terms and conditions set forth therein.

20. SEVERABILITY. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

21. **DATA PRIVACY.** *To participate in the Plan, you will need to review the information provided in this Section and, where applicable, declare your consent to the processing of personal data by the Company and third parties noted below.*

(a) **EEA+ Controller and Representative.** *If you are based in the European Union ("EU"), the European Economic Area, Switzerland or, if and when the United Kingdom leaves the European Union, the United Kingdom (collectively "EEA+"), you should note that the Company, with its registered address at 21823 30th Drive SE Bothell, Washington 98021, United States of America, is the controller responsible for the processing of your personal data in connection with the Agreement and the Plan. The Company's representative in the EU is Seagen Netherlands B.V., located at Evert van de Beekstraat 1, -140 1118CL Schiphol, Netherlands with office phone: +31 207 99 15 60.*

(b) **Data Collection and Usage.** *In connection with the administration of the Plan, the Company collects, processes, uses and transfers certain personally-identifiable information about you, which may include your name, home address and telephone number, email address, date of birth, social insurance, passport number or other identification number, salary, nationality, job title, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, settled, vested, unvested or outstanding in your favor and additional similar or related data, which the Company receives from you or the entity that employs you ("Personal Data"). Specifically, the Company collects, processes and uses Personal Data for the purposes of performing its contractual obligations under this Agreement, implementing, administering and managing your participation in the Plan and facilitating compliance with applicable tax and securities law.*

If you are based in the EEA+, the legal basis, where required, for the processing of Personal Data by the Company is the necessity for the Company to (i) perform its contractual obligations under this Agreement, (ii) comply with legal obligations established in the EEA+, and/or (iii) pursue the legitimate interest of complying with legal obligations established outside of the EEA+.

If you are based outside of the EEA+, the legal basis, where required, for the processing of Data by the Company is your consent, as further described in (h) below.

(c) **Stock Plan Administration Service Providers.** *The Company transfers Personal Data to E*TRADE Corporate Financial Services, Inc., and E*TRADE Securities LLC (collectively, "E*TRADE") and certain of its affiliated companies and successors (the "Stock Plan Provider"), an independent service provider, which assists the Company with the implementation, administration and management of the Plan, including providing ancillary services related to stock plan administration. The Company may select a different service provider or additional service providers and share Personal Data with such other provider serving in a similar manner. The processing of Personal Data will take place through both electronic and non-electronic means. Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating the Plan, including providing ancillary services related to stock plan administration. You may be asked to agree on separate terms and data processing practices with the Stock Plan Provider, with such agreement being a condition to the ability to participate in the Plan.*

(d) **International Data Transfers.** *The Company and the Stock Plan Provider are based in the United States. The country where you live may have different data privacy laws and protections than the United States. In particular, the United States does not have the same level of protections for personal data as countries in the EEA+. The European Commission requires U.S. companies to protect personal data leaving the EEA+ by implementing safeguards such as the Standard Contractual Clauses adopted by the EU Commission.*

If you are based in the EEA+, Personal Data will be transferred from the EEA+ to the Company and onward from the Company to the Stock Plan Provider, or if applicable, another service provider, based on the EU Standard Contractual Clauses. You may request a copy of the Standard Contractual Clauses by contacting dataprotection@seagen.com.

If you are based in a jurisdiction outside of the EEA+, Personal Data will be transferred from your jurisdiction to the Company and onward from the Company to the Stock Plan Provider, or if applicable, another service provider based on your consent, as further described in (h) below.

(e) **Data Retention.** *The Company will use Personal Data only as long as necessary to implement, administer and manage your participation in the Plan, or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs Personal Data for any of these purposes, the Company will remove it from its systems.*

(f) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *Participation in the Plan is voluntary and you are providing the consents herein on a purely voluntary basis. You may withdraw your consent at any time, with future effect and for any or no reason. If you do not consent, or if you later seek to withdraw your consent, your salary from or employment or service relationship with your employer will not be affected. The only consequence of denying or withdrawing consent is that the Company would not be able to grant Awards to you under the Plan or administer or maintain your participation in the Plan. If you withdraw your consent, the Company will stop processing your Personal Data for the purposes stated in Section (b) above unless to the extent necessary to comply with tax or other legal obligations in connection with Awards granted before you withdrew your consent.*

(g) **Data Subject Rights.** *You may have a number of rights under data privacy laws in your jurisdiction. Subject to the conditions set out in the applicable law and depending on where you are based, such rights may include the right to (i) request access to, or copies of, Personal Data processed by the Company, (ii) rectification of incorrect Personal Data, (iii) deletion of Personal Data, (iv) restrict the processing of Personal Data, (v) object to the processing of Personal Data for legitimate interests, (vi) portability of Personal Data, (vii) lodge complaints with competent authorities in your jurisdiction, and/or to (viii) receive a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding these rights or to exercise these rights, you can contact dataprotection@seagen.com.*

(h) **Necessary Disclosure of Personal Data.** *You understand that providing the Company with Personal Data is necessary for the performance of this Agreement and that your refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and would affect your ability to participate in the Plan.*

(i) ***Declaration of Consent (if you are outside the EEA+).*** By clicking on the “I accept” button on the Acknowledge Grant screen on the stock plan administration site, you are declaring that you unambiguously consent to the collection, use and transfer, in electronic or other form, of your Personal Data, as described above and in any other grant materials, by and among, as applicable, the entity that employs you, the Company, any Affiliate and any service provider involved in stock plan administration, including but not limited to the Stock Plan Provider, for the exclusive purpose of implementing, administering and managing your participation in the Plan, including providing ancillary services related to stock plan administration. You understand that you may, at any time, refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Seagen Inc. Director of Privacy Law. If you do not consent or later seek to revoke your consent, your employment status or service with the entity that employs you will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant the Award or any other equity award to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing consent will affect your ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, you should contact the Company’s Stock Plan Administrator.

22. INSIDER TRADING RESTRICTIONS/MARKET ABUSE LAWS. You acknowledge that, depending on your country, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell the Shares or rights to the Shares under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

23. FOREIGN ASSET/ACCOUNT AND TAX REPORTING, EXCHANGE CONTROLS. Your country may have certain foreign asset, account and/or tax reporting requirements and exchange controls which may affect your ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside your country. You understand that you may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. In addition, you may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of Shares. You acknowledge that you are responsible for complying with all such requirements, and that you should consult personal legal and tax advisors, as applicable, to ensure compliance.

24. WAIVER. You acknowledge that a waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

25. LANGUAGE. You acknowledge that you are sufficiently proficient in the English language, or have consulted with an advisor who is sufficiently proficient in English, so as to allow you to understand the terms and conditions of this Agreement. If you have received this

Agreement, or any other document related to this Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

26. APPENDIX. Notwithstanding any provisions in this Agreement to the contrary, your Award shall be subject to the additional terms and conditions for your country set forth in the Appendix. Moreover, if you transfer residence and/or employment to another country reflected in the Appendix, the terms and conditions for such country will apply to you to the extent the Company determines in its sole discretion, that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

27. GOVERNING LAW/VENUE. The interpretation, performance and enforcement of this Agreement will be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules. For purposes of any action, lawsuit or other proceedings brought due to your participation in the Plan, relating to it, or arising from it, you hereby submit to and consent to the sole and exclusive jurisdiction of the United States District Court for the Southern District of New York (or should such court lack jurisdiction to hear such action, suit or proceeding, in a New York state court in the County of New York), and no other courts, where this Award is granted and/or to be performed.

28. IMPOSITION OF OTHER REQUIREMENTS. The Company reserves the right to impose other requirements on your participation in the Plan, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

29. AMENDMENT. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Administrator by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment materially adversely affecting your rights hereunder may be made without your written consent, except as otherwise provided in the Plan. Without limiting the foregoing, the Administrator reserves the right to change, by written notice to you and without your prior written consent, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant to facilitate compliance with applicable laws or regulations or any future law, regulation, ruling, or judicial decision.

SEAGEN INC.

APPENDIX TO GLOBAL STOCK UNIT AGREEMENT

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or in the Agreement.

Terms and Conditions

This Appendix includes additional terms and conditions that govern this Award if you reside and/or work in one of the countries listed below.

If you are a citizen or resident of a country other than the one in which the you are currently residing and/or working, transfer employment and/or residency to another country after the Award is granted, or are considered a resident of another country for local law purposes, the Company shall, in its discretion, determine to what extent the terms and conditions herein will apply to you.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of **July 2022**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that you acquire Shares or sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure you of any particular result. Accordingly, you acknowledge that you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, you acknowledge that if you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer employment and/or residency to another country after the Award is granted, or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you.

AUSTRIA

Notifications

Exchange Control Information. If you hold securities (including Shares acquired under the Plan) or cash (including proceeds from the sale of Shares) outside of Austria, you may be subject to reporting obligations to the Austrian National Bank. If the value of the Shares meets or exceeds a certain threshold, you must report the securities held on a quarterly basis to the Austrian National Bank as of the last day of the quarter, on or before the 15th day of the month following the end of the calendar quarter. In all other cases, an annual reporting obligation applies and the report has to be filed as of December 31 on or before January 31 of the following year using the form P2. Where the cash amount held outside of Austria meets or exceeds a certain threshold, monthly reporting obligations apply as explained in the next paragraph.

In connection with the sale of Shares, or receipt any cash dividends, you may have exchange control obligations if you hold the cash proceeds outside of Austria. If the transaction volume of all of your accounts abroad meets or exceeds a certain threshold, you must report to the Austrian National Bank the movements and balances of all accounts on a monthly basis, as of the last day of the month, on or before the 15th day of the following month, on the prescribed form (Meldungen SI-Forderungen und/oder SI-Verpflichtungen).

BELGIUM

Notifications

Foreign Asset / Account Reporting. Belgian residents are required to report any security (*e.g.*, Shares acquired under the Plan) or bank account established outside of Belgium on their annual tax return. In a separate report, Belgian residents are also required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened). The forms to complete this report are available on the website of the National Bank of Belgium. Belgian residents should consult with their personal tax advisors to determine their personal reporting obligations.

Annual Securities Accounts Tax. If the value of securities held in a Belgian or foreign securities account exceeds €1 million, a new “annual securities account tax” applies. Belgian residents should consult with their personal tax advisor regarding the new tax.

CANADA

Terms and Conditions

Settlement of Restricted Stock Units. Notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, Restricted Stock Units will be settled in shares of Common Stock only, not cash.

IMPORTANT ACKNOWLEDGMENT. In accepting this Award, you acknowledge that you have received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

YOU FURTHER SPECIFICALLY ACKNOWLEDGE THAT YOU HAVE READ AND EXPRESSLY ACCEPT SECTION 2 (VESTING) OF THIS AGREEMENT, AS AMENDED BY THE FOLLOWING APPENDIX PROVISION:

Termination of Employment. This provision replaces Section 2(c) of the Agreement:

For purposes of the Stock Unit Award, and notwithstanding anything to the contrary in the Agreement or the Plan, you will be deemed to experience a Termination of Employment (and your right to vest in the Restricted Stock Units and receive shares of Common Stock under the Plan, if any, will terminate effective as of) the date that is the earlier of:

- (1) the date you cease to be an Employee or Consultant;
- (2) the date on which you receive written notice of termination; or
- (3) the date you are no longer actively providing services to the Company or any other Affiliate (except where such inactive service results from a leave of absence that is required to be provided to you under Applicable Law), and in each case: (i) regardless of the reason of such cessation or termination; and (ii) whether or not such cessation or termination is (or is later found to be) unlawful, or invalid, or in breach of Applicable Laws (including, but not limited to, employment-related statutory and/or common and/or civil law, or other laws or rules in the jurisdiction where you are providing services), or in breach of the terms of your employment or service agreement, if any.

For clarity, in each case, such date will be determined regardless of (and will not be extended by) any notice period or severance period or period of “garden leave” or period of reasonable notice or period covered by compensation/indemnity/damages in lieu of reasonable notice, or any similar period to which you claim to be entitled, whether mandated under Applicable Laws (including, but not limited to, employment-related statutory law and/or common law and/or civil law), or claimed by you under the terms of your employment or service agreement (if any), or claimed by you on any other basis whatsoever. The Board or its delegate shall have exclusive discretion to determine when you cease to be an Employee or Consultant or are no longer actively employed for purposes your participation in the Plan (including whether you may still be considered to be providing services while on a leave of absence that is not required to be provided to you under Applicable Law).

Data Privacy. This provision supplements Section 21 of the Agreement:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company, your employer and/or any other Affiliate to disclose and discuss such information with their advisors. You also authorize the Company, your employer and/or any other Affiliate to record such information and to keep such information in your employee file.

Notifications

Securities Law Information. You understand that you are permitted to sell shares of Common Stock acquired pursuant to the Plan through the designated broker appointed under the Plan, if any, provided the sale of the shares acquired pursuant to the Plan takes place outside of Canada through the facilities of a stock exchange on which the shares are listed, and the Company is not a reporting issuer in any jurisdiction of Canada at the time of sale.

Foreign Asset/Account Reporting Information. Specified Foreign property, including Stock Units, shares of Common Stock acquired under the Plan and other rights to receive shares of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the specified foreign property exceeds C\$100,000 at any time during the year. Thus, if the C\$100,000 cost threshold is exceeded by other foreign specified property held by the individual, the award of Restricted Stock Units must be reported (generally at a nil cost). For purposes of such reporting, shares of Common Stock acquired under the Plan may be reported at their adjusted cost basis. The adjusted cost basis of a share is generally equal to the fair market value of such share at the time of acquisition; however, if you own other shares of Common Stock (e.g., acquired under other circumstances or at another time), the adjusted cost basis may have to be averaged with the adjusted cost bases of the other shares of Common Stock. You should consult with your personal tax advisor to determine your reporting requirements.

DENMARK

Terms and Conditions

Danish Stock Option Act. By accepting this Award, you acknowledge that you received an Employer Statement, translated into Danish, which is being provided to comply with the Danish Stock Option Act.

Notifications

Foreign Asset/Account Reporting Information. If you establish an account holding shares or cash outside of Denmark, you must report the account to the Danish Tax Administration. The form which should be used to make the report can be obtained from a local bank.

SPECIAL NOTICE FOR EMPLOYEES IN DENMARK
EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment relations, as amended January 1, 2019 (the “**Stock Option Act**”), you are entitled to receive the following information regarding the restricted stock units granted to you by Seagen Inc. (the “**Company**”) under the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan (the “**Plan**”) in a written statement.

This statement contains information applicable to your participation in the Plan, as required under the Stock Option Act, while the other terms and conditions of your restricted stock units (“**Stock Units**”) are described in detail in the Plan and the Stock Unit Award Agreement (the “**Agreement**”), both of which have been made available to you. Capitalized terms used but not defined herein shall have the same meanings given to them in the Plan or the Agreement, as applicable.

Section 1 of the Stock Option Act provides that the Stock Option Act only applies to employees. Employees are defined in section 2 of the Stock Option Act as persons who receive remuneration for their personal services in an employment relationship. Persons, including managers, who are not regarded as employees under the Stock Option Act, will not be subject to the Stock Option Act. If you are not an employee within the meaning of the Stock Option Act, the Company therefore has no obligation to issue an employer information statement to you and you will not be able to rely on this statement for legal purposes, since only the terms and conditions set out in the Plan apply.

1. Date of grant

The date of grant of your Stock Units is the date that the Board or its delegates approved a grant for you and determined it would be effective, which is set forth in the Agreement.

2. Terms or conditions for Stock Unit grant

The grant of Stock Units under the Plan is made at the sole discretion of the Company. Employees, Directors and Consultants of the Company and its Affiliates, are eligible to receive grants under the Plan. The Board has broad discretion to determine who will receive Stock Units and to set the terms and conditions of the Stock Units. The Company may decide, in its sole discretion, not to make any grants of Stock Units to you in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future grants of Stock Units.

3. Vesting date or period

The Stock Units will vest over a period of time (as set forth in the Agreement), subject to your continuous service through the applicable vesting date and other conditions set forth in the Plan and Agreement, and subject to Section 5 of this statement.

4. Exercise Price

No exercise price is payable upon the conversion of your Stock Units into shares of Common Stock in accordance with the vesting and settlement schedule described in the Agreement.

5. Your rights upon termination of employment

Subject to the provisions below regarding accelerated vesting in certain circumstances, your eligibility to receive any vesting of this Award will cease upon your Termination of Employment and the Stock Units credited to the Account that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such Award or the shares of Common Stock to be issued in respect of such portion of the Award.

In the event of your Termination of Employment as a result of your Disability, the vesting of your Award shall accelerate such that your Award shall become vested as to an additional twelve (12) months, effective as of the date of such Termination of Employment, to the extent that your Award is outstanding on such date.

In the event of your Termination of Employment as a result of your death, your Award (and all other Seagen Inc. stock units granted to you that do not have performance or milestone vesting conditions) shall accelerate and vest in full, effective as of the date of such Termination of Employment, to the extent that your Award is outstanding on such date.

6. Financial aspects of participating in the Plan

The grant of Stock Units has no immediate financial consequences for you. The value of the Stock Units is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stock will always have financial risk. The future value of Company shares is unknown and cannot be predicted with certainty.

Seagen Inc.
21823 - 30th Drive S.E.
Bothell, Washington 98021
U.S.A.

SÆRLIG MEDDELELSE TIL MEDARBEJDERE I DANMARK ARBEJDSGIVERERKLÆRING

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold som ændret 1. januar 2019 ("**Aktieoptionsloven**") er du berettiget til i en skriftlig erklæring at modtage følgende oplysninger om de betingede aktier, som du modtager fra Seagen Inc. ("**Selskabet**") i henhold til Seagen Inc.'s "Amended and Restated 2007 Equity Incentive Plan" ("**Ordningen**").

Denne erklæring indeholder de oplysninger, der i henhold til Aktieoptionsloven gælder for din deltagelse i Ordningen, mens de øvrige vilkår og betingelser for de betingede aktier ("**Betingede Aktier**") er nærmere beskrevet i Ordningen og i Aktietildelingsaftalen ("**Aftalen**"), som begge er udleveret til dig. Begreber, der står med stort begyndelsesbogstav i denne arbejdsgivererklæring, men som ikke er defineret heri, har den i Ordningen eller Aftalen anførte betydning.

I henhold til Aktieoptionslovens § 1 finder loven kun anvendelse for lønmodtagere. Lønmodtagere er defineret i Aktieoptionslovens § 2 som personer, der modtager vederlag for personligt arbejde i tjenesteforhold. Personer, herunder direktører, som ikke anses for at være lønmodtagere i Aktieoptionslovens forstand, er ikke omfattet af Aktieoptionsloven. Hvis du ikke er lønmodtager i Aktieoptionslovens forstand, er Selskabet derfor ikke forpligtet til at udstede en arbejdsgivererklæring til dig, og du vil ikke i juridisk henseende kunne henholde dig til denne arbejdsgivererklæring, da det alene er bestemmelserne i Ordningen, der er gældende.

1. Tildelingstidspunkt

Tidspunktet for tildeling af de Betingede Aktier er den dag, hvor Bestyrelsen eller en repræsentant for Bestyrelsen godkendte tildelingen og besluttede, at den skulle træde i kraft. Tidspunktet fremgår af Aftalen.

2. Vilkår og betingelser for tildelingen af Betingede Aktier

Tildelingen af Betingede Aktier i henhold til Ordningen sker efter Selskabets eget skøn. Tildeling kan i henhold til Ordningen ske til Medarbejdere, Bestyrelsesmedlemmer og Konsulenter i Selskabet og dets Tilknnyttede Selskaber. Bestyrelsen har vide beføjelser til at bestemme, hvem der skal modtage Betingede Aktier og på hvilke vilkår. Selskabet kan frit vælge fremover ikke at tildele din nogen Betingede Aktier. I henhold til bestemmelserne i Ordningen og Aftalen har du ikke hverken ret til eller krav på fremover at få tildelt Betingede Aktier.

3. Modningsdato eller -periode

De Betingede Aktier modnes over en periode (som anført i Aftalen), forudsat at du fortsat er ansat på modningsdatoen, og at de øvrige betingelser i Ordningen og i Aftalen er opfyldt, dog med forbehold for pkt. 5 nedenfor.

4. Udnyttelseskurs

Der skal ikke betales nogen udnyttelseskurs i forbindelse med konverteringen af de Betingede Aktier til Ordinære Aktier i overensstemmelse med den i Aftalen beskrevne modnings- og afregningsplan.

5. Din retsstilling i forbindelse med fratræden

Med forbehold for bestemmelserne nedenfor vedrørende fremskyndet modning ophører modningen ved din Fratræden, og de Betingede Aktier på din Konto, som ikke er modnet på fratrædelsestidspunktet, bortfalder uden omkostninger for Selskabet, og du vil ikke længere have ret eller adkomst til Tildelingen eller de Ordinære Aktier, der udstedes i relation til denne del af Tildelingen.

Såfremt du Fratræder, fordi du eller bliver Uarbejdsdygtig, fremskyndes modningen af Tildelingen, således at Tildelingen modnes, som om du havde været ansat i en periode på yderligere tolv (12) måneder fra Fratrædelsesdatoen, såfremt Tildelingen endnu ikke er modnet på dette tidspunkt.

Såfremt du Fratræder, fordi du død, optjeningen er fuldt fremskyndet for Allokeringen (og alle andre Seagen Inc.-aktieenheder, der er tildelt dig, og som ikke har præstations- eller milepælsvilkår), således at Tildelingen modnes, såfremt Tildelingen endnu ikke er modnet på dette tidspunkt.

6. Økonomiske aspekter ved deltagelse i Ordningen

Tildelingen af Betingede Aktier har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af de Betingede Aktier indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige lovpligtige, vederlagsafhængige ydelser.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Den fremtidige værdi af Selskabets aktier kendes ikke og kan ikke forudsiges med sikkerhed.

Seagen Inc.
21823 - 30th Drive S.E.
Bothell, Washington 98021
U.S.A.

FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

Non-Qualified Award. The Stock Units are not granted as a “French-qualified” Award and are not intended to qualify for the special tax and social security treatment applicable to shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-5 and Sections L. 22-10-59 and L. 22-10-60 of the French Commercial Code, as amended.

