COLLABORATIVE DEVELOPMENT AND EXCLUSIVE LICENSING AGREEMENT [FOR THERAPEUTIC PRODUCT]

This Development and Licensing Agreement ("Agreement") is made and

entered into as of the \_\_\_day of May, 1990, between Small Biotech and Big Pharma

RECITALS:

Small Biotech and Big Pharma possess, have developed, and are developing certain antibodies and related technology directed toward treatment of IgE-mediated allergic reactions in humans. Each possesses certain trade secrets, know-how, and other proprietary technology related thereto, including such proprietary technology disclosed under the pending patent applications reference in Annex 1,attached hereto.

To continue research, development, and commercialization of anti-allergy

products within the Field, as hereinafter defined, Small Biotech and Big Pharma desire to enter into a joint cooperation. It is understood that the parties shall contribute, subject to the provisions of this Agreement, to the cooperation all of their existing and future rights or studies owned or to be owned in the Field.

Beyond the cooperation in the Field, Big Pharma intends, subject to the

terms and conditions of A certain Stock Purchase Agreement of even date

herewith, to make an equity investment in Small Biotech.

Therefore, Small Biotech and Big Pharma have entered into this Agreement which sets forth the terms and conditions of their cooperation and the respective rights and licenses within the Field which each shall have as a result of such cooperation.

1. DEFINITIONS.

1.1 Agreement Period shall mean the period of time commencing on the date of execution of this Agreement and extending on a country by country basis until a) the last to expire in each country of the patents issuing from the patent applications of Small Biotech listed in Annex 1 or claiming its priorities thereof (such expiration to occur only after expiration of extensions to such patents which may be obtained under the Drug Price Competition and Parent Term Restoration Act of 1984 in the U.S.A. and similar patent extension laws in other countries) or b) the expiry of nine (9) years from the day of the first commercial sale of the respective Product(s) in each country, whichever is later.

Big Pharma shall have the right to extend the Agreement Period, by written notice to Small Biotech give within ninety (90) days of Big Pharma's receipt of written notice of the issuance of such patent, in the event that Small Biotech obtains rights to a patent, not issuing from the patent applications of Small Biotech listed in Annex 1 or claiming its priorities thereof, upon which Big Pharma relies in order to make, have made, use or sell Product(s). Such notice shall effect an inclusion of such patent under clause a) above of this Paragraph 1.1 for purposes of determining the applicable agreement Period.

1.2 Product(s) shall mean the monoclonal antibodies owned or controlled by

Small Biotech and Big Pharma for use in the Field, as described in the U.S. patent application(s) of Small Biotech and the U.K. patent application of Big Pharma referenced in Annex 1, and fragments, toxin conjugates, antibody toxin chimeric constructs, humanized or reshaped antibodies derived from such monoclonal antibodies including such forms as are ready to be administered in humans.

1.3 Field shall mean anti-IgE antibody-based treatments in humans for

IgE-mediated reactions, \*.

1.4 Patent Rights shall mean any patent application or patent(s) owned or controlled by Small Biotech or Big Pharma whose claims cover the manufacture, use, or sale of the Product(s), as well as any additional patents hereafter issuing from additional patent applications relating to the Product(s), including, but not limited to, a method of use of the Product(s), and any substitutions, continuations, continuations-in-part, divisions, reissues, re-examinations, renewals, or extensions of the terms thereof.

1.5 Know-How shall mean any and all unpatented and/or non-patentable

technical data, information, materials, biological materials, such as plasmids, vectors, DNA sequences, organisms, cell lines, and antibodies, samples and other information owned or controlled by Small Biotechor Big Pharma in the Field during the Agreement Period which (i) relate to Product(s), including, without limitation, its chemical, biological, pharmacological, toxicological, nonclinical and clinical data, formulations, specifications and/or usage, or (ii) relate to processes, techniques and specifications for the manufacture of Product(s), including, without limitation, preparation, synthesis, culture, recovery and purification and quality control processes, techniques and specifications. Know-How shall not encompass Patent Rights. Know-How of Big Pharma and Small Biotech shall be limited, however, to only that information which is developed as part of or in conjunction with Big Pharma’s and Small Biotech’s program directed at development of Product(s) in the Field; but shall not include such information which relates to non-classical, non-conventional, high technology delivery systems for the Product(s.