Consent to Receive Information in English. By accepting this Award, you confirm having read and understood the Plan and the Agreement which were provided in the English language. You accept the terms of those documents accordingly.

Consentement Relatif à la Langue Utilisée. En acceptant l'attribution, vous confirmez avoir lu et compris le Plan et ce Contrat, qui ont été communiqués en langue anglaise. Vous acceptez les termes de ces documents en connaissance de cause.

Notifications

Foreign Asset/Account Reporting Information. If you hold cash or shares of Common Stock outside of France or maintain a foreign bank or brokerage account (including accounts that were opened and closed during the tax year), you are required to report such assets and accounts to the French tax authorities on an annual basis on a specified form together with your income tax return. Failure to complete this reporting can trigger significant penalties.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In case of payments in connection with securities (including proceeds realized upon the sale of shares of Common Stock or the receipt of dividends, if any), the report must be made by the 5th day of the month following the month in which the payment was received. The report must be filed electronically and the form of report (“**Allgemeine Meldeportal Statistik**”) can be accessed via the Bundesbank's website (www.bundesbank.de), in both German and English. You are responsible for making this report.

Foreign Asset/Account Reporting Information. If your acquisition of shares of Common Stock acquired under the Plan leads to a so-called qualified participation at any point during the calendar year, you may need to report the acquisition when you file your tax return for the relevant year. A qualified participation is attained if (i) the value of the shares of Common Stock exceeds €150,000, or (ii) in the unlikely event that you hold shares of Common Stock exceeding 10% of the

Company's share capital. However, if the shares of Common Stock are listed on a recognized U.S. stock exchange and you own less than 1% of the Company, this requirement will not apply to you.

ITALY

Terms and Conditions

Plan Document Acknowledgment. In accepting this Award, you acknowledge that you have received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

You further acknowledge that you have read and specifically and expressly approve the following sections of the Agreement: Section 10. Nature of Award; Section 11. Tax Obligations; Section 12. No Advice Regarding Grant; Section 20. Severability; Section 21. Data Privacy; Section 25. Language; Section 27. Governing Law/Venue; and Section 28. Imposition of Other Requirements.

Undertaking to Provide Notice of Sale. In accepting this Award, you undertake to notify the Employer, in writing on a Notice of Sale substantially in the form as attached hereto as Exhibit A, within fifteen (15) days of any sale or disposal of Seagen Inc. shares acquired under the Plan which occurs within three (3) years of the date the shares were issued to you and which triggers, pursuant to art. 51, par. 2, letter g) of Presidential Decree no. 917/1986, the taxation as employment income at vesting (i.e., the fair market value of the shares on the date of vesting) previously exempted.

Notifications

Foreign Asset/Account Reporting Information. If you are an Italian resident and at any time during the fiscal year hold investments or financial assets outside of Italy (e.g., cash, shares of Common Stock) which may generate income taxable in Italy (or if you are the beneficial owner of such an investment or asset, even if you do not directly hold the investment or asset under Italian money laundering provisions), you are required to report such investments or assets on your annual tax return for such fiscal year (on UNICO Form, RW Schedule) or on a special form if you are not required to file a tax return.

Foreign Financial Assets Tax. The fair market value of any shares of Common Stock held outside of Italy is subject to a foreign assets tax. Financial assets include shares of Common Stock acquired under the Plan. The taxable amount will be the fair market value of the financial assets assessed at the end of the calendar year. You should consult with your personal tax advisor about the foreign financial assets tax.

NETHERLANDS

There are no country-specific provisions.

NORWAY

There are no country-specific provisions.

PORTUGAL

Terms and Conditions

Consent to Receive Information in English. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Conhecimento da Língua. *Contratado, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo.*

Notifications

Exchange Control Information. If you receive shares of Common Stock upon vesting and settlement of the Award, the acquisition of shares of Common Stock should be reported to the Banco de Portugal for statistical purposes. If shares of Common Stock are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on your behalf. If the shares of Common Stock are not deposited with a commercial bank or financial intermediary in Portugal, you are responsible for submitting the report to the Banco de Portugal.

PUERTO RICO

There are no country-specific provisions.

SPAIN

Terms and Conditions

Labor Law Acknowledgment. The following provisions supplement Section 10 of the Agreement:

By accepting this Award, you agree to participation in the Plan and acknowledge that you have received a copy of the Plan.

You understand and agree that, except as otherwise provided in the Agreement, you will forfeit any Stock Units in the event of your Termination of Employment by reason of, but not limited to, resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a “*despido improcedente*,” individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Service Recipient and under Article 10.3 of the Royal Decree 1382/1985.

Furthermore, you understand that the Company has unilaterally, gratuitously and discretionally

decided to grant Stock Units under the Plan to individuals who are employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Affiliates on an ongoing basis except as set forth under the terms of the Plan and the Agreement. Consequently, you understand that any Award is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, you understand and freely accept that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant since the future value of the Stock Units and shares of Common Stock is unknown and unpredictable and you may forfeit the Stock Units if your Termination of Employment occurs prior to vesting. In addition, you understand that this Award would not be made but for the assumptions and conditions referred to above; thus, you understand, acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then this Award shall be null and void.

Notifications

Exchange Control Information. The acquisition, ownership and sale of shares of Common Stock under the Plan must be declared for statistical purposes to the *Spanish Dirección General de Comercio e Inversiones* (the “*DGCI*”), the Bureau for Commerce and Investments, which is a department of the Ministry of Industry, Tourism and Commerce. Generally, the declaration must be made in January for shares of Common Stock owned as of December 31 of the prior year and/or shares of Common Stock acquired or disposed of during the prior year; however, if the value of shares of Common Stock acquired or disposed of or the amount of the sale proceeds exceeds €1,502,530 (or if you hold 10% or more of the share capital of the Company), the declaration must be filed within one month of the acquisition or disposition, as applicable.

In addition, you may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including shares of Common Stock acquired under the Plan), and any transactions with non-Spanish residents (including any payments of shares of Common Stock made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Foreign Asset/Account Reporting Information. To the extent that you hold rights or assets (*i.e.*, cash or shares of Common Stock held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, shares of Common Stock, cash, etc.) as of December 31 each year, you are required to report information on such rights and assets on your tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. You should consult with your personal tax and legal advisors to ensure that you are properly complying with your reporting obligations.

Securities Law Information. No “offer of securities to the public,” as defined under Spanish law,

has taken place or will take place in the Spanish territory in connection with the grant of this Award. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWEDEN

There are no country-specific provisions.

SWITZERLAND

Terms and Conditions

Grant of the Award. The Award granted to a Swiss Participant is a voluntary gratuity (*Gratifikation*) as determined at the Company's sole discretion which the Participant has no entitlement to and which does not constitute an entitlement of the Participant for a grant of further Awards in the future.

Language Acknowledgement. You confirm having read and understood the documents relating to the Plan, including the Agreement, including this Appendix and all terms and conditions included therein, which were provided in the English language only. You confirm having sufficient language capabilities to understand these terms and conditions in full.

Du bestätigst, dass du den Plan sowie die dazugehörigen Dokumente, inklusive der Vereinbarung, mit all den darin enthaltenen Bedingungen und Voraussetzungen, welche in englischer Sprache verfasst sind, gelesen und verstanden hast. Du bestätigst dass Deine Sprachkenntnisse genügend sind, um die Bedingungen und Voraussetzungen zu verstehen.

Notifications

Securities Law Information. Neither the Agreement nor any other materials relating to the Award (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("**FinSA**") (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Company or (iii) has been filed with approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority FINMA.

UNITED KINGDOM

Terms and Conditions

Tax Obligations. The following provision supplements Section 11 of the Agreement:

Without limitation to Section 11 of the Agreement, you agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items, as and when requested by the Company or your employer or by Her Majesty's Revenue and Customs ("**HMRC**") (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified

the Company and your employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on your behalf.

Notwithstanding the foregoing, if you are a director or an executive officer of the Company (within the meaning of such terms for purposes of Section 13(k) of the Exchange Act), you acknowledge that you may not be able to indemnify the Company or your employer for the amount of any income tax not collected from or paid by you, as it may be considered a loan. In this case, the amount of any income tax not collected within 90 days of the end of the U.K. tax year in which the event giving rise to the Tax-Related Item(s) occurs may constitute an additional benefit to you on which additional income tax and National Insurance contributions (“*NICs*”) may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or your employer (as appropriate) for the value of any employee *NICs* due on this additional benefit, which the Company or your employer may recover from you by any of the means referred to in the Plan or Section 11 of the Agreement.

NIC Joint Election. As a condition of your participation in the Plan and the vesting and settlement of the Award or receipt of any benefit in connection with the Award, you agree to accept any liability for secondary Class 1 *NICs* that may be payable by the Company or your employer (or any successor to the Company or your employer) in connection with the Award and any event giving rise to Tax-Related Items (the “*Employer’s Liability*”). Without prejudice to the foregoing, you agree to enter into the following joint election with the Company, the form of such joint election being formally approved by HMRC (the “*Joint Election*”), and any other required consent or elections. You further agree to enter into such other Joint Elections as may be required between you and any successor to the Company and/or your employer for the purpose of continuing the effectiveness of the Joint Election. You further agree that the Company and/or your employer may collect the Employer’s Liability from you by any of the means set forth in Section 11 of the Agreement.

If you do not enter into the Joint Election prior to the vesting of the Award or any other event giving rise to Tax-Related Items, you will not be entitled to vest in the Award and receive shares of Common Stock (or receive any other benefit in connection with the Award) unless and until you enter into the Joint Election, and no shares of Common Stock or other benefit will be issued to you under the Plan, without any liability to the Company, your employer or any other service recipient.

**Note to UK Participants
in the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan**

Important Note on the Election to Transfer Employer NICs

If you are liable for National Insurance contributions (“NICs”) in the UK in connection with your participation in the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan (the “Plan”) and as a condition of your participation in the Plan, you are required to enter into an Election to transfer to you any liability for employer’s NICs that may arise in connection with your participation in the Plan.

By entering into the Election:

- you agree that any employer’s NICs liability that may arise in connection with your participation in the Plan will be transferred to you;
- you authorise your employer to recover an amount sufficient to cover this liability by such methods including, but not limited to, deductions from your salary or other payments due or the sale of sufficient shares acquired pursuant to your awards.

By signing this Election, you are agreeing to be bound by the terms of the Election.

Please read the Election carefully.

Please print and keep a copy of the Election for your records.

**SEAGEN INC.
AMENDED AND RESTATED
2007 EQUITY INCENTIVE PLAN**

Election To Transfer the Employer's National Insurance Liability to the Employee

This Election is between:

- A. The individual who has obtained authorised access to this Election (the “**Employee**”), who is employed by one of the employing companies listed in the attached schedule (the “**Employer**”) and who is eligible to receive stock options, restricted stock units and performance-based restricted stock units (“**Awards**”) pursuant to the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan (the “**Plan**”), and
- B. Seagen Inc., 21717 30th Dr SE, Bothell, Washington 98021 USA (the “**Company**”), which may grant Awards under the Plan and is entering into this Election on behalf of the Employer.

1. Introduction

1.1 This Election relates to all Awards granted to the Employee under the Plan on or after 1 January 2020 up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

- (a) “**Chargeable Event**” means any event giving rise to Relevant Employment Income.
- (b) “**ITEPA**” means the Income Tax (Earnings and Pensions) Act 2003.
- (c) “**Relevant Employment Income**” from Awards on which Employer’s National Insurance Contributions become due is defined as:
 - (i) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);
 - (ii) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or
 - (iii) any gain that is treated as remuneration derived from the earner’s employment by virtue of section 4(4)(a) SSCBA, including without limitation:
 - (A) the acquisition of securities pursuant to Awards (within the meaning of section 477(3)(a) of ITEPA);

- (B) the assignment or release of the Awards in return for consideration (within the meaning of section 477(3)(b) of ITEPA); and
- (C) the receipt of a benefit in connection with the Awards other than a benefit within (i) or (ii) above (within the meaning of section 477(3)(c) of ITEPA).
- (d) “**SSCBA**” means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the employer’s secondary Class 1 National Insurance Contributions (the “**Employer’s Liability**”) which may arise in respect of Relevant Employment Income in respect of the Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

2. The Election

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer’s Liability that arises on any Relevant Employment Income is hereby transferred to the Employee. The Employee understands that, by signing or electronically accepting this Election, he or she will become personally liable for the Employer’s Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 to SSCBA.

3. Payment of the Employer’s Liability

3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer’s Liability in respect of any Relevant Employment Income from the Employee at any time after the Chargeable Event:

- (i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
- (ii) directly from the Employee by payment in cash or cleared funds; and/or
- (iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Awards; and/or
- (iv) by any other means specified in the applicable award agreement.

3.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Awards until full payment of the Employer's Liability is received.

3.3 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HM Revenue & Customs on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs, if payments are made electronically).

4. Duration of Election

4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.

4.2 Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Awards in circumstances where section 483 of ITEPA applies.

4.3 This Election will continue in effect until the earliest of the following:

- (i) the Employee and the Company agree in writing that it should cease to have effect;
- (ii) on the date the Company serves written notice on the Employee terminating its effect;
- (iii) on the date HM Revenue & Customs withdraws approval of this Election; or
- (iv) after due payment of the Employer's Liability in respect of the entirety of the Awards to which this Election relates or could relate, such that the Election ceases to have effect in accordance with its terms.

Acceptance by the Employee

The Employee acknowledges that, by clicking on the "ACCEPT" box in the E*TRADE online acceptance screen, or by signing the Election, the Employee agrees to be bound by the terms of this Election.

Signature of Participant

Printed Name

Date

Awards subject to this Election	
Award Date	Award No.

Acceptance by the Company

The Company acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.

Signature for and on behalf of the Company

Position

SCHEDULE OF EMPLOYER COMPANIES

The following are employer companies to which this Election may apply:

For each company, provide the following details:

Name of Company:	Seattle Genetics UK Limited
Registered Office:	11-12 St. James's Square London SW1Y 4LB
Company Registration Number:	06321958
Corporation Tax District:	
Corporation Tax Reference:	623 73208 17853 A
PAYE Reference:	120/EE19799

EXHIBIT A

SEAGEN INC.

AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN

NOTICE OF SALE

Italian Employees Only

Note: If you sell or otherwise dispose of Seagen Inc. shares acquired upon vesting of restricted stock units which were not subject to income tax and social insurance under the exemption provided by art. 51, par. 2, lett. g) of Presidential Decree no. 917/1986 and such sale occurs within three (3) years from the date the shares were issued to you, you are required to provide this Notice of Sale to Seagen Italy S.r.l. ("Seagen Italy") within 15 days of the date of such sale. In the event that you have acquired shares on more than one date, in order to identify the shares that are deemed sold and, thus, if the sale is occurred within three (3) years from the issuance date, you must follow the first-in-first-out principle.

EMPLOYEE INFORMATION

Name (last, first, middle) _____

Employee ID Number _____

Home Address

Delivery Address: _____

City, Postal Code, Country: _____

Telephone: _____ Email: _____

1. I hereby notify Seagen Italy that on _____ [month/day/year] I sold or otherwise disposed of _____ [number] shares acquired upon the vesting of restricted stock units granted under the 2007 Equity Incentive Plan. Those restricted stock units vested on the following date(s): _____ [month/day/year]. I understand that Italian law requires that any shares sold be identified under the first-in-first-out principle, *i.e.*, in the event that I have acquired shares on more than one date, the shares identified above are the shares acquired earliest and not yet sold. These shares were not subject to income tax and social insurance contributions at the time of vest under an exemption pursuant to art. 51, par. 2, letter g of Presidential Decree no. 917/1986 up to €2,065 per calendar year.
2. I understand that if I am employed by Seagen Italy at the time I sell or dispose of shares reported on this notice, Seagen Italy will include the income attributable to said shares (*i.e.*, the fair market value of the shares as determined under Italian law) that was previously exempted in my current year income for tax and social insurance withholding and reporting purposes. In the event that I am no longer employed by Seagen Italy, Seagen Italy may inform my new employer or the Istituto Nazionale Previdenza Sociale, as applicable, that I have sold shares resulting in taxable income. I am [check one]:
 - ☐ employed at Seagen Italy,
 - ☐ employed at _____
[insert company name and address], ☐ not employed, but am receiving a government pension, or ☐ other _____ [explain].

Signature: _____

Date: _____

Give original form to Payroll Department, Seagen Italy. Keep a copy for your records.

SEAGEN INC.
GLOBAL PERFORMANCE STOCK UNIT GRANT NOTICE
(AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN)

Seagen Inc. (the “*Company*”), pursuant to its Amended and Restated 2007 Equity Incentive Plan (the “*Plan*”), hereby awards to Participant a Stock Unit Award for the number of stock units set forth below (the “*Award*”). The Award is subject to all of the terms and conditions as set forth herein and in the Plan and the Global Performance Stock Unit Agreement (including Exhibit A to the Global Performance Stock Unit Agreement and any special terms and conditions for Participant’s country set forth in the attached appendix (the “*Appendix*”), both of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Global Performance Stock Unit Agreement, as applicable. Except as otherwise explicitly provided herein, in the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control; *provided, however*, that the terms of the Award shall control with respect to any terms regarding a Change of Control or a Termination of Employment.

Participant: [•]

Date of Grant: [•]

Target Number of Stock Units Subject to Award (the “*Target Shares*”): [•]

Maximum Number of Stock Units Subject to Award (the “*Maximum Shares*”): [•]

Vesting Schedule: The Award shall vest in accordance with Section 2 of the Global Performance Stock Unit Agreement and Exhibit A to the Global Performance Stock Unit Agreement.

Issuance Schedule: The Shares to be issued in respect of the Award will be issued in accordance with the issuance schedule set forth in Section 7 of the Global Performance Stock Unit Agreement.

Sell to Cover Election: By accepting the Award, Participant hereby: (1) elects, effective on the date Participant accepts the Award, to sell Shares issued in respect of the Award in an amount determined in accordance with Section 13(c) of the Global Performance Stock Unit Agreement, and to allow the Agent to remit the cash proceeds of such sale to the Company as more specifically set forth in Section 13(c) of the Global Performance Stock Unit Agreement (a “*Sell to Cover*”); (2) directs the Company to make a cash payment to satisfy the Withholding Obligation from the cash proceeds of such sale directly to the appropriate taxing authorities; and (3) **represents and warrants that (i) Participant has carefully reviewed Section 13(c) of the Global Performance Stock Unit Agreement, (ii) Participant is not aware of any material, nonpublic information with respect to the Company or any securities of the Company as of the Date of Grant, provided that if Participant is in possession of such material, nonpublic information as of the Date of Grant, then the mandatory sale of Shares pursuant to Section 13(c) of the Global Performance Stock Unit Agreement shall become a binding contract as of the first date thereafter on which Participant is not in possession of material, nonpublic information and Participant shall not effect any sales pursuant to Section 13(c) on the basis of material, nonpublic information of which Participant was aware of on the Date of Grant, (iii) on**

the date Participant accepts the Award Participant is not subject to any legal, regulatory or contractual restriction that would prevent the Agent from conducting sales, does not have, and will not attempt to exercise, authority, influence or control over any sales of Shares effected by the Agent pursuant to the Global Performance Stock Unit Agreement, and is entering into the Global Performance Stock Unit Agreement and this election to Sell to Cover in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 (regarding trading of the Company's securities on the basis of material nonpublic information) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws), and (iv) it is Participant's intent that this election to Sell to Cover and Section 13(c) of the Global Performance Stock Unit Agreement comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws) and be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws). Participant further acknowledges that by accepting the Award, Participant is adopting a 10b5-1 Plan (as defined in Section 13(c) of the Global Performance Stock Unit Agreement) to permit Participant to conduct a Sell to Cover sufficient to satisfy the Withholding Obligation as more specifically set forth in Section 13(c) of the Global Performance Stock Unit Agreement.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Global Performance Stock Unit Grant Notice, the Global Performance Stock Unit Agreement (including the provisions of Section 13(c) thereof with respect to the Sell to Cover, Exhibit A to the Global Performance Stock Unit Agreement and the Appendix) and the Plan. Participant also acknowledges receipt of the Prospectus for the Plan. Participant further acknowledges that as of the Date of Grant, this Global Performance Stock Unit Grant Notice, the Global Performance Stock Unit Agreement (including Exhibit A to the Global Performance Stock Unit Agreement and the Appendix) and the Plan set forth the entire understanding between Participant and the Company regarding the Award and supersede all prior oral and written agreements on that subject.

Participant's electronic acceptance shall signify Participant's execution of this Global Performance Stock Unit Grant Notice and understanding that the Award is granted and governed under the terms and conditions set forth herein.

SEAGEN INC.

Jean I. Liu
Chief Legal Officer

****PLEASE PRINT AND RETAIN THIS AGREEMENT FOR YOUR RECORDS****

SEAGEN INC.
AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN
GLOBAL PERFORMANCE STOCK UNIT AGREEMENT

Pursuant to the Global Performance Stock Unit Grant Notice (“**Grant Notice**”) and this Global Performance Stock Unit Agreement, including any special terms and conditions for your country set forth in the appendix attached hereto (this “**Agreement**”), Seagen Inc. (the “**Company**”) has awarded you a Stock Unit Award (the “**Award**”) under its Amended and Restated 2007 Equity Incentive Plan (the “**Plan**”). Your Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for the Award. This Agreement shall be deemed to be agreed to by the Company and you upon your execution of the Grant Notice to which it is attached. Capitalized terms not explicitly defined in this Agreement shall have the same meanings given to them in the Plan or the Grant Notice, as applicable. Except as otherwise explicitly provided herein, in the event of any conflict between the terms in this Agreement and the Plan, the terms of the Plan shall control; *provided, however*, that the terms of this Agreement shall control with respect to any terms regarding a Change of Control or a Termination of Employment. The details of your Award, in addition to those set forth in the Grant Notice and the Plan, are as follows.

1. GRANT OF THE AWARD. The Award represents the right to be issued on a future date the number of Shares that is equal to the number of stock units indicated in the Grant Notice (the “**Stock Units**”), contingent upon the performance criteria and the terms set forth in this Agreement (including Exhibit A to this Agreement). As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the “**Account**”) the maximum number of Stock Units subject to the Award. Except as otherwise provided herein, you will not be required to make any payment to the Company with respect to your receipt of the Award, the vesting of the Stock Units or the delivery of the Shares to be issued in respect of the Award.

2. VESTING.

(a) Subject to the terms of Sections 10, 11 and 13 of this Agreement, your Award will vest, if at all, in accordance with this Section 2 and the vesting terms provided in Exhibit A to this Agreement, provided that you have not incurred a Termination of Employment before the Vesting Date (as defined in Exhibit A to this Agreement). Except as set forth in this Agreement, upon your Termination of Employment, the Stock Units credited to the Account that were not vested on the date of such Termination of Employment will be forfeited at no cost to the Company and you will have no further right, title or interest in the Stock Units or the Shares to be issued in respect of the Award. By accepting the grant of the Award, you acknowledge and agree that the terms set forth in this Agreement (including the vesting terms provided in Exhibit A to this Agreement) supersede any contrary terms regarding the vesting of the Award set forth in any notice or other communication that you receive from, or that is displayed by, E*TRADE or other third party designated by the Company.

(b) The Grant Notice sets forth the target and maximum number of Stock Units that are eligible to vest in connection with the achievement of the performance condition

determined by the Compensation Committee of the Board of Directors of the Company or any subcommittee thereof (the “*Committee*”) and set forth in the Performance Goal Grid in Exhibit A to this Agreement (the “*Performance Goal Grid*”).

(c) The Committee shall certify the level of achievement of the performance condition and the associated number of Stock Units that shall be entitled to vest pursuant to the terms of this Agreement (the “*Certified Shares*”) in accordance with Exhibit A to this Agreement. Subject to the terms of Sections 10 and 11 of this Agreement, no Stock Units subject to your Award shall become Certified Shares unless and until the Committee certifies that the performance condition has been achieved. The Committee will have the full authority to determine whether the performance condition was achieved and approve the Certified Shares in accordance with Exhibit A to this Agreement; *provided, however*, that (i) such Certified Shares may not exceed the Maximum Shares (as set forth in the Grant Notice, subject to Section 4 of this Agreement) and subject to the terms of Sections 10 and 11 of this Agreement, in the event of performance below the Threshold (as defined in Exhibit A to this Agreement), and (ii) none of the Stock Units will vest and you will have no further right, title or interest in the Stock Units. Any Certified Shares will become eligible to vest on the Vesting Date (as defined in Exhibit A to this Agreement), subject to the terms of Sections 2(a), 10, 11 and 12 of this Agreement.

(d) Subject to the terms of Sections 10 and 11 of this Agreement, in the event the Committee determines that the performance condition is not fully or partially achieved, the related Stock Units will not vest and will be forfeited effective as of the last day of the Performance Period (as defined in Exhibit A to this Agreement), subject to earlier forfeiture in the event of your Termination of Employment (except as set forth in this Agreement), and you will have no further right, title or interest in the Stock Units associated with such performance condition.

(e) For purposes of your Award, your Termination of Employment will be considered to be (regardless of the reason of termination, whether or not later found to be invalid or in breach of employment or other laws or rules in the jurisdiction where you are providing services or the terms of your employment or service agreement, if any) effective as of the date that you cease to actively provide services to the Company or any Affiliate and will not be extended by any notice period (e.g., employment or service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment or other laws in the jurisdiction where you are employed or providing services or the terms of your employment or service agreement, if any). The Company shall have exclusive discretion to determine when you are no longer actively employed or providing services for purposes of the Plan (including whether you still may be considered to be providing services while on a leave of absence).

3. FORFEITURE OF AWARD NOT TIMELY ACCEPTED. The Award is conditioned upon your electronic acceptance of the Award, as set forth in the Grant Notice. Notwithstanding the foregoing or anything in this Agreement to the contrary, if you fail to accept the Award prior to the Vesting Date, the portion of the Award that otherwise would have vested on the Vesting Date will be forfeited at no cost to the Company, and you will have no further right, title or interest in such portion. In the event of your Termination of Employment as a result of your death or Disability prior to acceptance of the Award, the Company will deem the Award as being accepted.

4. NUMBER OF SHARES.

(a) The number of Stock Units subject to your Award may be adjusted from time to time for changes in capitalization, as provided in Section 13 of the Plan.

(b) Any additional Stock Units that become subject to the Award pursuant to this Section 4 shall be subject, in a manner determined by the Administrator, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Stock Units covered by your Award.

(c) Notwithstanding the provisions of this Section 4, no fractional Shares or rights for fractional Shares shall be created pursuant to this Section 4. The Administrator shall, in its discretion, determine an equivalent benefit for any fractional Shares or fractional Shares that might be created by the adjustments referred to in this Section 4.

5. COMPLIANCE WITH APPLICABLE LAWS. You may not be issued any Shares in respect of your Award unless either (i) such Shares are registered under the Securities Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws); or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws). Your Award also must comply with other applicable laws and regulations governing the Award and issuance of Shares, and you will not receive such Shares if the Company determines that such receipt would not be in material compliance with such laws and regulations. You represent and warrant that you (a) have been furnished with a copy of the prospectus for the Plan and all information deemed necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

6. TRANSFER RESTRICTIONS. Your Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the Shares subject to the Award until such Shares are issued to you in accordance with Section 7 of this Agreement. After such Shares have been issued to you, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such Shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

7. DATE OF ISSUANCE.

(a) If the Award is exempt from application of Section 409A of the Code and any state law of similar effect (collectively "**Section 409A**"), then subject to Section 13, the Company will deliver to you a number of Shares equal to the number of Certified Shares, including any additional Certified Shares resulting from any Stock Units received pursuant to Section 4 above, on or within 60 days following the applicable vesting date (the "**Original Issuance Date**"). However, if the Original Issuance Date falls on a date that is not a business day, such delivery date

shall instead fall on the next following business day. Notwithstanding the foregoing, if (i) the Original Issuance Date does not occur (1) during an “open window period” applicable to you, as determined by the Company in accordance with the Company’s then-effective policy or policies on trading in Company securities or (2) on a date when you are otherwise permitted to sell Shares on the open market; and (ii) the Company elects, prior to the Original Issuance Date, (x) not to satisfy the Withholding Obligation (as defined in Section 13(b) hereof) by withholding Shares from the Shares otherwise due, on the Original Issuance Date, to you under the Award pursuant to Section 13 hereof, (y) not to permit you to then effect a Sell to Cover under the 10b5-1 Plan (as defined in Section 13(c) of this Agreement), and (z) not to permit you to satisfy the Withholding Obligation in cash, then such Shares shall not be delivered on such Original Issuance Date and shall instead be delivered on the first business day of the next occurring open window period applicable to you or the next business day when you are not prohibited from selling Shares on the open market, as applicable (and regardless of whether there has been a Termination of Employment before such time), but in no event later than the 15th day of the third calendar month of the calendar year following the calendar year in which the Stock Units are no longer considered to be subject to a substantial risk of forfeiture. Delivery of the Shares pursuant to the provisions of this Section 7(a) is intended to comply with the requirements for the short-term deferral exemption available under Treasury Regulations Section 1.409A-1(b)(4) and shall be construed and administered in such manner. The form of such delivery of the Shares (*e.g.*, a stock certificate or electronic entry evidencing such Shares) shall be determined by the Company.

(b) The provisions of this Section 7(b) are intended to apply if the Award is subject to Section 409A because of the terms of a severance arrangement or other agreement between you and the Company, if any, that provide for acceleration of vesting of the Award upon your separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (“**Separation from Service**”) and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4) or 1.409A-1(b)(9) (“**Non-Exempt Severance Arrangement**”). If the Award is subject to and not exempt from application of Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions in this Section 7(b) shall supersede anything to the contrary in Section 7(a).

(i) If the Award vests in the ordinary course before your Termination of Employment in accordance with Section 2 of this Agreement and Exhibit A to this Agreement, without accelerating vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the Shares to be issued in respect of your Award be issued any later than the later of: (A) December 31st of the calendar year that includes the applicable vesting date and (B) the 60th day that follows the applicable vesting date.

(ii) If vesting of the Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Award and, therefore, are part of the terms of the Award as of the date of grant, then the Shares will be earlier issued in respect of your Award upon your Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date of your Separation from Service. However, if at the time the Shares would otherwise be issued you are subject to the distribution limitations contained in Section 409A applicable to “specified

employees,” as defined in Section 409A(a)(2)(B)(i) of the Code, such Shares shall instead be issued on the date that is six months following the date of your Separation from Service, or, if earlier, the date of your death that occurs within such six-month period.

(iii) If either (A) vesting of the Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Award and, therefore, are not a part of the terms of the Award on the date of grant, or (B) vesting accelerates pursuant to Section 4(b) or 13 of the Plan, then such acceleration of vesting of the Award shall not accelerate the issuance date of the Shares (or any substitute property), but such Shares (or substitute property) shall instead be issued on the same schedule as set forth in Exhibit A to this Agreement as if they had vested in the ordinary course before your Termination of Employment, notwithstanding the vesting acceleration of the Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

(c) Notwithstanding anything to the contrary set forth herein, the Company explicitly reserves the right to earlier issue the Shares in respect of the Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(ix).

(d) The provisions in this Agreement for delivery of the Shares in respect of the Award are intended either to comply with the requirements of Section 409A or to provide a basis for exemption from such requirements so that the delivery of such Shares will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

(e) The Administrator may modify the terms of this Agreement and/or the Plan without your consent, in the manner that the Administrator may determine to be necessary or advisable in order to comply with Code Section 409A or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Code Section 409A if compliance is not practical. This Section 7(e) does not create an obligation on the part of the Company to modify the terms of this Agreement or the Plan and does not guarantee that the Award or the delivery of Shares upon settlement of the Award will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Agreement shall provide a basis for any person to take any action against the Company or any of its Subsidiaries or Affiliates based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Agreement, and neither the Company nor any of its Subsidiaries or Affiliates will have any liability under any circumstances to the Participant or any other party if the Award, the delivery of Shares upon vesting/settlement of the Award or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Administrator with respect thereto.

8. DIVIDENDS. You shall receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a change in capitalization as provided in Section 13 of the Plan; *provided, however*, that this sentence shall not

apply with respect to any Shares that are delivered to you in connection with your Award after such Shares have been delivered to you.

9. AWARD NOT A SERVICE CONTRACT.

(a) Nothing in this Agreement (including, but not limited to, the vesting of your Award pursuant to this Agreement (including Exhibit A to this Agreement) or the issuance of the Shares in respect of your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company or an Affiliate of the right to terminate your employment without regard to any future vesting opportunity that you may have.

(b) By accepting the Award, you acknowledge and agree that the right to vest in the Award pursuant to this Agreement (including Exhibit A to this Agreement) is earned according to the terms of this Agreement (not through the act of being hired, being granted the Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a “reorganization”). You further acknowledge and agree that such a reorganization could result in your Termination of Employment, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in the Award, except as otherwise provided in this Agreement. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the vesting terms set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere in any way with your right or the Company’s right to terminate your service at any time, with or without cause and with or without notice.

10. CHANGE OF CONTROL. Notwithstanding anything to the contrary in this Agreement, the Plan or any written agreement between you and the Company (including the employment agreement between you and the Company, or, if different, the Affiliate that employs you, as it may be amended and restated from time to time (the “*Employment Agreement*”) and any equity incentives letter between you and the Company (an “*Equity Letter*,” and each of the Employment Agreement and any Equity Letter, a “*Seagen Agreement*”)), but subject to Section 409A as described in Section 7 above, in the event a Change of Control (as defined in the applicable Seagen Agreement) occurs before the last day of the Performance Period (as defined in Exhibit A to this Agreement) and before your Termination of Employment (except as set forth in Section 10(d) of this Agreement), the following shall apply:

(a) **Determination of Certified Shares.** Prior to the effective time of the Change of Control, the Committee will determine the number of Certified Shares in the manner specified in Exhibit A to this Agreement.

(b) **Award May Be Assumed.** If the acquirer or successor (or its parent or subsidiary corporation) in the Change of Control (the “*Acquirer*”) assumes the Award in a manner consistent with Section 13(c) of the Plan, then the Certified Shares will vest on the last day of the Performance Period (as defined in Exhibit A to this Agreement), provided that, except as set forth below, you have not incurred a Termination of Employment prior to such date.

(c) **If Award Is Not Assumed.** If the Acquirer determines that it will not assume the Award in the Change of Control, then the provisions of Section 13(c) of the Plan shall apply with respect to the Certified Shares and references to “fully vested” in such section shall mean the number of Certified Shares determined in accordance with Exhibit A to this Agreement.

(d) **Change of Control and Involuntary Termination.** If you incur an Involuntary Termination (as defined in the applicable Seagen Agreement) immediately prior to or within 12 months after the Change of Control, then the “accelerated vesting” provision of the applicable Seagen Agreement shall apply with respect to the Certified Shares and references to “fully vested” in such provision shall mean the number of Certified Shares determined in accordance with Exhibit A to this Agreement.

11. TERMINATION OF EMPLOYMENT. Except as set forth in Section 10(d) of this Agreement, notwithstanding anything to the contrary in this Agreement, the Plan or any written agreement between you and the Company (including any Seagen Agreement), but subject to Section 409A as described in Section 7 above, in the event your Termination of Employment occurs before the last day of the Performance Period (as defined in Exhibit A to this Agreement), the following shall apply:

(a) If such Termination of Employment is due to your death or Disability (as defined in the applicable Seagen Agreement) and the Award is outstanding on the date of such Termination of Employment, then the Committee will determine the number of Certified Shares in the manner specified in Exhibit A to this Agreement and the Certified Shares will vest effective as of the date of such Termination of Employment.

(b) If such Termination of Employment is due to your Retirement (as defined below) and the Award is outstanding on the date of such Termination of Employment, then the Committee will determine the number of Certified Shares in the manner specified in Exhibit A to this Agreement and the Certified Shares will vest effective as of the Vesting Date. For purposes of this Agreement, “*Retirement*” means your voluntary Termination of Employment, other than as a result of your death, Disability or Termination of Employment for Cause, at a point in time when (i) the combination of your age and length of service as an employee of the Company together is equal to at least 65, (ii) your length of service as an employee of the Company is at least five years, and (iii) at least one full year of the Performance Period has been completed.

(c) If such Termination of Employment is not due to your death, Disability (as defined in the applicable Seagen Agreement) or Retirement, then to the extent the Award is

outstanding on the date of such Termination of Employment, (i) you will forfeit the Award as of the date of such Termination of Employment and (ii) the Award will terminate as of the date of such Termination of Employment and your eligibility for any future or additional benefits under the Award will terminate as of such date. For clarity, this Section 11 shall supersede the “accelerated vesting” provision of the applicable Seagen Agreement which sets forth the treatment of the Award if you incur an Involuntary Termination (as defined in the applicable Seagen Agreement), which provisions shall not be applicable for purposes of the Award (other than as provided under Section 10(d) above).

12. NATURE OF AWARD. In accepting your Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted under the Plan;

(b) the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Awards (whether on the same or different terms), or benefits in lieu of an Award, even if an Award has been granted in the past;

(c) all decisions with respect to future awards of Stock Units or other grants, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) the Award and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the future value of the Shares underlying the Award is unknown, indeterminable and cannot be predicted with certainty;

(g) except as may be provided in any Seagen Agreement, no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from your Termination of Employment (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or rendering services or the terms of your employment agreement, if any);

(h) unless otherwise provided herein, in a Seagen Agreement, in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;

(i) unless otherwise agreed with the Company, the Award and the Shares subject to the Award, and the income from and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of an Affiliate;

(j) if the Award vests and you are issued Shares, the value of such Shares may increase or decrease in value following the date the Shares are issued; even below the Fair Market Value on the date the Award is granted to you;

(k) the Award and the Shares subject to the Award, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments; and

(l) the Award and the Shares subject to the Award, and the income and value of same, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any benefit plan sponsored by the Company, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's benefit plans.

13. TAX OBLIGATIONS.

(a) By accepting the Award, you acknowledge that, regardless of any action taken by the Company or any Affiliate the ultimate liability for any and all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("***Tax-Related Items***") is and remains your responsibility and may exceed the amount actually withheld by the Company or its Affiliates, if any. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or its Affiliates may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company has no duty or obligation to minimize the tax consequences to you of the Award and shall not be liable to you for any adverse tax consequences to you arising in connection with the Award.

(b) On or before the time you receive a distribution of Shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Shares issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy any and all Tax-Related Items (the "***Withholding Obligation***").

(c) By accepting the Award, you hereby (i) acknowledge and agree that you have elected a Sell to Cover (as defined in the Grant Notice) to permit you to satisfy the Withholding Obligation and that the Withholding Obligation shall be satisfied pursuant to this Section 13(c) to the fullest extent not otherwise satisfied pursuant to the provisions of Section 13(d) hereof and (ii) further acknowledge and agree to the following provisions:

(i) You hereby irrevocably appoint E*TRADE, or such other registered broker-dealer that is a member of the Financial Industry Regulatory Authority as the Company may select, as your agent (the "***Agent***"), and you authorize and direct the Agent to:

(1) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the date on which the Shares are delivered to you pursuant to Section 7 hereof in connection with the vesting of the Stock Units,

the number (rounded up to the next whole number) of Shares sufficient to generate proceeds to cover (A) the satisfaction of the Withholding Obligation arising from the vesting of those Stock Units and the related issuance of Shares to you that is not otherwise satisfied pursuant to Section 13(d) hereof and (B) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto;

(2) Remit directly to the Company and/or any Affiliate the proceeds necessary to satisfy the Withholding Obligation;

(3) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale of the Shares referred to in clause (1) above; and

(4) Remit any remaining funds to you.

(ii) You acknowledge that your election to Sell to Cover and the corresponding authorization and instruction to the Agent set forth in this Section 13(c) to sell Shares to satisfy the Withholding Obligation is intended to comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws) and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws) (your election to Sell to Cover and the provisions of this Section 13(c), collectively, the “**10b5-1 Plan**”). You acknowledge that by accepting the Award, you are adopting the 10b5-1 Plan to permit you to satisfy the Withholding Obligation. You hereby authorize the Company and the Agent to cooperate and communicate with one another to determine the number of Shares that must be sold pursuant to Section 13(c)(i) to satisfy your obligations hereunder.

(iii) You acknowledge that the Agent is under no obligation to arrange for the sale of Shares at any particular price under this 10b5-1 Plan and that the Agent may effect sales as provided in this 10b5-1 Plan in one or more sales and that the average price for executions resulting from bunched orders may be assigned to your account. You further acknowledge that you will be responsible for all brokerage fees and other costs of sale associated with this 10b5-1 Plan, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. In addition, you acknowledge that it may not be possible to sell Shares as provided for in this 10b5-1 Plan due to (i) a legal or contractual restriction applicable to you or the Agent, (ii) a market disruption, (iii) a sale effected pursuant to this 10b5-1 Plan that would not comply (or in the reasonable opinion of the Agent’s counsel is likely not to comply) with the Securities Act (or other applicable securities laws in the case of Participants not subject to U.S. securities laws), (iv) the Company’s determination that sales may not be effected under this 10b5-1 Plan or (v) rules governing order execution priority on the national exchange where the Shares may be traded. In the event of the Agent’s inability to sell Shares, you will continue to be responsible for the timely payment to the Company of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld, including but not limited to those amounts specified in Section 13(c)(i)(1) above.

(iv) You acknowledge that regardless of any other term or condition of this 10b5-1 Plan, the Agent will not be liable to you for (A) special, indirect, punitive, exemplary, or consequential damages, or incidental losses or damages of any kind, or (B) any failure to perform or for any delay in performance that results from a cause or circumstance that is beyond its reasonable control.

(v) You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this 10b5-1 Plan. The Agent is a third-party beneficiary of this Section 13(c) and the terms of this 10b5-1 Plan.

(vi) Your election to Sell to Cover and to enter into this 10b5-1 Plan is irrevocable. Upon acceptance of the Award, you have elected to Sell to Cover and to enter into this 10b5-1 Plan, and you acknowledge that you may not change this election at any time in the future. This 10b5-1 Plan shall terminate not later than the date on which the Withholding Obligation arising from the vesting of your Stock Units and the related issuance of Shares has been satisfied.

(d) Alternatively, or in addition to or in combination with the Sell to Cover provided for under Section 13(c), you authorize the Company, at its discretion, to satisfy the Withholding Obligation by the following means (or by a combination of the following means):

(i) Requiring you to pay to the Company any portion of the Withholding Obligation in cash;

(ii) Withholding from any compensation otherwise payable to you by the Company; and/or

(iii) Withholding Shares from the Shares issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date Shares are issued pursuant to Section 7) equal to the amount of the Withholding Obligation.

(e) Unless the Withholding Obligation of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Shares.

(f) In the event the Withholding Obligation of the Company arises prior to the delivery to you of Shares or it is determined after the delivery of Shares to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

14. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the consequences of accepting the Award and by signing the Grant Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so.

15. UNSECURED OBLIGATION. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue Shares pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the Shares to be issued pursuant to this Agreement until such Shares are issued to you pursuant to Section 7 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

16. OTHER DOCUMENTS. You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's policy on trading in Company securities permitting employees to sell Shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

17. NOTICES; ELECTRONIC DELIVERY AND ACCEPTANCE. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and the Award by electronic means or to request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company, the Agent or another third party designated by the Company and agree notice shall be provided upon posting to your electronic account held by the Company, the Agent or another third party designated by the Company. You hereby acknowledge that delivery, execution and acceptance of this or any other such documents by electronic means constitutes valid and effective delivery, execution and acceptance and shall be legally effective to create a valid and binding agreement.

18. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

(d) You acknowledge and agree that the Company shall not be liable for any exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of your Award or of any amounts due to you pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.

(e) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(f) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

19. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Except as expressly provided herein and other than with respect to any terms set forth in Section 10, Section 11 and Section 13 of this Agreement, in the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

20. ENTIRE AGREEMENT. The Plan, this Agreement and the Grant Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof.

21. SEVERABILITY. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

22. DATA PRIVACY. *To participate in the Plan, you will need to review the information provided in this Section and, where applicable, declare your consent to the processing of personal data by the Company and third parties noted below.*

(a) **EEA+ Controller and Representative.** *If you are based in the European Union ("EU"), the European Economic Area, Switzerland or, if and when the United Kingdom leaves the European Union, the United Kingdom (collectively "EEA+"), you should note that the Company, with its registered address at 21823 30th Drive SE Bothell, Washington 98021, United States of America, is the controller responsible for the processing of your personal data in connection with this Agreement and the Plan. The Company's representative in the EU is Seagen Netherlands B.V., located at Evert van de Beekstraat 1, -140 1118CL Schiphol, Netherlands with office phone: +31 207 99 15 60.*

(b) **Data Collection and Usage.** *In connection with the administration of the Plan, the Company collects, processes, uses and transfers certain personally-identifiable information about you, which may include your name, home address and telephone number, email address, date of birth, social insurance, passport number or other identification number, salary, nationality, job title, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, settled, vested, unvested or outstanding in your favor and additional similar or related data, which the Company receives from you or the entity that employs you (“Personal Data”). Specifically, the Company collects, processes and uses Personal Data for the purposes of performing its contractual obligations under this Agreement, implementing, administering and managing your participation in the Plan and facilitating compliance with applicable tax and securities law.*

If you are based in the EEA+, the legal basis, where required, for the processing of Personal Data by the Company is the necessity for the Company to (i) perform its contractual obligations under this Agreement, (ii) comply with legal obligations established in the EEA+, and/or (iii) pursue the legitimate interest of complying with legal obligations established outside of the EEA+.

If you are based outside of the EEA+, the legal basis, where required, for the processing of Data by the Company is your consent, as further described in (h) below.

(c) **Stock Plan Administration Service Providers.** *The Company transfers Personal Data to E*TRADE Corporate Financial Services, Inc. and E*TRADE Securities LLC (collectively, “E*TRADE”) and certain of its affiliated companies and successors (the “Stock Plan Provider”), an independent service provider, which assists the Company with the implementation, administration and management of the Plan, including providing ancillary services related to stock plan administration. The Company may select a different service provider or additional service providers and share Personal Data with such other provider serving in a similar manner. The processing of Personal Data will take place through both electronic and non-electronic means. Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing administering and operating the Plan, including providing ancillary services related to stock plan administration. You may be asked to agree on separate terms and data processing practices with the Stock Plan Provider, with such agreement being a condition to the ability to participate in the Plan.*

(d) **International Data Transfers.** *The Company and the Stock Plan Provider are based in the United States. The country where you live may have different data privacy laws and protections than the United States. In particular, the United States does not have the same level of protections for personal data as countries in the EEA+. The European Commission requires U.S. companies to protect personal data leaving the EEA+ by implementing safeguards such as the Standard Contractual Clauses adopted by the EU Commission.*

If you are based in the EEA+, Personal Data will be transferred from the EEA+ to the Company and onward from the Company to the Stock Plan Provider, or if applicable, another service provider, based on the EU Standard Contractual Clauses. You may request a copy of the Standard Contractual Clauses by contacting dataprotection@seagen.com.

If you are based in a jurisdiction outside of the EEA+, Personal Data will be transferred from your jurisdiction to the Company and onward from the Company to the Stock Plan Provider, or if applicable, another service provider based on your consent, as further described in (h) below.

(e) **Data Retention.** *The Company will use Personal Data only as long as necessary to implement, administer and manage your participation in the Plan, or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs Personal Data for any of these purposes, the Company will remove it from its systems.*

(f) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *Participation in the Plan is voluntary and you are providing the consents herein on a purely voluntary basis. You may withdraw your consent at any time, with future effect and for any or no reason. If you do not consent, or if you later seek to withdraw your consent, your salary from or employment or service relationship with your employer will not be affected. The only consequence of denying or withdrawing consent is that the Company would not be able to grant Awards to you under the Plan or administer or maintain your participation in the Plan. If you withdraw your consent, the Company will stop processing your Personal Data for the purposes stated in Section (b) above unless to the extent necessary to comply with tax or other legal obligations in connection with Awards granted before you withdrew your consent.*

(g) **Data Subject Rights.** *You may have a number of rights under data privacy laws in your jurisdiction. Subject to the conditions set out in the applicable law and depending on where you are based, such rights may include the right to (i) request access to, or copies of, Personal Data processed by the Company, (ii) rectification of incorrect Personal Data, (iii) deletion of Personal Data, (iv) restrict the processing of Personal Data, (v) object to the processing of Personal Data for legitimate interests, (vi) portability of Personal Data, (vii) lodge complaints with competent authorities in your jurisdiction, and/or to (viii) receive a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding these rights or to exercise these rights, you can contact dataprotection@seagen.com.*

(h) **Necessary Disclosure of Personal Data.** *You understand that providing the Company with Personal Data is necessary for the performance of this Agreement and that your refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and would affect your ability to participate in the Plan.*

(i) **Declaration of Consent (if you are outside the EEA+).** *By clicking on the “I accept” button on the Acknowledge Grant screen on the stock plan administration site, you are declaring that you unambiguously consent to the collection, use and transfer, in electronic or other form, of your Personal Data, as described above and in any other grant materials, by and among, as applicable, the entity that employs you, the Company, any Affiliate and any service provider involved in stock plan administration, including but not limited to the Stock Plan Provider, for the exclusive purpose of implementing, administering and managing your participation in the Plan, including providing ancillary services related to stock plan administration. You understand that you may, at any time, refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Seagen Inc. Director of Privacy Law. If you do not consent or later seek to revoke your consent, your employment status or*

service with the entity that employs you will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant the Award or any other equity award to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing consent will affect your ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, you should contact the Company's Stock Plan Administrator.

23. INSIDER TRADING RESTRICTIONS/MARKET ABUSE LAWS. You acknowledge that, depending on your country, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell the Shares or rights to the Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

24. FOREIGN ASSET/ACCOUNT AND TAX REPORTING, EXCHANGE CONTROLS. Your country may have certain foreign asset, account and/or tax reporting requirements and exchange controls which may affect your ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside your country. You understand that you may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. In addition, you may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of Shares. You acknowledge that you are responsible for complying with all such requirements, and that you should consult personal legal and tax advisors, as applicable, to ensure compliance.

25. WAIVER. You acknowledge that a waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

26. LANGUAGE. You acknowledge that you are sufficiently proficient in the English language, or have consulted with an advisor who is sufficiently proficient in English, so as to allow you to understand the terms and conditions of this Agreement. If you have received this Agreement, or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

27. APPENDIX. Notwithstanding any provisions in this Agreement to the contrary, your Award shall be subject to the additional terms and conditions for your country set forth in the Appendix. Moreover, if you transfer residence and/or employment to another country reflected in the Appendix, the terms and conditions for such country will apply to you to the extent the Company determines in its sole discretion, that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

28. GOVERNING LAW/VENUE. The interpretation, performance and enforcement of this Agreement will be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules. For purposes of any action, lawsuit or other proceedings brought due to your participation in the Plan, relating to it, or arising from it, you hereby submit to and consent to the sole and exclusive jurisdiction of the United States District Court for the Southern District of New York (or should such court lack jurisdiction to hear such action, suit or proceeding, in a New York state court in the County of New York), and no other courts, where the Award is granted and/or to be performed.

29. IMPOSITION OF OTHER REQUIREMENTS. The Company reserves the right to impose other requirements on your participation in the Plan, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

30. AMENDMENT. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Administrator by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment materially adversely affecting your rights hereunder may be made without your written consent, except as otherwise provided in the Plan. Without limiting the foregoing, the Administrator reserves the right to change, by written notice to you and without your prior written consent, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant to facilitate compliance with applicable laws or regulations or any future law, regulation, ruling, or judicial decision.

31. CLAWBACK/RECOUPMENT. The Award will be subject to recoupment, rescission, payback, cancelation or other action, in each case, in accordance with (i) any clawback policy adopted by the Company (whether such policy is adopted on or after the date of this Agreement or required under applicable law) providing for the recovery of Awards, Shares, proceeds, or payments to you in the event of fraud or as required by applicable law or governance considerations or in other similar circumstances and (ii) any such other clawback, recovery or recoupment provisions set forth in an individual written agreement between you and the Company. No recovery of compensation under such a clawback policy will be an event giving rise to your right to resign for "good reason" or "constructive termination" (or similar term) under any plan of, or agreement with, the Company.

SEAGEN INC.
APPENDIX TO GLOBAL STOCK UNIT AGREEMENT

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or in the Agreement.

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Award if you reside and/or work in one of the countries listed below.

If you are a citizen or resident of a country other than the one in which the you are currently residing and/or working, transfer employment and/or residency to another country after the Award is granted, or are considered a resident of another country for local law purposes, the Company shall, in its discretion, determine to what extent the terms and conditions herein will apply to you.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of **July 2022**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that you acquire Shares or sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure you of any particular result. Accordingly, you acknowledge that you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, you acknowledge that if you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer employment and/or residency to another country after the Award is granted, or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you.

SWITZERLAND

Terms and Conditions

Grant of the Award. The Award granted to a Swiss Participant is a voluntary gratuity (*Gratifikation*) as determined at the Company's sole discretion which the Participant has no entitlement to and which does not constitute an entitlement of the Participant for a grant of further Awards in the future.

Language Acknowledgement. You confirm having read and understood the documents relating to the Plan, including the Agreement, including Exhibit A and this Appendix and all terms and conditions included therein, which were provided in the English language only. You confirm having sufficient language capabilities to understand these terms and conditions in full.

Du bestätigst, dass du den Plan sowie die dazugehörigen Dokumente, inklusive der Vereinbarung, mit Anhang A und dieser Anhang und all den darin enthaltenen Bedingungen und Voraussetzungen, welche in englischer Sprache verfasst sind, gelesen und verstanden hast. Du bestätigst dass Deine Sprachkenntnisse genügend sind, um die Bedingungen und Voraussetzungen zu verstehen.

Notifications

Securities Law Information. Neither the Agreement nor any other materials relating to the Award (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("**FinSA**") (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Company or (iii) has been filed with approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority FINMA.

SEAGEN INC.
GLOBAL STOCK OPTION GRANT NOTICE
(AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN)

Seagen Inc. (the “*Company*”), pursuant to its Amended and Restated 2007 Equity Incentive Plan (the “*Plan*”), hereby awards to Optionee an option to purchase Shares set forth below (the “*Option*”). The Option is subject to all of the terms and conditions as set forth herein and in the Plan and the Global Stock Option Agreement (including any additional terms and conditions for Optionee’s country set forth in the attached appendix (the “*Appendix*”), both of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Global Stock Option Agreement, as applicable. Except as otherwise explicitly provided herein, in the event of any conflict between the terms in the Global Stock Option Agreement and the Plan, the terms of the Plan shall control.

Optionee: [•]
 Date of Grant: [•]
 Vesting Commencement Date: [•]
 Number of Shares
 Subject to Option: [•]
 Type of Option: [•]
 Exercise Price per Share: [•]
 Expiration Date: [•]

This Option will expire ten (10) years from the Date of Grant, unless sooner terminated or canceled in accordance with the provisions of the Plan. This means that (subject to the continuing service requirement set forth in Section 2 of the Global Stock Option Agreement and subject to earlier termination upon certain other events as set forth in the Plan) this Option must be exercised, if at all, on or before the Expiration Date. If this Option expires on a stock exchange holiday or weekend day, this Option will expire on the last trading day *prior* to the holiday or weekend. Optionee shall be solely responsible for exercising this Option, if at all, prior to its Expiration Date. The Company shall have no obligation to notify Optionee of this Option’s expiration.

Vesting Schedule: Subject to Section 2 of the Global Stock Option Agreement, Optionee shall vest in and earn the right to exercise this Option as follows: One-fourth (1/4th) of the total number of Shares subject to the Option shall vest on the first anniversary of the earlier of the Date of Grant or the Vesting Commencement Date, if any, and one thirty-sixth (1/36th) of the remaining Shares subject to the Option shall vest each month thereafter until all Shares are fully vested. Notwithstanding the foregoing, vesting shall terminate upon Optionee’s Termination of Employment.

Additional Terms/Acknowledgements: Optionee acknowledges receipt of, and understands and agrees to, this Global Stock Option Grant Notice, the Global Stock Option Agreement (including the Appendix) and the Plan. Optionee also acknowledges receipt of the Prospectus for the Plan. Optionee further acknowledges that as of the Date of Grant, this Global Stock Option Grant Notice, the Global Stock Option Agreement (including the Appendix) and the Plan set forth the entire understanding between Optionee and the Company regarding the Option and supersede all prior oral and written agreements on that subject, with the exception of any arrangement that would provide for vesting acceleration of the Option upon the terms and conditions set forth therein.

Optionee's electronic acceptance shall signify Optionee's execution of this Global Stock Option Grant Notice and understanding that this Option is granted and governed under the terms and conditions set forth herein.

SEAGEN INC.

Jean I. Liu
Chief Legal Officer

****PLEASE PRINT AND RETAIN THIS AGREEMENT FOR YOUR RECORDS****

SEAGEN INC.
AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN

GLOBAL STOCK OPTION AGREEMENT

Pursuant to the Global Stock Option Grant Notice (“**Grant Notice**”) and this Global Stock Option Agreement, including any additional terms and conditions for Optionee’s country set forth in the appendix attached hereto (this “**Agreement**”), Seagen Inc. (the “**Company**”) has awarded Optionee the option to purchase Shares (the “**Option**”) under its Amended and Restated 2007 Equity Incentive Plan (the “**Plan**”). The Option is granted to Optionee effective as of the Date of Grant set forth in the Grant Notice for this Option. This Agreement shall be deemed to be agreed to by the Company and Optionee upon Optionee’s execution of the Grant Notice to which it is attached. Capitalized terms not explicitly defined in this Agreement shall have the same meanings given to them in the Plan or the Grant Notice, as applicable. Except as otherwise explicitly provided herein, in the event of any conflict between the terms in this Agreement and the Plan, the terms of the Plan shall control. The details of the Option, in addition to those set forth in the Grant Notice and the Plan, are as follows.

1. GRANT OF THE OPTION. This Option is granted under and pursuant to the Plan and is subject to each and all of the provisions thereof. Except as otherwise provided herein, Optionee will not be required to make any payment to the Company with respect to Optionee’s receipt of the Option, the vesting of the Shares or the delivery of the Shares to be issued in respect of the Option. If this Option is designated as an Incentive Stock Option, it is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code, and to the extent this Option does not qualify as an Incentive Stock Option under Applicable Laws, then it is intended to be and will be treated as a Nonstatutory Stock Option. Notwithstanding the above, in the event that the Shares subject to this Option (and all other Incentive Stock Options granted to Optionee by the Company or any Subsidiary, including under other plans of the Company or any Subsidiary) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of \$100,000, this Option shall be treated as a Nonstatutory Stock Option, in accordance with Section 9(b) of the Plan.

2. VESTING AND EXERCISE OF OPTION.

(a) Subject to the limitations contained herein, the Option will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, provided that Optionee has not incurred a Termination of Employment before the vesting date set forth in the Grant Notice. Upon Optionee’s Termination of Employment, the Options that are not vested on the date of such Termination of Employment will be forfeited at no cost to the Company and Optionee will have no further right, title or interest in the Shares to be issued in respect of the Option.

(b) By accepting the grant of this Option, Optionee acknowledges and agrees that the terms set forth in this Section 2 supersede any contrary terms regarding the vesting of this Option set forth in any notice or other communication that Optionee receives from, or that is displayed by, E*TRADE or other third party designated by the Company. This Option may be exercised in whole or in part.

(c) For purposes of the Option, Optionee's Termination of Employment will be considered to be (regardless of the reason of termination, whether or not later found to be invalid or in breach of employment or other laws or rules in the jurisdiction where Optionee is providing services or the terms of Optionee's employment or service agreement, if any) effective as of the date that Optionee ceases to actively provide services to the Company or any Affiliate and will not be extended by any notice period (e.g., employment or service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment or other laws in the jurisdiction where Optionee is employed or providing services or the terms of Optionee's employment or service agreement, if any). The Company shall have exclusive discretion to determine when Optionee is no longer actively employed or providing services for purposes of the Plan (including whether Optionee still may be considered to be providing services while on a leave of absence).

(d) Notwithstanding the foregoing or anything in this Agreement to the contrary, in the event of Optionee's Termination of Employment as a result of Optionee's Disability, the vesting and exercisability of this Option shall accelerate such that this Option shall become vested and exercisable as to an additional twelve (12) months, effective as of the date of such Termination of Employment, to the extent that this Option is outstanding on such date.

(e) Notwithstanding the foregoing or anything in this Agreement to the contrary, in the event of Optionee's Termination of Employment as a result of Optionee's death, this Option (and all other Seagen Inc. stock options granted to Optionee that do not have performance or milestone vesting conditions) shall accelerate and vest and become exercisable in full, effective as of the date of such Termination of Employment, to the extent that this Option is outstanding on such date.

3. EXERCISE MECHANICS. This Option may be exercised by delivering to the Stock Plan Administrator at the Company's head office a written or electronic notice stating the number of Shares as to which the Option is exercised or by any other method the Committee has approved. The notice must be accompanied by the payment of the full Option exercise price of such Shares. Exercise shall not be deemed to have occurred unless and until Optionee has delivered to the Company (or its authorized representative) an approved notice of exercise, full payment of the exercise price for the Shares being exercised and payment of any applicable withholding taxes in accordance with Section 12 below. Payment of the Option exercise price may be in cash (including check or wire transfer); through an approved cashless-brokered exercise program, with Shares (subject to the Company's discretion to withhold approval for such payment method at any time); to the extent this Option is a Nonstatutory Stock Option, through a cashless "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate fair market value that does not exceed the aggregate exercise price, provided the Company shall accept a cash or other payment from Optionee to the extent of any remaining balance of the exercise price not satisfied by such reduction in the number of whole Shares to be issued; or a combination thereof to the extent permissible under Applicable Law; provided, however, that any permitted method of payment shall be in strict compliance with all procedural rules established by the Committee.

4. TERMINATION OF EMPLOYMENT. All rights of Optionee in this Option, to the extent that it has not previously become vested and been exercised, shall terminate upon Optionee's Termination of Employment except as set forth in Section 2 and this Section 4. The portion of the Option that relates to any Shares that were unvested and unexercisable as of the date of Optionee's Termination of Employment shall terminate and expire effective immediately upon such date. With respect to the vested and exercisable portion of the Option, such portion shall be exercisable as set forth under this Section 4 below; provided, however, that in no event may an Option be exercised, even as to vested and otherwise exercisable Shares, after the Expiration Date set forth in the Grant Notice.

(i) In the event of Termination of Employment other than as a result of Optionee's death, Disability or Retirement (as defined below), Optionee shall have three months from the date of such Termination of Employment to exercise the Option as to the Shares subject to the Option that were vested and exercisable as of the date of Termination of Employment; provided, *however*, that (A) if during any part of such three month period, the Option is not exercisable because the issuance of the Shares would violate the registration requirements under the Securities Act (or other applicable securities laws in the case of Optionees not subject to U.S. securities laws), the Option shall not expire until the Option shall have been exercisable for an aggregate of three months after the date of Termination of Employment (but in no event may the Option be exercised more than one year after the date of Termination of Employment), and (B) if on the date of such Termination of Employment, the Shares issued upon exercise of the Option may not be sold because Optionee has material nonpublic information regarding the Company or is otherwise subject to a trading blackout period under the Company's Insider Trading Policy, the Option shall not expire until the five month period following the date of Termination of Employment has elapsed;

(ii) In the event of Termination of Employment as a result of Optionee's Disability, Optionee shall have 12 months from the date of such Termination of Employment to exercise the Option as to the Shares subject to the Option that were vested and exercisable as of the date of Termination of Employment;

(iii) In the event of Termination of Employment as a result of Optionee's death or in the event of Optionee's death within 30 days following Optionee's Termination of Employment, Optionee's estate, any person who acquired the right to exercise the Option by bequest or inheritance, or any person designated to exercise the Option upon Optionee's death shall have 12 months following Optionee's death to exercise the Option as to the Shares subject to the Option that were vested and exercisable as of the date of Optionee's death; and

(iv) In the event of Termination of Employment as a result of Optionee's Retirement (as defined below), Optionee shall have 12 months from the date of such Termination of Employment to exercise the Option as to the Shares subject to the Option that were vested and exercisable as of the date of Termination of Employment; provided, however, that if Optionee exercises the Option more than three months after the termination of his or her employment relationship (within the meaning of Section 424(f) of the Code), the Option may not qualify as an "incentive stock option" under Section 422 of the Code.

For purposes of the Option, Optionee will be considered to experience a Termination of Employment (regardless of the reason of termination, whether or not later found to be invalid or in breach of employment or other laws or rules in the jurisdiction where Optionee is providing services or the terms of Optionee's employment or service agreement, if any) effective as of the date that Optionee ceases to actively provide services to the Company or any Affiliate and will not be extended by any notice period (*e.g.*, employment or service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment or other laws in the jurisdiction where Optionee is employed or providing services or the terms of Optionee's employment or service agreement, if any). The Company shall have exclusive discretion to determine when Optionee is no longer actively employed or providing services for purposes of the Plan (including whether Optionee still may be considered to be providing services while on a leave of absence).

"Retirement" means Optionee's voluntary Termination of Employment, other than as a result of Optionee's death, Disability or Termination of Employment for Cause, after the attainment of age 55, provided that Optionee has been an Employee for at least ten years and the combination of Optionee's age and his or her length of service as an Employee together is equal to at least 65. For clarity, (1) if Optionee has a Termination of Employment at age 55 and has been an Employee for less than 10 years, such Termination of Employment will not constitute Retirement and (2) if Optionee has a Termination of Employment at age 65 and has been an Employee for less than ten years, such Termination of Employment will not constitute Retirement.

Notwithstanding anything to the contrary in the Agreement, if the Company receives a legal opinion that there has been a legal judgment and/or legal development in Optionee's jurisdiction that likely would result in the favorable treatment (*i.e.*, 12 month exercise period from the date of Termination of Employment) that applies to the Option in the event of Optionee's Retirement being deemed unlawful and/or discriminatory, the provisions of the Agreement regarding the treatment of the Option in the event of Optionee's Retirement shall not be applicable to Optionee.

5. FORFEITURE OF OPTION NOT TIMELY ACCEPTED. The Option is conditioned upon Optionee's electronic acceptance of the Option, as set forth in the Grant Notice. Notwithstanding the foregoing or anything in this Agreement to the contrary, if Optionee fails to accept the Option prior to the vesting dates set forth in the Grant Notice, the portion of the Option that otherwise would have vested on each such date will be forfeited at no cost to the Company, and Optionee will have no further right, title or interest in such portion. In the event of Optionee's Termination of Employment as a result of Optionee's death or Disability prior to acceptance of the Option, the Company will deem the Option as being accepted.

6. NUMBER OF SHARES.

(a) The number of Shares subject to the Option may be adjusted from time to time for changes in capitalization, as provided in Section 13 of the Plan.

(b) Any additional Shares that become subject to the Option pursuant to this Section 6 shall be subject, in a manner determined by the Administrator, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Shares covered by the Option.

(c) Notwithstanding the provisions of this Section 6, no fractional Shares or rights for fractional Shares shall be created pursuant to this Section 6. The Administrator shall, in its discretion, determine an equivalent benefit for any fractional Shares or fractional Shares that might be created by the adjustments referred to in this Section 6.

7. COMPLIANCE WITH APPLICABLE LAWS. Optionee may not be issued any Shares in respect of the Option unless either (i) such Shares are registered under the Securities Act (or other applicable securities laws in the case of optionees not subject to U.S. securities laws); or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act (or other applicable securities laws in the case of optionees not subject to U.S. securities laws). The Option also must comply with other applicable laws and regulations governing the Option and the issuance of Shares thereunder, and Optionee will not receive such Shares if the Company determines that such receipt would not be in material compliance with such laws and regulations. Optionee represents and warrants that Optionee (a) has been furnished with a copy of the prospectus for the Plan and all information deemed necessary to evaluate the merits and risks of receipt of the Option, (b) has had the opportunity to ask questions concerning the information received about the Option and the Company, and (c) has been given the opportunity to obtain any information Optionee deems necessary to verify the accuracy of any information obtained concerning the Option and the Company.

8. TRANSFER RESTRICTIONS. The Option is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, Optionee agrees not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the Shares subject to the Option until such Shares are issued to Optionee in accordance with this Agreement. After such Shares have been issued to Optionee, Optionee is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such Shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

9. DIVIDENDS. Optionee shall receive no benefit or adjustment to the Option with respect to any cash dividend, stock dividend or other distribution that does not result from a change in capitalization as provided in Section 13 of the Plan; provided, however, that this sentence shall not apply with respect to any Shares that are delivered to Optionee in connection with the Option after such Shares have been delivered to Optionee.

10. OPTION NOT A SERVICE CONTRACT.

(a) Nothing in this Agreement (including, but not limited to, the vesting of the Option pursuant to the schedule set forth in the Grant Notice or the issuance of the Shares in respect of the Option), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon Optionee any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company or an

Affiliate of the right to terminate Optionee's employment without regard to any future vesting opportunity that Optionee may have.

(b) By accepting this Option, Optionee acknowledges and agrees that the right to continue vesting in the Option pursuant to the schedule set forth in the Grant Notice is earned only by continuing as an employee, director or consultant of the Company or Affiliate, as applicable (not through the act of being hired, being granted this Option or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). Optionee further acknowledges and agrees that such a reorganization could result in Optionee's Termination of Employment, or the termination of Affiliate status of Optionee's employer and the loss of benefits available to Optionee under this Agreement, including but not limited to, the termination of the right to continue vesting in the Option. Optionee further acknowledges and agrees that this Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere in any way with Optionee's right or the Company's right to terminate Optionee's service at any time, with or without cause and with or without notice.

11. NATURE OF GRANT. By accepting the Option, Optionee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted under the Plan;

(b) the Option grant is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Option grants (whether on the same or different terms), or benefits in lieu of an Option, even if an Option has been granted in the past;

(c) all decisions with respect to future Option grants or other grants, if any, will be at the sole discretion of the Company;

(d) Optionee is voluntarily participating in the Plan;

(e) this Option and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(g) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from Optionee's Termination of Employment (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Optionee is employed or rendering services or the terms of Optionee's employment agreement, if any);

(h) unless otherwise provided herein, in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;

(i) unless otherwise agreed with the Company, the Option and the Shares subject to the Option, and the income from and value of same, are not granted as consideration for, or in connection with, the service Optionee may provide as a director of an Affiliate;

(j) if the underlying Shares do not increase in value after the grant date, the Option will have no value;

(k) if the Option vests and Optionee is issued Shares, the value of such Shares may increase or decrease in value following the date the Shares are issued; even below the Exercise Price on the date the Option is granted to Optionee;

(l) the Option and the Shares subject to the Option, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments; and

(m) the Option and the Shares subject to the Option, and the income and value of same, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating Optionee's benefits under any benefit plan sponsored by the Company, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's benefit plans.

12. TAX OBLIGATIONS.

(a) By accepting this Option, Optionee acknowledges that, regardless of any action the Company or Optionee's employer (the "**Employer**") takes with respect to any or all income tax, social security, fringe benefit tax, payroll tax, payment on account or other tax-related items related to the Optionee's participation in the Plan and legally applicable to Optionee ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains Optionee's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. Optionee further acknowledges that the Company and/or the Employer (i) make no representations nor undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Option, including the grant, vesting or exercise of this Option, the subsequent sale of Shares acquired pursuant to such exercise and receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms or the grant or any aspect of this Option to reduce or eliminate Optionee's liability for Tax-Related Items. If Optionee fails to make satisfactory arrangements for the payment of any required Tax-Related Items hereunder

at the time of the applicable taxable event, Optionee acknowledges and agrees that the Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares.

(b) In connection with any relevant taxable or tax withholding event, as applicable, Optionee agrees to make adequate arrangements satisfactory to the Company or the Employer to satisfy all Tax-Related Items. In this regard, Optionee authorizes the Company and the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items, if any, by withholding from Optionee's wages or other cash compensation paid to Optionee by the Company and/or the Employer or from proceeds of the sale of Shares. Alternatively, or in addition, if permissible under Applicable Laws, the Company may (but shall not be obligated to): (1) sell or arrange for the sale of Shares that Optionee acquires to meet the withholding obligation for Tax-Related Items, and/or (2) withhold in Shares to meet the withholding obligation for Tax-Related Items. In addition, Optionee shall pay the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of Optionee's participation in the Plan or Optionee's purchase of Shares that cannot be satisfied by the means previously described, and if Optionee does not otherwise so pay the Company or the Employer, then the Company or the Employer may withhold amounts from Optionee's cash compensation to satisfy such withholding obligation.

(c) Further, depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable statutory rates or other applicable withholding rates, including the maximum rates applicable in Optionee's jurisdiction, in which case Optionee may receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding a number of Shares, for tax purposes, Optionee will be deemed to have been issued the full number of Shares subject to the Option, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items.

(d) The Company may refuse to honor the exercise and refuse to deliver the Shares if Optionee fails to comply with Optionee's obligations in connection with the Tax-Related Items (including if Optionee's cash compensation is not sufficient to satisfy such obligations).

13. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Optionee's participation in the Plan, or Optionee's acquisition or sale of the underlying Shares. Optionee is hereby advised to consult with Optionee's own personal tax, financial and/or legal advisors regarding the consequences of accepting the Option and by signing the Grant Notice, Optionee has agreed that Optionee has done so or knowingly and voluntarily declined to do so.

14. OTHER DOCUMENTS. Optionee hereby acknowledges receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, Optionee acknowledges receipt of the Company's policy on trading in Company securities permitting employees to sell Shares only during certain "window" periods and the Company's Insider Trading Policy, in effect from time to time.

15. NOTICES; ELECTRONIC DELIVERY AND ACCEPTANCE. Any notices provided for in the Option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to Optionee, five (5) days after deposit in the United States mail, postage prepaid, addressed to Optionee at the last address Optionee provided to the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and the Option by electronic means or to request Optionee's consent to participate in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company, the Agent or another third party designated by the Company and agree notice shall be provided upon posting to Optionee's electronic account held by the Company, the Agent or another third party designated by the Company. Optionee hereby acknowledges that delivery, execution and acceptance of this or any other such documents by electronic means constitutes valid and effective delivery, execution and acceptance and shall be legally effective to create a valid and binding agreement.

16. CLAWBACK/RECOUPMENT. This Option will be subject to recoupment, rescission, payback, cancelation or other action, in each case, in accordance with (i) any clawback policy adopted by the Company (whether such policy is adopted on or after the date of this Agreement or required under applicable law) providing for the recovery of Awards, Shares, proceeds, or payments to Optionee in the event of fraud or as required by applicable law or governance considerations or in other similar circumstances and (ii) any such other clawback, recovery or recoupment provisions set forth in an individual written agreement between the Company and Optionee. No recovery of compensation under such a clawback policy will be an event giving rise to Optionee's right to resign for "good reason" or "constructive termination" (or similar term) under any plan of, or agreement with, the Company.

17. MISCELLANEOUS.

(a) The rights and obligations of the Company under the Option shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(b) Optionee agrees upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Option.

(c) Optionee acknowledges and agrees that Optionee has reviewed the Option in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting the Option, and fully understand all provisions of the Option.

(d) Optionee acknowledges and agrees that the Company shall not be liable for any exchange rate fluctuation between Optionee's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to Optionee pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

(e) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(f) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

18. GOVERNING PLAN DOCUMENT. The Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of the Option, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Except as expressly provided herein, in the event of any conflict between the provisions of the Option and those of the Plan, the provisions of the Plan shall control.

19. ENTIRE AGREEMENT. The Plan, this Agreement and the Grant Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, with the exception of any arrangement that would provide for vesting acceleration of this Option upon the terms and conditions set forth therein.

20. SEVERABILITY. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

21. DATA PRIVACY. *To participate in the Plan, Optionee will need to review the information provided in this Section and, where applicable, declare Optionee's consent to the processing of personal data by the Company and third parties noted below.*

(a) **EEA+ Controller and Representative.** *If Optionee are based in the European Union ("EU"), the European Economic Area, Switzerland or, if and when the United Kingdom leaves the European Union, the United Kingdom (collectively "EEA+"), Optionee should note that the Company, with its registered address at 21823 30th Drive SE Bothell, Washington 98021, United States of America, is the controller responsible for the processing of Optionee's personal data in connection with the Agreement and the Plan. The Company's representative in the EU is Seagen Netherlands B.V., located at Evert van de Beekstraat 1, -140 1118CL Schiphol, Netherlands with office phone: +31 207 99 15 60.*

(b) **Data Collection and Usage.** *In connection with the administration of the Plan, the Company collects, processes, uses and transfers certain personally-identifiable information about Optionee, which may include Optionee's name, home address and telephone number, email address, date of birth, social insurance, passport number or other identification number, salary, nationality, job title, details of all Options or any other entitlement to Shares awarded, canceled, exercised, settled, vested, unvested or outstanding in Optionee's favor and*

additional similar or related data, which the Company receives from Optionee's or the entity that employs Optionee ("Personal Data"). Specifically, the Company collects, processes and uses Personal Data for the purposes of performing its contractual obligations under this Agreement, implementing, administering and managing Optionee's participation in the Plan and facilitating compliance with applicable tax and securities law.

If Optionee is based in the EEA+, the legal basis, where required, for the processing of Personal Data by the Company is the necessity for the Company to (i) perform its contractual obligations under this Agreement, (ii) comply with legal obligations established in the EEA+, and/or (iii) pursue the legitimate interest of complying with legal obligations established outside of the EEA+.

If Optionee is based outside of the EEA+, the legal basis, where required, for the processing of Data by the Company is Optionee's consent, as further described below.

*(c) Stock Plan Administration Service Providers. The Company transfers Personal Data to E*TRADE Corporate Financial Services, Inc., and E*TRADE Securities LLC (collectively, "E*TRADE") and certain of its affiliated companies and successors (the "Stock Plan Provider"), an independent service provider which assists the Company with the implementation, administration and management of the Plan, including providing ancillary services related to stock plan administration. The Company may select a different service provider or additional service providers and share Personal Data with such other provider serving in a similar manner. The processing of Personal Data will take place through both electronic and non-electronic means. Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating the Plan, including providing ancillary services related to stock plan administration. Optionee may be asked to agree on separate terms and data processing practices with the Stock Plan Provider, with such agreement being a condition to the ability to participate in the Plan.*

(d) International Data Transfers. The Company and the Stock Plan Provider are based in the United States. The country where Optionee lives may have different data privacy laws and protections than the United States. In particular, the United States does not have the same level of protections for personal data as countries in the EEA+. The European Commission requires U.S. companies to protect personal data leaving the EEA+ by implementing safeguards such as the Standard Contractual Clauses adopted by the EU Commission.

If Optionee is based in the EEA+, Personal Data will be transferred from the EEA+ to the Company and onward from the Company to the Stock Plan Provider, or if applicable, another service provider, based on the EU Standard Contractual Clauses. Optionee may request a copy of the Standard Contractual Clauses by contacting dataprotection@seagen.com.

If Optionee is based in a jurisdiction outside of the EEA+, Personal Data will be transferred from Optionee's jurisdiction to the Company and onward from the Company to the Stock Plan Provider, or if applicable, another service provider, based on Optionee's consent, as further described in (h) below.

(e) **Data Retention.** *The Company will use Personal Data only as long as necessary to implement, administer and manage Optionee's participation in the Plan, or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs Personal Data for any of these purposes, the Company will remove it from its systems.*

(f) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *Participation in the Plan is voluntary and Optionee is providing the consents herein on a purely voluntary basis. Optionee may withdraw his or her consent at any time, with future effect and for any or no reason. If Optionee does not consent, or if Optionee later seeks to withdraw his or her consent, Optionee's salary from or employment or service relationship with Optionee's Employer will not be affected. The only consequence of denying or withdrawing consent is that the Company would not be able to grant the Option to Optionee under the Plan or administer or maintain Optionee's participation in the Plan. If Optionee withdraws his or her consent, the Company will stop processing Optionee's Personal Data for the purposes stated in section (b) above unless to the extent necessary to comply with tax or other legal obligations in connection with the Option granted before Optionee withdrew his or her consent.*

(g) **Data Subject Rights.** *Optionee may have a number of rights under data privacy laws in Optionee's jurisdiction. Subject to the conditions set out in the applicable law and depending on where Optionee is based, such rights may include the right to (i) request access to, or copies of, Personal Data processed by the Company, (ii) rectification of incorrect Personal Data, (iii) deletion of Personal Data, (iv) restrict the processing of Personal Data, (v) object to the processing of Personal Data for legitimate interests, (vi) portability of Personal Data, (vii) lodge complaints with competent authorities in Optionee's jurisdiction, and/or to (viii) receive a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding these rights or to exercise these rights, Optionee can contact dataprotection@seagen.com.*

(h) **Necessary Disclosure of Personal Data.** *Optionee understands that providing the Company with Personal Data is necessary for the performance of this Agreement and that Optionee's refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and would affect Optionee's ability to participate in the Plan.*

(i) **Declaration of Consent (if Optionee is outside the EEA+).** *By clicking on the "I accept" button on the Acknowledge Grant screen on the stock plan administration site, Optionee is declaring that Optionee unambiguously consents to the collection, use and transfer, in electronic or other form, of Optionee's Personal Data, as described above and in any other grant materials, by and among, as applicable, the entity that employs Optionee, the Company, any Affiliate and any service provider involved in stock plan administration including but not limited to the Stock Plan Provider for the exclusive purpose of implementing, administering and managing Optionee's participation in the Plan, including providing ancillary services related to stock plan administration. Optionee understands that Optionee may, at any time, refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Seagen Inc. Director of Privacy Law. If Optionee does not consent or later seek to revoke Optionee's consent, Optionee's employment status or service with the entity that employs Optionee will not*

be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant this Option or any other equity award to Optionee or administer or maintain such awards. Therefore, Optionee understands that refusing or withdrawing consent will affect Optionee's ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, Optionee should contact the Company's Stock Plan Administrator.

22. INSIDER TRADING RESTRICTIONS/MARKET ABUSE LAWS. Optionee acknowledges that, depending on Optionee's country, Optionee may be subject to insider trading restrictions and/or market abuse laws, which may affect Optionee's ability to acquire or sell the Shares or rights to the Shares under the Plan during such times as Optionee is considered to have "inside information" regarding the Company (as defined by the laws in Optionee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Optionee acknowledges that it is Optionee's responsibility to comply with any applicable restrictions, and Optionee is advised to speak to Optionee's personal advisor on this matter.

23. FOREIGN ASSET/ACCOUNT AND TAX REPORTING, EXCHANGE CONTROLS. Optionee's country may have certain foreign asset, account and/or tax reporting requirements and exchange controls which may affect Optionee's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Optionee's country. Optionee understands that Optionee may be required to report such accounts, assets or transactions to the tax or other authorities in Optionee's country. Optionee also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to Optionee's country through a designated bank or broker and/or within a certain time after receipt. In addition, Optionee may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of Shares. Optionee acknowledges that Optionee is responsible for complying with all such requirements, and that Optionee should consult personal legal and tax advisors, as applicable, to ensure compliance.

24. WAIVER. Optionee acknowledges that a waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

25. LANGUAGE. Optionee acknowledges that Optionee is sufficiently proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow Optionee to understand the terms and conditions of this Agreement. If Optionee has received this Agreement, or any other document related to this Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

26. APPENDIX. Notwithstanding any provisions in this Agreement to the contrary, the Option shall be subject to the additional terms and conditions for Optionee's country set forth in the Appendix. Moreover, if Optionee transfers residence and/or employment to another country reflected in the Appendix, the terms and conditions for such country will apply to Optionee to the extent the Company determines in its sole discretion, that the application of such terms and

conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

27. GOVERNING LAW/VENUE. The interpretation, performance and enforcement of this Agreement will be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules. For purposes of any action, lawsuit or other proceedings brought due to Optionee's participation in the Plan, relating to it, or arising from it, Optionee hereby submits to and consents to the sole and exclusive jurisdiction of the United States District Court for the Southern District of New York (or should such court lack jurisdiction to hear such action, suit or proceeding, in a New York state court in the County of New York), and no other courts, where this Option is granted and/or to be performed.

28. IMPOSITION OF OTHER REQUIREMENTS. The Company reserves the right to impose other requirements on Optionee's participation in the Plan, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

29. AMENDMENT. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by Optionee and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Administrator by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to Optionee, and provided that no such amendment materially adversely affecting Optionee's rights hereunder may be made without Optionee's written consent, except as otherwise provided in the Plan. Without limiting the foregoing, the Administrator reserves the right to change, by written notice to Optionee and without Optionee's prior written consent, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant to facilitate compliance with applicable laws or regulations or any future law, regulation, ruling, or judicial decision.

SEAGEN INC.

APPENDIX TO GLOBAL STOCK OPTION AGREEMENT

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or in the Agreement.

Terms and Conditions

This Appendix includes additional terms and conditions that govern this Option if Optionee resides and/or works in one of the countries listed below.

If Optionee is a citizen or resident of a country other than the one in which the Optionee is currently residing and/or working, transfer employment and/or residency to another country after the Option is granted, or are considered a resident of another country for local law purposes, the Company shall, in its discretion, determine to what extent the terms and conditions herein will apply to Optionee.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which Optionee should be aware with respect to participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of July 2022. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Optionee not rely on the information in this Appendix as the only source of information relating to the consequences of Optionee's participation in the Plan because the information may be out of date at the time that Optionee acquires Shares or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Optionee's particular situation and the Company is not in a position to assure him or her of any particular result. Accordingly, Optionee acknowledges that Optionee should seek appropriate professional advice as to how the relevant laws in Optionee's country may apply to Optionee's situation.

Finally, Optionee acknowledges that if Optionee is a citizen or resident of a country other than the one in which Optionee is currently residing and/or working, transfers employment and/or residency to another country after the Option is granted, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Optionee.

AUSTRIA

Notifications

Exchange Control Information. If Optionee holds securities (including Shares acquired under the Plan) or cash (including proceeds from the sale of Shares) outside of Austria, Optionee may be subject to reporting obligations to the Austrian National Bank. If the value of the Shares meets or exceeds a certain threshold, Optionee must report the securities held on a quarterly basis to the Austrian National Bank as of the last day of the quarter, on or before the 15th day of the month following the end of the calendar quarter. In all other cases, an annual reporting obligation applies and the report has to be filed as of December 31 on or before January 31 of the following year using the form P2. Where the cash amount held outside of Austria meets or exceeds a certain threshold, monthly reporting obligations apply as explained in the next paragraph.

In connection with the sale of Shares or receipt any cash dividends, Optionee may have exchange control obligations if Optionee holds the cash proceeds outside of Austria. If the transaction volume of all of Optionee's accounts abroad meets or exceeds a certain threshold, Optionee must report to the Austrian National Bank the movements and balances of all accounts on a monthly basis, as of the last day of the month, on or before the 15th day of the following month, on the prescribed form (Meldungen SI-Forderungen und/oder SI-Verpflichtungen).

BELGIUM

Terms and Conditions

Timing of Acceptance. Optionee agrees that he or she will not accept the Option until a date that is on or after the 61st day on which it is offered to Optionee. The date of offer is the date on which the Company communicates the material terms (*i.e.*, the Exercise Price and number of Shares subject to the Option) to Optionee. Any acceptance inadvertently given by Optionee before the 61st day following the offer date shall be considered effective as of the 61st day following the offer date.

Notifications

Foreign Asset / Account Reporting. Belgian residents are required to report any security (e.g., Shares acquired under the Plan) or bank account established outside of Belgium on their annual tax return. In a separate report, Belgian residents are also required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened). The forms to complete this report are available on the website of the National Bank of Belgium. Belgian residents should consult with their personal tax advisors to determine their personal reporting obligations.

Annual Securities Accounts Tax. If the value of securities held in a Belgian or foreign securities account exceeds €1 million, a new "annual securities account tax" applies. Belgian residents should consult with their personal tax advisor regarding the new tax.

CANADA

Terms and Conditions

Method of Payment. Notwithstanding Section 3 of the Agreement, Optionee is prohibited from paying the exercise price applicable to this Option using Shares or by a cashless “net exercise” arrangement.

IMPORTANT ACKNOWLEDGMENT. In accepting this Option, Optionee acknowledges that Optionee has received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement.

OPTIONEE FURTHER SPECIFICALLY ACKNOWLEDGES THAT OPTIONEE HAS READ AND EXPRESSLY ACCEPTS SECTION 4 (TERMINATION OF EMPLOYMENT) OF THIS AGREEMENT, AS AMENDED BY THE FOLLOWING APPENDIX PROVISION:

Termination of Employment. This provision replaces the fifth paragraph of Section 4 of the Agreement:

For purposes of the Option, and notwithstanding anything to the contrary in the Agreement or the Plan, Optionee will be deemed to experience a Termination of Employment (and Optionee’s right to vest in the Option will terminate effective as of) the date that is the earlier of:

- (1) the date Optionee ceases to be an Employee or Consultant;
- (2) the date on which Optionee receives written notice of termination; or
- (3) the date Optionee is no longer actively providing services to the Company or any other Affiliate (except where such inactive service results from a leave of absence that is required to be provided to Optionee under Applicable Law), and in each case: (i) regardless of the reason of such cessation or termination; (ii) whether or not such cessation or termination is (or is later found to be) unlawful, or invalid, or in breach of Applicable Laws (including, but not limited to, employment-related statutory and/or common and/or civil law, or other laws or rules in the jurisdiction where Optionee is providing services), or in breach of the terms of Optionee’s employment or service agreement, if any.

For clarity, in each case, such date will be determined regardless of (and will not be extended by) any notice period or severance period or period of “garden leave” or period of reasonable notice or period covered by compensation/indemnity/damages in lieu of reasonable notice, or any similar period to which Optionee claims to be entitled, whether mandated under Applicable Laws (including, but not limited to, employment-related statutory law and/or common

law and/or civil law), or claimed by Optionee under the terms of Optionee's employment or service agreement (if any), or claimed by Optionee on any other basis whatsoever. The Administrator shall have exclusive discretion to determine when Optionee ceases to be an Employee or Consultant or is no longer actively employed for purposes of Optionee's participation in the Plan (including whether Optionee may still be considered to be providing services while on a leave of absence that is not required to be provided to Optionee under Applicable Law).

Data Privacy. This provision supplements Section 21 of the Agreement:

Optionee hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Optionee further authorizes the Company, the Employer and/or any other Affiliate to disclose and discuss such information with their advisors. Optionee also authorizes the Company, the Employer and/or any other Affiliate to record such information and to keep such information in Optionee's employee file.

Notifications

Securities Law Information. Optionee understands that Optionee is permitted to sell Shares acquired pursuant to the Plan through the designated broker appointed under the Plan, if any, provided the sale of the Shares acquired pursuant to the Plan takes place outside of Canada through the facilities of a stock exchange on which the shares are listed, and the Company is not a reporting issuer in any jurisdiction of Canada at the time of sale.

Foreign Asset/Account Reporting Information. Specified Foreign property, including Options, Shares acquired under the Plan and other rights to receive shares of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the specified foreign property exceeds C\$100,000 at any time during the year. Thus, if the C\$100,000 cost threshold is exceeded by other foreign specified property held by the individual, the award of this Option must be reported (generally at a nil cost). For purposes of such reporting, Shares acquired under the Plan may be reported at their adjusted cost basis. The adjusted cost basis of a Share is generally equal to the fair market value of such Share at the time of acquisition; however, if Optionee owns other Shares (e.g., acquired under other circumstances or at another time), the adjusted cost basis may have to be averaged with the adjusted cost bases of the other Shares. Optionee should consult with his or her personal tax advisor to determine the applicable reporting requirements.

DENMARK

Terms and Conditions

Danish Stock Option Act. By accepting this Option, Optionee acknowledges that Optionee received an Employer Statement, translated into Danish, which is being provided to comply with the Danish Stock Option Act.

Notifications

Foreign Asset/Account Reporting Information. If Optionee establishes an account holding shares or cash outside of Denmark, Optionee must report the account to the Danish Tax Administration. The form which should be used to make the report can be obtained from a local bank.

SPECIAL NOTICE FOR EMPLOYEES IN DENMARK
EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment relations, as amended January 1, 2019 (the “**Stock Option Act**”), you are entitled to receive the following information regarding the stock options granted to you by Seagen Inc. (the “**Company**”) under the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan (the “**Plan**”) in a written statement.

This statement contains information applicable to Optionee’s participation in the Plan, as required under the Stock Option Act, while the other terms and conditions of Optionee’s stock options (“**Options**”) are described in detail in the Plan and the Stock Option Agreement (the “**Agreement**”), both of which have been made available to you. Capitalized terms used but not defined herein shall have the same meanings given to them in the Plan or the Agreement, as applicable.

Section 1 of the Stock Option Act provides that the Stock Option Act only applies to employees. Employees are defined in section 2 of the Stock Option Act as persons who receive remuneration for their personal services in an employment relationship. Persons, including managers, who are not regarded as employees under the Stock Option Act, will not be subject to the Stock Option Act. If you are not an employee within the meaning of the Stock Option Act, the Company therefore has no obligation to issue an employer information statement to you and you will not be able to rely on this statement for legal purposes, since only the terms and conditions set out in the Plan apply.

1. Date of grant

The date of grant of Optionee’s Options is the date that the Administrator approved a grant for you and determined it would be effective, which is set forth in the Agreement.

2. Terms or conditions for Option grant

The grant of Options under the Plan is made at the sole discretion of the Company. Employees, Directors and Consultants of the Company and its Affiliates, are eligible to receive grants under the Plan. The Administrator has broad discretion to determine who will receive Options and to set the terms and conditions of the Options. The Company may decide, in its sole discretion, not to make any grants of Options to you in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future grants of Options.

3. Exercise date or period

The options will vest and become exercisable over a period of time (as set forth in the Agreement), subject to Optionee’s continuous employment through the applicable vesting date and other conditions set forth in the Plan and Agreement, and subject to Section 5 of this statement.

4. Exercise Price

During the exercise period, the Options can be exercised to purchase shares of common stock of the Company at a price per share not less than the fair market value of the stock on the date the Option is granted, as determined in accordance with the Plan.

5. Your rights upon termination of employment

Subject to the provisions below regarding accelerated vesting and post-termination exercise in certain circumstances, vesting will cease upon Optionee's Termination of Employment and the Options that were not vested and exercised on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such Options or the Shares underlying such Option.

Notwithstanding the foregoing or anything in the Agreement to the contrary, in the event of Optionee's Termination of Employment as a result of Optionee's Disability, the vesting and exercisability of the Option shall accelerate such that the Option shall become vested and exercisable as to an additional twelve (12) months, effective as of the date of such Termination of Employment, to the extent that the Option is outstanding on such date.

Notwithstanding the foregoing or anything in this Agreement to the contrary, in the event of Optionee's Termination of Employment as a result of Optionee's death, this Option (and all other Seagen Inc. stock options granted to Optionee that do not have performance or milestone vesting conditions) shall accelerate and vest and become exercisable in full, effective as of the date of such Termination of Employment, to the extent that this Option is outstanding on such date.

The portion of the Option that relates to any Shares that were unvested and unexercisable as of the date of Optionee's Termination of Employment shall terminate and expire effective immediately upon such date. With respect to the vested and exercisable portion of the Option, such portion shall be exercisable as set forth below; provided, however, that in no event may an Option be exercised, even as to vested and otherwise exercisable Shares, after the Expiration Date:

- (i) In the event of Termination of Employment other than as a result of Optionee's death, Disability or Retirement (as defined below), Optionee shall have three months from the date of such Termination of Employment to exercise the Option as to the shares subject to the Option that were vested and exercisable as of the date of Termination of Employment; provided, *however*, that (A) if during any part of such three month period, the Option is not exercisable because the issuance of the shares would violate the registration requirements under the Securities Act (or other applicable securities laws in the case of Optionees not subject to U.S. securities laws), the Option shall not expire until the Option shall have been exercisable for an aggregate of three months after the date of Termination of Employment (but in no event may the Option be exercised more than one year after the date of Termination of Employment), and (B) if during any part of such three month period, the shares issued upon exercise of the Option may not be sold because Optionee has material nonpublic information regarding the Company or is otherwise subject to a trading blackout period under the Company's Insider Trading

Policy, the Option shall not expire until Optionee shall have had an aggregate of three months after the date of Termination of Employment during which Optionee can sell the Shares without being subject to such restrictions arising under insider trading laws or Company policy (but in no event may the Option be exercised more than one year after the date of Termination of Employment);

(ii) In the event of Termination of Employment as a result of Optionee's Disability, Optionee shall have 12 months from the date of such Termination of Employment to exercise the Option as to the Shares subject to the Option that were vested and exercisable as of the date of Termination of Employment;

(iii) In the event of Termination of Employment as a result of Optionee's death or in the event of Optionee's death within 30 days following Optionee's Termination of Employment, Optionee's estate, any person who acquired the right to exercise the Option by bequest or inheritance, or any person designated to exercise the Option upon Optionee's death shall have 12 months following Optionee's death to exercise the Option as to the Shares subject to the Option that were vested and exercisable as of the date of Optionee's death; and

(iv) In the event of Termination of Employment as a result of Optionee's Retirement (as defined below), Optionee shall have 12 months from the date of such Termination of Employment to exercise the Option as to the Shares subject to the Option that were vested and exercisable as of the date of Termination of Employment.

Notwithstanding the above, in no event may an Option be exercised, even as to vested and otherwise exercisable Shares, after the Expiration Date

6. Financial aspects of participating in the Plan

The grant of stock options has no immediate financial consequences for you. The value of the options is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stock will always have financial risk. The future value of Company shares is unknown and cannot be predicted with certainty.

Seagen Inc.
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Bothell, Washington 98021
U.S.A.

SÆRLIG MEDDELELSE TIL MEDARBEJDERE I DANMARK ARBEJDSGIVERERKLÆRING

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold som ændret 1. januar 2019 ("**Aktieoptionsloven**") er du berettiget til i en skriftlig erklæring at modtage følgende oplysninger om de aktieoptioner, som du modtager fra Seagen Inc. ("**Selskabet**") i henhold til Seagen Inc.'s "Amended and Restated 2007 Equity Incentive Plan" ("**Ordningen**").

Denne erklæring indeholder de oplysninger, der i henhold til Aktieoptionsloven gælder for Optionsmodtagerens deltagelse i Ordningen, mens de øvrige vilkår og betingelser for Optionsmodtagerens aktieoptioner ("**Optioner**") er nærmere beskrevet i Ordningen og i Aktieoptionsaftalen ("**Aftalen**"), som begge er udleveret til dig. Begreber, der står med stort begyndelsesbogstav i denne arbejdsgivererklæring, men som ikke er defineret heri, har den i Ordningen eller Aftalen anførte betydning.

I henhold til Aktieoptionslovens § 1 finder loven kun anvendelse for lønmodtagere. Lønmodtagere er defineret i Aktieoptionslovens § 2 som personer, der modtager vederlag for personligt arbejde i tjenesteforhold. Personer, herunder direktører, som ikke anses for at være lønmodtagere i Aktieoptionslovens forstand, er ikke omfattet af Aktieoptionsloven. Hvis du ikke er lønmodtager i Aktieoptionslovens forstand, er Selskabet derfor ikke forpligtet til at udstede en arbejdsgivererklæring til dig, og du vil ikke i juridisk henseende kunne henholde dig til denne arbejdsgivererklæring, da det alene er bestemmelserne i Ordningen, der er gældende.

1. Tildelingstidspunkt

Tidspunktet for tildelingen af Optionsmodtagerens Optioner er den dag, hvor Administratoren godkendte tildelingen og besluttede, at den skulle træde i kraft. Tidspunktet fremgår af Aftalen.

2. Vilkår og betingelser for Optionstildelingen

Tildelingen af Optioner i henhold til Ordningen sker efter Selskabets eget skøn. Tildeling kan i henhold til Ordningen ske til Medarbejdere, Bestyrelsesmedlemmer og Konsulenter i Selskabet og dets Tilknyttede Selskaber. Administratoren har vide beføjelser til at bestemme, hvem der skal modtage Optioner og på hvilke vilkår. Selskabet kan efter eget skøn vælge fremover ikke at tildele dig nogen Optioner. I henhold til bestemmelserne i Ordningen og Aftalen har du ikke hverken ret til eller krav på fremover at få tildelt Optioner.

3. Udnyttelsesdato eller -periode

Optionerne modnes over en periode (som anført i Aftalen), forudsat at Optionsmodtageren fortsat er ansat på modningsdatoen, og at de øvrige betingelser i Ordningen og i Aftalen er opfyldt, dog med forbehold for pkt. 5 nedenfor.

4. Udnyttelseskurs

I udnyttelsesperioden kan Optionerne udnyttes til køb af ordinære aktier i Selskabet til en kurs, der som minimum svarer til markedskursen på tidspunktet for tildelingen af Optionen, som opgjort i henhold til Ordningen.

5. Din retsstilling i forbindelse med fratræden

Med forbehold for bestemmelserne nedenfor vedrørende fremskyndet modning og udnyttelse efter ansættelsesforholdets ophør vil modningen ophøre ved Optionsmodtagerens Fratrædelse, og de Optioner, som ikke er modnet og udnyttet på dette tidspunkt, bortfalder uden omkostninger for Selskabet, og du vil ikke længere have ret eller adkomst til disse Optioner eller til de bagvedliggende Aktier.

Uanset ovenstående og Aftalens øvrige bestemmelser gælder, at såfremt Optionsmodtageren Fratræder som følge af Optionsmodtagerens Uarbejdsdygtighed, fremskyndes modningen af Optionen, således at Optionen modnes, som om Optionsmodtageren havde været ansat i en periode på yderligere tolv (12) måneder fra Fratrædelsesdatoen, såfremt Optionen endnu ikke er modnet på dette tidspunkt.

Uanset ovenstående og Aftalens øvrige bestemmelser gælder, at såfremt Optionsmodtageren Fratræder som følge af Optionsmodtagerens død, fremskyndes fult modningen af Optionen (og alle andre Seagen Inc.-aktieenheder, der er tildelt dig, og som ikke har præstations- eller milepælsvilkår), således at Optionen modnes, såfremt Optionen endnu ikke er modnet på dette tidspunkt.

Den andel af Optionen, der vedrører Aktier, som ikke var modnet på Fratrædelsesdatoen, bortfalder og udløber med øjeblikkelig virkning pr. denne dato. Med hensyn til den modnede andel af Optionen kan denne udnyttes som anført nedenfor. Dog kan en Option aldrig udnyttes efter Udløbsdatoen, heller ikke til køb af Aktier, der er modnet eller i øvrigt kan udnyttes:

- (i) Ved Fratrædelse af andre grunde end Optionsmodtagerens død, Uarbejdsdygtighed eller Pensionering (som defineret nedenfor) kan Optionsmodtageren inden for en frist på tre måneder fra Fratrædelsesdatoen udnytte Optionen for de aktier, der er modnet pr. Fratrædelsesdatoen. Dog gælder, at (A) hvis Optionen ikke kan udnyttes inden for tremåneders fristen, fordi udstedelse af aktierne vil være i strid med registreringskravene i den amerikanske Securities Act (eller tilsvarende lovgivning for Optionsmodtagere, der ikke er omfattet af den amerikanske værdipapirlovgivning), udløber Optionen først, når den har kunne udnyttes i tre måneder efter Fratrædelsesdatoen (idet Optionen dog i intet tilfælde kan udnyttes senere end et år efter Fratrædelsesdatoen), og (B) hvis aktierne udstedt ved udnyttelse af Optionen ikke må sælges inden for tremåneders fristen, fordi Optionsmodtageren er i besiddelse af væsentlige, ikke-offentliggjorte oplysninger om Selskabet, eller i øvrigt er omfattet af et handelsforbud i henhold til Selskabets Politik for Insiderhandel, udløber Optionen først, når Optionsmodtageren har haft i alt tre måneder efter Fratrædelsesdatoen til at sælge Aktierne uden at være omfattet af sådanne restriktioner i medfør af lovgivningen om insiderhandel eller Selskabets politik (dog kan Optionen i intet tilfælde udnyttes senere end et år efter Fratrædelsesdatoen).

(ii) Ved Fratrædelse som følge af Optionsmodtagerens Uarbejdsdygtighed har Optionsmodtageren en frist på 12 måneder efter Fratrædelsesdatoen til at udnytte Optionen for de Aktier, der er modnet pr. Fratrædelsesdatoen.

(iii) Ved Fratrædelse som følge af Optionsmodtagerens død eller i tilfælde af Optionsmodtagerens død inden for 30 dage efter Fratrædelsesdatoen har Optionsmodtagerens bo eller den person, som har arvet retten til at udnytte Optionen, eller den person, som er udpeget til at udnytte Optionen ved Optionsmodtagerens død, en frist på 12 måneder efter dødsfaldet til at udnytte Optionen for de Aktier, der er modnet pr. dødsdatoen, og

(iv) Ved Fratrædelse som følge af Optionsmodtagerens Pensionering (som defineret nedenfor) har Optionsmodtageren en frist på 12 måneder efter Fratrædelsesdatoen til at udnytte Optionen for de Aktier, der er modnet pr. Fratrædelsesdatoen.

Uanset ovennævnte kan en Option aldrig udnyttes efter Udløbsdatoen, heller ikke til køb af Aktier, der er modnet eller i øvrigt kan udnyttes.

6. Økonomiske aspekter ved deltagelse i Ordningen

Tildelingen af aktieoptioner har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af optionerne indgår ikke i beregningen af feriepenge, pensionsbidrag eller andre lovpligtige, vederlagsafhængige ydelser.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Den fremtidige værdi af Selskabets aktier kendes ikke og kan ikke forudsiges med sikkerhed.

Seagen Inc.
21823 - 30th Drive S.E.
Bothell, Washington 98021
U.S.A.

FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

Non-Qualified Award. This Option is not intended to qualify for special tax and social security treatment applicable to Options granted under Sections L.225-177 to L.225-186 and Sections L. 22-10-56 to L. 22-10-58 of the French Commercial Code, as amended.

Consent to Receive Information in English. By accepting this Option, Optionee confirms having read and understood the Plan and the Stock Option Agreement which were provided in the English language. Optionee accepts the terms of those documents accordingly.

Consentement Relatif à la Langue Utilisée. En acceptant l'attribution de l'option, vous confirmez avoir lu et compris le Plan et ce Contrat, qui ont été communiqués en langue anglaise. Vous acceptez les termes de ces documents en connaissance de cause.

Notifications

Foreign Asset/Account Reporting Information. If Optionee holds cash or Shares outside of France or maintain a foreign bank or foreign bank or brokerage account (including accounts that were opened and closed during the tax year), Optionee is required to report such assets and accounts to the French tax authorities on an annual basis on a specified form together with Optionee's income tax return. Failure to complete this reporting can trigger significant penalties.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In case of payments in connection with securities (including proceeds realized upon the sale of Shares or the receipt of dividends, if any), the report must be made by the 5th day of the month following the month in which the payment was received. The report must be filed electronically and the form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de), in both German and English. Optionee is responsible for making this report.

Foreign Asset/Account Reporting Information. If Optionee's acquisition of Shares acquired under the Plan leads to a so-called qualified participation at any point during the calendar year, Optionee may need to report the acquisition when Optionee files his or her tax return for the relevant year. A qualified participation is attained if (i) the value of the Shares exceeds €150,000, or (ii) in the unlikely event that Optionee holds Shares exceeding 10% of the Company's share

capital. However, if the Shares are listed on a recognized U.S. stock exchange and Optionee owns less than 1% of the Company, this requirement will not apply to Optionee.

ITALY

Terms and Conditions

Method of Payment. The following provision supplements Section 3 of the Agreement:

Due to local regulatory requirements, Optionee understands that Optionee will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, Optionee understands that Optionee must instruct the Plan broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the exercise price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance in cash to Optionee. Optionee will not be permitted to hold Shares after exercise. Depending upon the development of laws and Optionee's status as a national of a country other than Italy, the Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cash exercises, cashless sell-to-cover exercises or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

Plan Document Acknowledgment. In accepting the Option, Optionee acknowledges that Optionee has received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

Optionee further acknowledges that Optionee has read and specifically and expressly approves the following sections of the Agreement and this Appendix: Section 11. Nature of Grant; Section 12. Tax Obligations; Section 20. Severability; Section 21. Data Privacy; Section 25. Language; Section 27. Governing Law/Venue; and Section 28. Imposition of Other Requirements.

Notifications

Foreign Asset/Account Reporting Information. If Optionee is an Italian resident and at any time during the fiscal year holds investments or financial assets outside of Italy (e.g., cash, Shares) which may generate income taxable in Italy (or if Optionee is the beneficial owner of such an investment or asset, even if Optionee does not directly hold the investment or asset under Italian money laundering provisions), Optionee is required to report such investments or assets on his or her annual tax return for such fiscal year (on UNICO Form, RW Schedule) or on a special form if Optionee is not required to file a tax return.

Foreign Financial Assets Tax. The fair market value of any Shares held outside of Italy is subject to a foreign assets tax. Financial assets include Shares acquired under the Plan. The taxable amount will be the fair market value of the financial assets assessed at the end of the calendar year. Optionee should consult with Optionee's personal tax advisor about the foreign financial assets tax.

NETHERLANDS

There are no country-specific provisions.

NORWAY

There are no country-specific provisions.

PORTUGAL

Terms and Conditions

Consent to Receive Information in English. Optionee hereby expressly declares that Optionee has full knowledge of the English language and has read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Conhecimento da Língua. *Contratado, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo.*

Notifications

Exchange Control Information. If Optionee receives Shares upon exercise of the Option, the acquisition of the Shares should be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on Optionee's behalf. If the Shares are not deposited with a commercial bank or financial intermediary in Portugal, Optionee is responsible for submitting the report to the Banco de Portugal.

PUERTO RICO

There are no country-specific provisions.

SPAIN

Terms and Conditions

Labor Law Acknowledgment. The following provisions supplement Section 11 of the Agreement:

By accepting the Option, Optionee agrees to participation in the Plan and acknowledges that Optionee has received a copy of the Plan.

Optionee understands and agrees that, except as otherwise provided in the Agreement, Optionee will forfeit any Options in the event of Optionee's Termination of Employment by reason of, but not limited to, resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal

adjudged or recognized to be without cause (*i.e.*, subject to a “*despido improcedente*,” individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Service Recipient and under Article 10.3 of the Royal Decree 1382/1985.

Optionee understands that the Company has unilaterally, gratuitously and discretionally decided to grant Options under the Plan to individuals who are employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Affiliates on an ongoing basis except as set forth under the terms of the Plan and the Agreement. Consequently, Optionee understands that any Option is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, Optionee understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant since the future value of the Option and Shares is unknown and unpredictable and Optionee may forfeit the Option if Optionee’s Termination of Employment occurs prior to vesting. In addition, Optionee understand that this Option would not be made but for the assumptions and conditions referred to above; thus, Optionee understands, acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then this Option shall be null and void.

Notifications

Exchange Control Information. The acquisition, ownership and sale of Shares under the Plan must be declared for statistical purposes to the *Spanish Dirección General de Comercio e Inversiones* (the “*DGCI*”), the Bureau for Commerce and Investments, which is a department of the Ministry of Industry, Tourism and Commerce. Generally, the declaration must be made in January for Shares owned as of December 31 of the prior year and/or Shares acquired or disposed of during the prior year; however, if the value of Shares acquired or disposed of or the amount of the sale proceeds exceeds €1,502,530 (or if Optionee holds 10% or more of the share capital of the Company), the declaration must be filed within one month of the acquisition or disposition, as applicable.

In addition, Optionee may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Foreign Asset/Account Reporting Information. To the extent that Optionee holds rights or assets (*i.e.*, cash or Shares held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, Shares, cash, etc.) as of December 31 each year, Optionee is required to report information on such rights and assets on Optionee’s tax return for

such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. Optionee should consult with Optionee's personal tax and legal advisors to ensure that Optionee is properly complying with Optionee's reporting obligations.

Securities Law Information. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of this Option. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWEDEN

There are no country-specific provisions.

SWITZERLAND

Terms and Conditions

Grant of the Option. The Option granted to a Swiss Optionee is a voluntary gratuity (*Gratifikation*) as determined at the Company's sole discretion which the Optionee has no entitlement to and which does not constitute an entitlement of the Optionee for a grant of further Options in the future.

Language Acknowledgement. Optionee confirms having read and understood the documents relating to the Plan, including the Option Agreement and all terms and conditions included therein, which were provided in the English language only. Optionee confirms having sufficient language capabilities to understand these terms and conditions in full.

Du bestätigst, dass du den Plan sowie die dazugehörigen Dokumente, inklusive der Vereinbarung, mit all den darin enthaltenen Bedingungen und Voraussetzungen, welche in englischer Sprache verfasst sind, gelesen und verstanden hast. Du bestätigst dass Deine Sprachkenntnisse genügend sind, um die Bedingungen und Voraussetzungen zu verstehen.

Notifications

Securities Law Information. Neither the Agreement nor any other materials relating to this Option (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("**FinSA**") (ii) may be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Company or (iii) has been filed with approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority FINMA.

UNITED KINGDOM

Terms and Conditions

Tax Obligations. The following provision supplements Section 12 of the Agreement:

Without limitation to Section 12 of the Agreement, Optionee agrees that Optionee is liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items, as and when requested by the Company or the Employer or by Her Majesty's Revenue and Customs ("**HMRC**") (or any other tax authority or any other relevant authority). Optionee also agrees to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on Optionee's behalf.

Notwithstanding the foregoing, if Optionee is a director or an executive officer of the Company (within the meaning of such terms for purposes of Section 13(k) of the Exchange Act), Optionee acknowledges that Optionee may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by Optionee, as it may be considered a loan. In this case, the amount of any income tax not collected within 90 days of the end of the U.K. tax year in which the event giving rise to the Tax-Related Item(s) occurs may constitute an additional benefit to Optionee on which additional income tax and National Insurance contributions ("**NICs**") may be payable. Optionee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer (as appropriate) for the value of any employee NICs due on this additional benefit, which the Company or the Employer may recover from Optionee by any of the means referred to in the Plan or Section 12 of the Agreement.

NIC Joint Election. As a condition of Optionee's participation in the Plan and the vesting and settlement of the Options or receipt of any benefit in connection with the Options, Optionee agrees to accept any liability for secondary Class 1 NICs that may be payable by the Company or the Employer (or any successor to the Company or the Employer) in connection with the Options and any event giving rise to Tax-Related Items (the "**Employer's Liability**"). Without prejudice to the foregoing, Optionee agrees to enter into the following joint election with the Company, the form of such joint election being formally approved by HMRC (the "**Joint Election**"), and any other required consent or elections. Optionee further agrees to enter into such other Joint Elections as may be required between Optionee and any successor to the Company and/or the Employer for the purpose of continuing the effectiveness of the Joint Election. Optionee further agrees that the Company and/or the Employer may collect the Employer's Liability from Optionee by any of the means set forth in Section 12 of the Agreement.

If Optionee does not enter into the Joint Election prior to the vesting of the Options or any other event giving rise to Tax-Related Items, Optionee will not be entitled to vest in the Options and receive Shares (or receive any other benefit in connection with the Options) unless and until Optionee enters into the Joint Election, and no Shares or other benefit will be issued to Optionee under the Plan, without any liability to the Company, the Employer or any other service recipient.

**Note to UK Optionees
in the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan**

Important Note on the Election to Transfer Employer NICs

If you are liable for National Insurance contributions ("NICs") in the UK in connection with your participation in the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan (the "Plan") and as a condition of your participation in the Plan, you are required to enter into an Election to transfer to you any liability for employer's NICs that may arise in connection with your participation in the Plan.

By entering into the Election:

- you agree that any employer's NICs liability that may arise in connection with your participation in the Plan will be transferred to you;
- you authorise your Employer to recover an amount sufficient to cover this liability by such methods including, but not limited to, deductions from your salary or other payments due or the sale of sufficient shares acquired pursuant to your awards.

By signing this Election, you are agreeing to be bound by the terms of the Election.

Please read the Election carefully.

Please print and keep a copy of the Election for your records.

**SEAGEN INC.
AMENDED AND RESTATED
2007 EQUITY INCENTIVE PLAN**

Election To Transfer the Employer's National Insurance Liability to the Employee

This Election is between:

- A. The individual who has obtained authorised access to this Election (the “**Employee**”), who is employed by one of the employing companies listed in the attached schedule (the “**Employer**”) and who is eligible to receive stock options, restricted stock units and performance-based restricted stock units (“**Awards**”) pursuant to the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan (the “**Plan**”), and
- B. Seagen Inc., 21717 30th Dr SE, Bothell, Washington 98021 USA (the “**Company**”), which may grant Awards under the Plan and is entering into this Election on behalf of the Employer.

1. Introduction

1.1 This Election relates to all Awards granted to the Employee under the Plan on or after 1 January 2020 up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

- (a) “**Chargeable Event**” means any event giving rise to Relevant Employment Income.
- (b) “**ITEPA**” means the Income Tax (Earnings and Pensions) Act 2003.
- (c) “**Relevant Employment Income**” from Awards on which Employer's National Insurance Contributions become due is defined as:
 - (i) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);
 - (ii) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or
 - (iii) any gain that is treated as remuneration derived from the earner's employment by virtue of section 4(4)(a) SSCBA, including without limitation:
 - (A) the acquisition of securities pursuant to Awards (within the meaning of section 477(3)(a) of ITEPA);

- (B) the assignment or release of the Awards in return for consideration (within the meaning of section 477(3)(b) of ITEPA); and
 - (C) the receipt of a benefit in connection with the Awards other than a benefit within (i) or (ii) above (within the meaning of section 477(3)(c) of ITEPA).
- (d) **“SSCBA”** means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the employer’s secondary Class 1 National Insurance Contributions (the **“Employer’s Liability”**) which may arise in respect of Relevant Employment Income in respect of the Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

2. The Election

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer’s Liability that arises on any Relevant Employment Income is hereby transferred to the Employee. The Employee understands that, by signing or electronically accepting this Election, he or she will become personally liable for the Employer’s Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 to SSCBA.

3. Payment of the Employer’s Liability

3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer’s Liability in respect of any Relevant Employment Income from the Employee at any time after the Chargeable Event:

- (i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
- (ii) directly from the Employee by payment in cash or cleared funds; and/or
- (iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Awards; and/or
- (iv) by any other means specified in the applicable award agreement.

3.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Awards until full payment of the Employer's Liability is received.

3.3 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HM Revenue & Customs on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs, if payments are made electronically).

4. Duration of Election

4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.

4.2 Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Awards in circumstances where section 483 of ITEPA applies.

4.3 This Election will continue in effect until the earliest of the following:

- (i) the Employee and the Company agree in writing that it should cease to have effect;
- (ii) on the date the Company serves written notice on the Employee terminating its effect;
- (iii) on the date HM Revenue & Customs withdraws approval of this Election; or
- (iv) after due payment of the Employer's Liability in respect of the entirety of the Awards to which this Election relates or could relate, such that the Election ceases to have effect in accordance with its terms.

Acceptance by the Employee

The Employee acknowledges that, by clicking on the "ACCEPT" box in the E*TRADE online acceptance screen, or by signing the Election, the Employee agrees to be bound by the terms of this Election.

Signature of Participant

Printed Name

Date

Options subject to this Election	
Option Date	Option No.

Acceptance by the Company

The Company acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.

Signature for and on behalf of the Company

Position

SCHEDULE OF EMPLOYER COMPANIES

The following are employer companies to which this Election may apply:

For each company, provide the following details:

Name of Company:	Seattle Genetics UK Limited
Registered Office:	11-12 St. James's Square London SW1Y 4LB
Company Registration Number:	06321958
Corporation Tax District:	
Corporation Tax Reference:	623 73208 17853 A
PAYE Reference:	120/EE19799

SEAGEN INC.
FRENCH-QUALIFIED RESTRICTED STOCK UNIT GRANT NOTICE

Seagen Inc. (the “*Company*”), pursuant to its Amended and Restated 2007 Equity Incentive Plan (the “*U.S. Plan*”) and the Rules of the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan for Stock Units granted to French Grantees (the “*French RSU Sub-Plan*,” together with the U.S. Plan, the “*Plan*”), hereby awards to Grantee a Stock Unit Award for the number of stock units set forth below (the “*Award*”). The Award is subject to all of the terms and conditions as set forth herein and in the Plan and the French-Qualified Restricted Stock Unit Agreement for Grantees in France (the “*Agreement*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Agreement, as applicable. Except as otherwise explicitly provided herein, in the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control.

Grantee:	[•]
Date of Grant:	[•]
Vesting Commencement Date:	[•]
Number of French-Qualified Restricted Stock Units Subject to Award:	[•]
Vesting Schedule:	Subject to Section 3 of the Agreement, this Award shall vest on the below vesting date(s). Notwithstanding the foregoing, vesting shall terminate upon the Grantee’s Termination of Employment. [•]
Consideration:	Grantee’s services
Issuance Schedule:	The Shares to be issued in respect of the Award will be issued in accordance with the issuance schedule set forth in Section 8 of the Agreement.
Sell to Cover Election:	By accepting this Award, Grantee hereby: (1) elects, effective on the date Grantee accepts this Award, to sell Shares issued in respect of the Award in an amount determined in accordance with Section 13(c) of the Agreement, and to allow the Agent to remit the cash proceeds of such sale to the Company as more specifically set forth in Section 13(c) of the Agreement (a “ <i>Sell to Cover</i> ”); (2) directs the Company to make a cash payment to satisfy the Withholding Obligation from the cash proceeds of such sale directly to the appropriate taxing authorities; and (3) represents and warrants that (i) Grantee has carefully reviewed Section 13(c) of the Agreement, (ii) Participant is not aware of any material, nonpublic information with respect to the Company or any securities of the Company as of the Date of Grant, provided that if Participant is in possession of such material, nonpublic information as of the Date of Grant, then the mandatory sale of Shares pursuant to Section 13(c) of the Global Stock Unit Agreement shall become a binding contract as of the first date thereafter on which Participant is not in possession of material, nonpublic information and Participant shall not effect any sales pursuant to Section 13(c) on the basis of material, nonpublic information of which Participant was aware of on the Date of Grant, (iii) on the date Participant accepts this Award Participant is not subject to any legal, regulatory or contractual restriction that would prevent the Agent from conducting sales, does not have, and will not attempt to exercise, authority, influence or control over any sales of Shares effected by the Agent pursuant to the Agreement, and is entering into the Agreement and this election to Sell to Cover in good faith and not as part of a plan or scheme to evade the prohibitions of Rule

10b5-1 (regarding trading of the Company's securities on the basis of material nonpublic information) under the Exchange Act or other applicable securities laws, and (iii) it is Grantee's intent that this election to Sell to Cover and Section 13(c) of the Agreement comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act or other applicable securities laws and be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act or other applicable securities laws. The Grantee further acknowledges that by accepting this Award, Grantee is adopting a 10b5-1 Plan (as defined in Section 13(c) of the Agreement) to permit Grantee to conduct a Sell to Cover sufficient to satisfy the Withholding Obligation as more specifically set forth in Section 13(c) of the Agreement.

Additional Terms/Acknowledgements: Grantee acknowledges receipt of, and understands and agrees to, this French-Qualified Restricted Stock Unit Grant Notice, the Agreement (including the provisions of Section 13(c) thereof with respect to the Sell to Cover) and the Plan. Grantee also acknowledges receipt of the Prospectus for the Plan. Grantee further acknowledges that as of the Date of Grant, this French-Qualified Restricted Stock Unit Grant Notice, the Agreement and the Plan set forth the entire understanding between Grantee and the Company regarding the Award and supersede all prior oral and written agreements on that subject, with the exception of any arrangement that would provide for vesting acceleration of the Award upon the terms and conditions set forth therein.

Grantee's electronic acceptance shall signify Grantee's execution of this French-Qualified Restricted Stock Unit Grant Notice and understanding that this Award is granted and governed under the terms and conditions set forth herein.

SEAGEN INC.

Jean I. Liu
Chief Legal Officer

****PLEASE PRINT AND RETAIN THIS AGREEMENT FOR YOUR RECORDS****

SEAGEN INC.
AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN

FRENCH-QUALIFIED RESTRICTED STOCK UNIT AGREEMENT

Pursuant to the French-Qualified Restricted Stock Unit Grant Notice (“**Grant Notice**”) and this French-Qualified Restricted Stock Unit Agreement (this “**Agreement**”), Seagen Inc. (the “**Company**”) has awarded you a French-Qualified Restricted Stock Unit Award (the “**Award**”) under its Amended and Restated 2007 Equity Incentive Plan (the “**U.S. Plan**”) and the Rules of the Seagen Inc. Amended and Restated 2007 Equity Incentive Plan for Stock Units granted to French Grantees (the “**French RSU Sub-Plan**,” together with the U.S. Plan, the “**Plan**”). Your Award is granted to you effective as of the Date of Grant set forth in the Grant Notice for this Award. This Agreement shall be deemed to be agreed to by the Company and you upon your execution of the Grant Notice to which it is attached. Capitalized terms not explicitly defined in this Agreement shall have the same meanings given to them in the Plan or the Grant Notice, as applicable. Except as otherwise explicitly provided herein, in the event of any conflict between the terms in this Agreement and the Plan, the terms of the Plan shall control. The details of your Award, in addition to those set forth in the Grant Notice and the Plan, are as follows.

1. GRANT OF THE AWARD. This Award represents the right to be issued on a future date the number of Shares that is equal to the number of stock units indicated in the Grant Notice (the “**French-Qualified RSUs**”). As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the “**Account**”) the number of French-Qualified RSUs subject to the Award. This Award is granted in consideration of your services to the Company or an Affiliate. Except as otherwise provided herein, you will not be required to make any payment to the Company (other than future services to the Company) with respect to your receipt of the Award, the vesting of the French-Qualified RSUs or the delivery of the Shares to be issued in respect of the Award.

2. FRENCH-QUALIFIED STATUS. The Awards granted pursuant to this Agreement are intended to qualify for the special tax and social security treatment in France applicable to rights to shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended. However, certain events may affect the qualified status of the Awards and the Company does not make any undertaking or representation to maintain the qualified status of the Award. If the Awards do not retain their qualified status, the special tax and social security treatment will not apply and you will be required to pay your portion of social security contributions resulting from the Award, as well as any income and other taxes that may be due pursuant to other rules for non-qualified restricted stock units.

3. VESTING. Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, provided that you have not incurred a Termination of Employment before the applicable vesting date set forth in the Grant Notice. In no event shall any French-Qualified RSUs vest prior to the second anniversary of the

Vesting Commencement Date, or such other period as required to comply with the minimum vesting period under Sections L. 225-197-1 of the French Commercial Code, as amended. Upon your Termination of Employment, the French-Qualified RSUs credited to the Account that are not vested on the date of such Termination of Employment will be forfeited at no cost to the Company and you will have no further right, title or interest in the French-Qualified RSUs or the Shares to be issued in respect of the Award. By accepting the grant of this Award, you acknowledge and agree that the terms set forth in this Section 3 supersede any contrary terms regarding the vesting of this Award set forth in any notice or other communication that you receive from, or that is displayed by, E*TRADE or other third party designated by the Company.

For purposes of your Award, your Termination of Employment will be considered to be (regardless of the reason of termination, whether or not later found to be invalid or in breach of employment or other laws or rules in the jurisdiction where you are providing services or the terms of your employment or service agreement, if any) effective as of the date that you cease to actively provide services to the Company or any Affiliate and will not be extended by any notice period (e.g., employment or service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment or other laws in the jurisdiction where you are employed or providing services or the terms of your employment or service agreement, if any). The Administrator shall have exclusive discretion to determine when you are no longer actively employed or providing services for purposes of the Plan (including whether you still may be considered to be providing services while on a leave of absence).

Notwithstanding the foregoing or anything in this Agreement to the contrary, in the event of your Termination of Employment as a result of your death, the vesting of your Award shall accelerate and become immediately transferable to your heirs and Shares will be issued to your heirs upon their request for a period of six months following the date of your death; otherwise, the French-Qualified RSUs will be forfeited at the end of the expiration of the six-month period.

Notwithstanding the foregoing or anything in this Agreement to the contrary, in the event of your Termination of Employment as a result of your Disability, the vesting of your Award shall accelerate such that your Award shall become vested as to an additional twelve (12) months, effective as of the date of such Termination of Employment, to the extent that your Award is outstanding on such date.

4. FORFEITURE OF AWARD NOT TIMELY ACCEPTED. The Award is conditioned upon your electronic acceptance of the Award, as set forth in the Grant Notice. Notwithstanding the foregoing or anything in this Agreement to the contrary, if you fail to accept the Award prior to the vesting dates set forth in the Grant Notice, the portion of the Award that otherwise would have vested on each such date will be forfeited at no cost to the Company, and you will have no further right, title or interest in such portion. In the event of your Termination of Employment as

a result of your death or Disability prior to acceptance of the Award, the Company will deem the Award as being accepted.

5. NUMBER OF SHARES.

(a) The number of French-Qualified RSUs subject to your Award may be adjusted from time to time for changes in capitalization, as provided in Section 13 of the U.S. Plan.

(b) Any additional French-Qualified RSUs that become subject to the Award pursuant to this Section 5 shall be subject, in a manner determined by the Administrator, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other French-Qualified RSUs covered by your Award.

(c) Notwithstanding the provisions of this Section 5, no fractional Shares or rights for fractional Shares shall be created pursuant to this Section 5. The Administrator shall, in its discretion, determine an equivalent benefit for any fractional Shares or fractional Shares that might be created by the adjustments referred to in this Section 5.

6. SECURITIES LAW COMPLIANCE. You may not be issued any Shares in respect of your Award unless either (i) such Shares are registered under the Securities Act or other applicable securities laws; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act or other applicable securities laws. Your Award also must comply with other applicable laws and regulations governing the Award, and you will not receive such Shares if the Company determines that such receipt would not be in material compliance with such laws and regulations. You represent and warrant that you (a) have been furnished with a copy of the Plan and the prospectus for the Plan and all information deemed necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

7. TRANSFER RESTRICTIONS. Your Award is not transferable, except by will or by the applicable laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the Shares subject to the Award until the Shares are issued to you in accordance with Section 8 of this Agreement. After such Shares have been issued to you, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such Shares provided that any such actions are in compliance with the provisions herein and applicable securities laws.

8. DATE OF ISSUANCE.

(a) If the Award is exempt from application of Section 409A of the Code and any state law of similar effect (collectively “**Section 409A**”), then, subject to Section 13, the Company will deliver to you a number of Shares equal to the number of vested French-Qualified

RSUs subject to your Award, including any additional French-Qualified RSUs received pursuant to Section 5 above that relate to those vested French-Qualified RSUs on or within 60 days following the applicable vesting date (the “**Original Issuance Date**”). However, if the Original Issuance Date falls on a date that is not a business day, such delivery date shall instead fall on the next following business day. Notwithstanding the foregoing, if (i) the Original Issuance Date does not occur (1) during an “open window period” applicable to you, as determined by the Company in accordance with the Company’s then-effective policy or policies on trading in Company securities or (2) on a date when you are otherwise permitted to sell Shares on the open market; and (ii) the Company elects, prior to the Original Issuance Date, (x) not to satisfy the Withholding Obligation (as defined in Section 13(b) hereof) by withholding Shares from the Shares otherwise due, on the Original Issuance Date, to you under this Award pursuant to Section 13 hereof, (y) not to permit you to then effect a Sell to Cover under the 10b5-1 Plan (as defined in Section 13(c) of this Agreement), and (z) not to permit you to satisfy the Withholding Obligation in cash, then such Shares shall not be delivered on such Original Issuance Date and shall instead be delivered on the first business day of the next occurring open window period applicable to you or the next business day when you are not prohibited from selling Shares on the open market, as applicable (and regardless of whether there has been a Termination of Employment before such time), but in no event later than the 15th day of the third calendar month of the calendar year following the calendar year in which the French-Qualified RSUs vest. Delivery of the Shares pursuant to the provisions of this Section 8(a) is intended to comply with the requirements for the short-term deferral exemption available under Treasury Regulations Section 1.409A-1(b)(4) and shall be construed and administered in such manner. The form of such delivery of the Shares (*e.g.*, a stock certificate or electronic entry evidencing such Shares) shall be determined by the Company.

(b) The provisions of this Section 8(b) are intended to apply if the Award is subject to Section 409A because of the terms of a severance arrangement or other agreement between you and the Company, if any, that provide for acceleration of vesting of the Award upon your separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (“**Separation from Service**”) and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4) or 1.409A-1(b)(9) (“**Non-Exempt Severance Arrangement**”). If the Award is subject to and not exempt from application of Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions in this Section 8(b) shall supersede anything to the contrary in Section 8(a).

(i) If the Award vests in the ordinary course before your Termination of Employment in accordance with the vesting schedule set forth in the Grant Notice, without accelerating vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the Shares to be issued in respect of your Award be issued any later than December 31st of the calendar year that includes the applicable vesting date.

(ii) If vesting of the Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Award and, therefore, are part of the terms of the Award as of the date of grant, then the Shares will be earlier issued in respect

of your Award upon your Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date of your Separation from Service. However, if at the time the Shares would otherwise be issued you are subject to the distribution limitations contained in Section 409A applicable to “specified employees,” as defined in Section 409A(a)(2)(B)(i) of the Code, such Shares shall instead be issued on the date that is six months following the date of your Separation from Service, or, if earlier, the date of your death that occurs within such six-month period.

(iii) If either (A) vesting of the Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Award and, therefore, are not a part of the terms of the Award on the date of grant, or (B) vesting accelerates pursuant to Section 4(b) or Section 13 of the U.S. Plan, then such acceleration of vesting of the Award shall not accelerate the issuance date of the Shares (or any substitute property), but such Shares (or substitute property) shall instead be issued on the same schedule as set forth in the Grant Notice as if they had vested in the ordinary course before your Termination of Employment, notwithstanding the vesting acceleration of the Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

(c) Notwithstanding anything to the contrary set forth herein, the Company explicitly reserves the right to earlier issue the Shares in respect of the Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(ix).

(d) The provisions in this Agreement for delivery of the Shares in respect of the Award are intended either to comply with the requirements of Section 409A or to provide a basis for exemption from such requirements so that the vesting or delivery of such Shares will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

(e) The Administrator may modify the terms of this Agreement and/or the Plan without your consent, in the manner that the Administrator may determine to be necessary or advisable in order to comply with Code Section 409A or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Code Section 409A if compliance is not practical. This Section 8(e) does not create an obligation on the part of the Company to modify the terms of this Agreement or the Plan and does not guarantee that this Award or the delivery of Shares upon settlement of the Award will not be subject to taxes, interest and penalties or any other adverse tax consequences under Code Section 409A. Nothing in this Agreement shall provide a basis for any person to take any action against the Company or any of its Subsidiaries or Affiliates based on matters covered by Code Section 409A, including the tax treatment of any amounts paid under this Agreement, and neither the Company nor any of its Subsidiaries or Affiliates will have any liability under any circumstances to the Participant or any other party if the Award, the delivery of Shares upon vesting/settlement of the Award or other payment or tax event hereunder that is intended to be exempt from, or compliant with, Code

Section 409A, is not so exempt or compliant or for any action taken by the Administrator with respect thereto.

9. DIVIDENDS. You shall receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a change in capitalization as provided in Section 13 of the U.S. Plan; provided, however, that this sentence shall not apply with respect to any Shares that are delivered to you in connection with your Award after such Shares have been delivered to you.

10. RESTRICTIVE LEGENDS. The Shares issued in respect of your Award shall be endorsed with appropriate legends determined by the Company.

11. AWARD NOT A SERVICE CONTRACT.

(a) Nothing in this Agreement (including, but not limited to, the vesting of your Award pursuant to the schedule set forth in Section 3 herein or the issuance of the Shares in respect of your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company or an Affiliate of the right to terminate your employment without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the schedule set forth in Section 3 is earned only by continuing as an employee, director or consultant of the Company or Affiliate, as applicable (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). You further acknowledge and agree that such a reorganization could result in your Termination of Employment, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere in any way with your right or the right of the Company or its Affiliate to terminate your service at any time, with or without cause and with or without notice.

12. NATURE OF AWARD. In accepting your Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted under the Plan;

(b) the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Awards (whether on the same or different terms), or benefits in lieu of an Award, even if an Award has been granted in the past;

(c) all decisions with respect to future awards of French-Qualified RSUs or other grants, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) the Award and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the future value of the Shares underlying the Award is unknown, indeterminable and cannot be predicted with certainty;

(g) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from your Termination of Employment (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or rendering services or the terms of your employment agreement, if any);

(h) unless otherwise provided herein, in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;

(i) unless otherwise agreed with the Company, the Award and the Shares subject to the Award, and the income from and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of an Affiliate;

(j) if the Award vests and you are issued Shares, the value of such Shares may increase or decrease in value following the date the Shares are issued; even below the Fair Market Value on the date the Award is granted to you;

(k) the Award and the Shares subject to the Award, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-

service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments; and

(l) the Award and the Shares subject to the Award, and the income and value of same, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any benefit plan sponsored by the Company, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's benefit plans.

13. TAX OBLIGATIONS.

(a) By accepting this Award, you acknowledge that, regardless of any action taken by the Company or any Affiliate the ultimate liability for any and all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("***Tax-Related Items***") is and remains your responsibility and may exceed the amount actually withheld by the Company or its Affiliates, if any. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or its Affiliates may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company has no duty or obligation to minimize the tax consequences to you of this Award and shall not be liable to you for any adverse tax consequences to you arising in connection with this Award.

(b) On or before the time you receive a distribution of Shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Shares issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy any and all Tax-Related Items (the "***Withholding Obligation***").

(c) By accepting this Award, you hereby (i) acknowledge and agree that you have elected a Sell to Cover (as defined in the Grant Notice) to permit you to satisfy the Withholding Obligation and that the Withholding Obligation shall be satisfied pursuant to this Section 13(c) to the fullest extent not otherwise satisfied pursuant to the provisions of Section 13(d) hereof and (ii) further acknowledge and agree to the following provisions:

(i) You hereby irrevocably appoint E*TRADE, or such other registered broker-dealer that is a member of the Financial Industry Regulatory Authority as the Company may select, as your agent (the "***Agent***"), and you authorize and direct the Agent to:

(1) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the date on which the Shares are delivered to you pursuant to Section 8 hereof in connection with the vesting of the French-Qualified RSUs, the number (rounded up to the next whole number) of Shares sufficient to generate proceeds to cover (A) the satisfaction of the Withholding Obligation arising from the vesting of those French-Qualified RSUs and the related issuance of Shares to you that is not

otherwise satisfied pursuant to Section 13(d) hereof and (B) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto;

(2) Remit directly to the Company and/or any Affiliate the proceeds necessary to satisfy the Withholding Obligation;

(3) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale of the Shares referred to in clause (1) above; and

(4) Remit any remaining funds to you.

(ii) You acknowledge that your election to Sell to Cover and the corresponding authorization and instruction to the Agent set forth in this Section 13(c) to sell Shares to satisfy the Withholding Obligation is intended to comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act or other applicable securities laws and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act or other applicable securities laws (your election to Sell to Cover and the provisions of this Section 13(c), collectively, the “**10b5-1 Plan**”). You acknowledge that by accepting this Award, you are adopting the 10b5-1 Plan to permit you to satisfy the Withholding Obligation. You hereby authorize the Company and the Agent to cooperate and communicate with one another to determine the number of Shares that must be sold pursuant to Section 13(c)(i) to satisfy your obligations hereunder.

(iii) You acknowledge that the Agent is under no obligation to arrange for the sale of Shares at any particular price under this 10b5-1 Plan and that the Agent may effect sales as provided in this 10b5-1 Plan in one or more sales and that the average price for executions resulting from bunched orders may be assigned to your account. You further acknowledge that you will be responsible for all brokerage fees and other costs of sale associated with this 10b5-1 Plan, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. In addition, you acknowledge that it may not be possible to sell Shares as provided for in this 10b5-1 Plan due to (i) a legal or contractual restriction applicable to you or the Agent, (ii) a market disruption, (iii) a sale effected pursuant to this 10b5-1 Plan that would not comply (or in the reasonable opinion of the Agent’s counsel is likely not to comply) with the Securities Act or other applicable securities laws, (iv) the Company’s determination that sales may not be effected under this 10b5-1 Plan or (v) rules governing order execution priority on the national exchange where the Shares may be traded. In the event of the Agent’s inability to sell Shares, you will continue to be responsible for the timely payment to the Company of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld, including but not limited to those amounts specified in Section 13(c)(i)(1) above.

(iv) You acknowledge that regardless of any other term or condition of this 10b5-1 Plan, the Agent will not be liable to you for (A) special, indirect, punitive, exemplary, or consequential damages, or incidental losses or damages of any kind, or (B) any failure to perform or for any delay in performance that results from a cause or circumstance that is beyond its reasonable control.

(v) You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this 10b5-1 Plan. The Agent is a third-party beneficiary of this Section 13(c) and the terms of this 10b5-1 Plan.

(vi) Your election to Sell to Cover and to enter into this 10b5-1 Plan is irrevocable. Upon acceptance of the Award, you have elected to Sell to Cover and to enter into this 10b5-1 Plan, and you acknowledge that you may not change this election at any time in the future. This 10b5-1 Plan shall terminate not later than the date on which the Withholding Obligation arising from the vesting of your French-Qualified RSUs and the related issuance of Shares has been satisfied.

(d) Alternatively, or in addition to or in combination with the Sell to Cover provided for under Section 13(c), you authorize the Company, at its discretion, to satisfy the Withholding Obligation by the following means (or by a combination of the following means):

(i) Requiring you to pay to the Company any portion of the Withholding Obligation in cash;

(ii) Withholding from any compensation otherwise payable to you by the Company; and/or

(iii) Withholding Shares from the Shares issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date Shares are issued pursuant to Section 8) equal to the amount of the Withholding Obligation.

(e) Unless the Withholding Obligation of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Shares.

(f) In the event the Withholding Obligation of the Company arises prior to the delivery to you of Shares or it is determined after the delivery of Shares to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

14. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the consequences of accepting this Award and by signing the Grant Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so.

15. UNSECURED OBLIGATION. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue Shares pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the Shares to be issued

pursuant to this Agreement until such Shares are issued to you pursuant to Section 8 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

16. OTHER DOCUMENTS. You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's policy on trading in Company securities permitting employees to sell Shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

17. NOTICES; ELECTRONIC DELIVERY AND ACCEPTANCE. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company, the Agent or another third party designated by the Company and agree notice shall be provided upon posting to your electronic account held by the Company, the Agent or another third party designated by the Company. You hereby acknowledge that delivery, execution and acceptance of this or any other such documents by electronic means constitutes valid and effective delivery, execution and acceptance and shall be legally effective to create a valid and binding agreement.

18. CLAWBACK/RECOUPMENT. The Award will be subject to recoupment, rescission, payback, cancelation or other action, in each case, in accordance with (i) any clawback policy adopted by the Company (whether such policy is adopted on or after the date of this Agreement or required under applicable law) providing for the recovery of Awards, Shares, proceeds, or payments to you in the event of fraud or as required by applicable law or governance considerations or in other similar circumstances and (ii) any such other clawback, recovery or recoupment provisions set forth in an individual written agreement between you and the Company. No recovery of compensation under such a clawback policy will be an event giving rise to your right to resign for "good reason" or "constructive termination" (or similar term) under any plan of, or agreement with, the Company.

19. RESTRICTIONS ON THE SALE OF SHARES.

(a) Minimum Mandatory Holding Period. You will not be permitted to sell or transfer any Shares issued at settlement of the French-Qualified RSUs before the end of a minimum mandatory holding period, to the extent applicable to the Shares underlying the French-Qualified RSUs under Section L. 225-197-1 of the French Commercial Code, as amended, or the French Tax Code or the French Social Security Code, as amended, to benefit from the special tax and social

security regime in France; provided, however, that such minimum mandatory holding period, if any, shall not apply to Shares subject to the French-Qualified RSUs issued to your heirs pursuant to Section 3 hereof or to Shares subject to the French-Qualified RSUs after a Termination of Employment due to Disability (as defined under the French RSU Sub-Plan) pursuant to Section 3 hereof. The minimum mandatory holding period is currently two years from the date of grant.

(b) Closed Period. The Shares issued following any vesting date may not be sold during a Closed Period, to the extent applicable under French law; provided, however, that such Closed Period restriction shall not apply to Shares subject to the French-Qualified RSUs issued to your heirs pursuant to Section 3 hereof or to Shares subject to the French-Qualified RSUs issued to you after a Termination of Employment due to Disability (as defined under the French RSU Sub-Plan) pursuant to Section 3 hereof.

(c) Holding Period for Managing Corporate Officers. If you qualify as a managing corporate officer under French law and have been granted Awards in this capacity (*"mandataires sociaux," i.e. Président du Conseil d'Administration, Directeur Général, Directeur Général Délégué, Membre du Directoire, Gérant de Sociétés par actions*), you may be subject to shareholding restrictions under French law and may not sell 20% of the Shares upon settlement until you cease to serve as a managing corporate officer.

(d) Compliance with Transfer Restrictions on Shares. To ensure compliance with restrictions on the transfer of Shares described in this Section 19, the Company may require that the Shares be held with a brokerage firm or other agent designated by the Company (or according to any procedure implemented by the Company) until such Shares are sold.

20. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

(d) You acknowledge and agree that the Company shall not be liable for any exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of your Award or of any amounts due to you pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.

(e) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(f) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

21. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Except as expressly provided herein, in the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

22. ENTIRE AGREEMENT. The Plan, this Agreement and the Grant Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof, with the exception of any arrangement that would provide for vesting acceleration of this Award upon the terms and conditions set forth therein.

23. SEVERABILITY. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

24. DATA PRIVACY. *To participate in the Plan, you will need to review the information provided in this Section and, where applicable, declare your consent to the processing of personal data by the Company and third parties noted below.*

(a) **EEA+ Controller and Representative.** *If you are based in the European Union ("EU"), the European Economic Area, Switzerland or, if and when the United Kingdom leaves the European Union, the United Kingdom (collectively "EEA+"), you should note that the Company, with its registered address at 21823 30th Drive SE Bothell, Washington 98021, United States of America, is the controller responsible for the processing of your personal data in connection with the Agreement and the Plan. The Company's representative in the EU is Seagen Netherlands B.V., located at Evert van de Beekstraat 1, -140 1118CL Schiphol, Netherlands with office phone: +31 207 99 15 60.*

(b) **Data Collection and Usage.** *In connection with the administration of the Plan, the Company collects, processes, uses and transfers certain personally-identifiable information about you, which may include your name, home address and telephone number,*

email address, date of birth, social insurance, passport number or other identification number, salary, nationality, job title, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, settled, vested, unvested or outstanding in your favor and additional similar or related data, which the Company receives from you or the entity that employs you (“Personal Data”). Specifically, the Company collects, processes and uses Personal Data for the purposes of performing its contractual obligations under this Agreement, implementing, administering and managing your participation in the Plan and facilitating compliance with applicable tax and securities law.

If you are based in the EEA+, the legal basis, where required, for the processing of Personal Data by the Company is the necessity for the Company to (i) perform its contractual obligations under this Agreement, (ii) comply with legal obligations established in the EEA+, and/or (iii) pursue the legitimate interest of complying with legal obligations established outside of the EEA+.

*(c) Stock Plan Administration Service Providers. The Company transfers Personal Data to E*TRADE Corporate Financial Services, Inc., and E*TRADE Securities LLC (collectively, “E*TRADE”) and certain of its affiliated companies and successors (the “Stock Plan Provider”), an independent service provider, which assists the Company with the implementation, administration and management of the Plan, including providing ancillary services related to stock plan administration. The Company may select a different service provider or additional service providers and share Personal Data with such other provider serving in a similar manner. The processing of Personal Data will take place through both electronic and non-electronic means. Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating the Plan, including providing ancillary services related to stock plan administration. You may be asked to agree on separate terms and data processing practices with the Stock Plan Provider, with such agreement being a condition to the ability to participate in the Plan.*

(d) International Data Transfers. The Company and the Stock Plan Provider are based in the United States. The country where you live may have different data privacy laws and protections than the United States. In particular, the United States does not have the same level of protections for personal data as countries in the EEA+. The European Commission requires U.S. companies to protect personal data leaving the EEA+ by implementing safeguards such as the Standard Contractual Clauses adopted by the EU Commission.

If you are based in the EEA+, Personal Data will be transferred from the EEA+ to the Company and onward from the Company to the Stock Plan Provider, or if applicable, another service provider, based on the EU Standard Contractual Clauses. You may request a copy of the Standard Contractual Clauses by contacting dataprotection@seagen.com.

(e) Data Retention. The Company will use Personal Data only as long as necessary to implement, administer and manage your participation in the Plan, or as required to comply with legal or regulatory obligations, including tax and securities laws. When the

Company no longer needs Personal Data for any of these purposes, the Company will remove it from its systems.

(f) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *Participation in the Plan is voluntary and you are providing the consents herein on a purely voluntary basis. You may withdraw your consent at any time, with future effect and for any or no reason. If you do not consent, or if you later seek to withdraw your consent, your salary from or employment or service relationship with your employer will not be affected. The only consequence of denying or withdrawing consent is that the Company would not be able to grant Awards to you under the Plan or administer or maintain your participation in the Plan. If you withdraw your consent, the Company will stop processing your Personal Data for the purposes stated in Section (b) above unless to the extent necessary to comply with tax or other legal obligations in connection with Awards granted before you withdrew your consent.*

(g) **Data Subject Rights.** *You may have a number of rights under data privacy laws in your jurisdiction. Subject to the conditions set out in the applicable law and depending on where you are based, such rights may include the right to (i) request access to, or copies of, Personal Data processed by the Company, (ii) rectification of incorrect Personal Data, (iii) deletion of Personal Data, (iv) restrict the processing of Personal Data, (v) object to the processing of Personal Data for legitimate interests, (vi) portability of Personal Data, (vii) lodge complaints with competent authorities in your jurisdiction, and/or to (viii) receive a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding these rights or to exercise these rights, you can contact dataprotection@seagen.com.*

(h) **Necessary Disclosure of Personal Data.** *You understand that providing the Company with Personal Data is necessary for the performance of this Agreement and that your refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and would affect your ability to participate in the Plan.*

25. INSIDER TRADING RESTRICTIONS/MARKET ABUSE LAWS. You acknowledge that, depending on your country, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell the Shares or rights to the Shares under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

26. FOREIGN ASSET/ACCOUNT AND TAX REPORTING, EXCHANGE CONTROLS. If you hold cash or Shares outside of France or maintain a foreign bank or brokerage account (including accounts that were opened and closed during the tax year), you are required to report such assets and accounts to the French tax authorities on an annual basis on a specified form together with your income tax return. Failure to complete this reporting can trigger significant penalties.

27. WAIVER. You acknowledge that a waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

28. LANGUAGE. By accepting this Award, you confirm having read and understood the Plan and the Agreement which were provided in the English language. You accept the terms of those documents accordingly.

En acceptant l'attribution, vous confirmez avoir lu et compris le Plan et ce Contrat, qui ont été communiqués en langue anglaise. Vous acceptez les termes de ces documents en connaissance de cause.

29. GOVERNING LAW/VENUE. The interpretation, performance and enforcement of this Agreement will be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules. For purposes of any action, lawsuit or other proceedings brought due to your participation in the Plan, relating to it, or arising from it, you hereby submit to and consent to the sole and exclusive jurisdiction of the United States District Court for the Southern District of New York (or should such court lack jurisdiction to hear such action, suit or proceeding, in a New York state court in the County of New York), and no other courts, where this Award is granted and/or to be performed.

30. IMPOSITION OF OTHER REQUIREMENTS. The Company reserves the right to impose other requirements on your participation in the Plan, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

31. AMENDMENT. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Administrator by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that no such amendment materially adversely affecting your rights hereunder may be made without your written consent, except as otherwise provided in the Plan. Without limiting the foregoing, the Administrator reserves the right to change, by written notice to you and without your prior written consent, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant to facilitate compliance with applicable laws or regulations or any future law, regulation, ruling, or judicial decision.

CERTIFICATIONS

I, Roger D. Dansey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Seagen Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Roger D. Dansey
Roger D. Dansey
 Interim Chief Executive Officer and Chief Medical Officer
 (Principal Executive Officer)

Date: October 27, 2022

CERTIFICATIONS

I, Todd E. Simpson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Seagen Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Todd E. Simpson
Todd E. Simpson
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: October 27, 2022

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

In connection with the Quarterly Report of Seagen Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roger D. Dansey, Interim Chief Executive Officer and Chief Medical Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Roger D. Dansey
 Roger D. Dansey
 Interim Chief Executive Officer and Chief Medical Officer
 (Principal Executive Officer)

Date: October 27, 2022

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Seagen Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

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

In connection with the Quarterly Report of Seagen Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Todd E. Simpson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Todd E. Simpson
 Todd E. Simpson
 Chief Financial Officer
 (Principal Financial and Accounting Officer)

Date: October 27, 2022

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Seagen Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.