1.6 Affiliate(s) shall mean all corporations or business entities which, directly or indirectly, are controlled by, control, or are under common control with Big Pharma or Small Biotech, including, with respect to Big Pharma, its Affiliate, BIG PHARMA Corporation, headquartered in the United States of America (U.S.A.).

For this purpose, the meaning of the word "control" shall mean the

ownership of fifty percent (50%) or more of the voting shares or interest of

such corporation or business entity, or any corporation or business entity, even though the extent of ownership of a party in such corporation or business entity is less than fifty percent

1.7 Third Party(ies) shall mean any person or entity other than a party to this Agreement, its Affiliate(s), and/or its respective employees.

1.8 Net Sales shall mean the amount billed by Big Pharma, its Affiliate(s) or sublicensees to Third Parties for the sale of Product(s) less cash discounts and/or quantity allowances actually allowed; credits for customers; returns and allowances; charges for freight, handling and transportation separately billed; and sales and use taxes and other similar taxes incurred, as reasonably and fairly determined in accordance with Big Pharma's standard accounting method.

1.9 Exclusive Rights shall mean the sole right of the party possessing

such right, as expressly conferred by this Agreement, to sell Product(s) within a territory for which such right is granted.

1.10 Semi-Exclusive Rights shall mean the joint or shared right of the

parties possessing such right, as expressly conferred by this Agreement, to the exclusion of all Third Parties, to sell Product(s) within a territory for which such right is granted.

1.11 Co-Promotion shall mean the promotion in accordance with Paragraph

8.3 by both parties of Product(s) under the same trademark. Products subject to Co-Promotion shall be sold solely by Big Pharma and shall be identified by a trademark chosen by Big Pharma with due consideration to trademark suggestions, if any, from Small Biotech.

1.12 Co-Marketing shall mean the marketing and sale of Product(s) by each party under a separate trademark, chosen by each party; provided, that

Big Pharma, at its option, may co-market Product(s) under the same trademark

used by the parties for Product(s) being co-promoted and, in such event, Small Biotech may not use such trademark in those countries where the Product is being co-marketed.

1.13 Abandoned Product(s) shall mean any Product(s) with respect to which Big Pharma relinquishes its rights under this Agreement by notice of such relinquishment.

1.14 Major Country shall mean and include the following countries: Japan, the United Kingdom, West Germany, Italy, France and the U.S.A.

1.15 Other commonly used terms or abbreviations, such as Food and Drug

Administration ("FDA"), Phase I. Phase II, Phase III, Notice of Claimed

Investigational Exemption for a New Drug ("IND"), New Drug Application

("NDA"), Establishment License Application ("ELA"), and Product License

Application ("PLA"), shall mean or have the meanings indicated in the United

States Food, Drug and Cosmetic Act and applicable regulations promulgated thereunder, and all such terms or abbreviations shall apply equally, as applicable, to any counterpart or equivalent agencies or activities in countries outside the U.S.A.

1.16 Exclusive Territories shall mean all countries of the world except

those included within the Semi-exclusive Territories.

1.17 Semi-exclusive Territories shall mean the U.S.A., Taiwan, Hong Kong, Singapore, China and Korea.

2. GRANT OF LICENSE; SUBLICENSE; REPRESENTATIONS.

2.1 Subject to the provisions of this Agreement, Small Biotechgrants to

Big Pharma during the Agreement Period a world-wide license under its Know-How and Patent Rights, with the right to grant sublicenses, to make, have made, use and sell the Product(s) for use in the Field. Said license shall be exclusive in the Exclusive Territories and shall be co-exclusive with Small Biotech in the Semi-exclusive Territories.

2.2 Subject to the provisions of this Agreement, Big Pharma grants to

Small Biotech during the Agreement Period a license under its Know-How and Patent Rights, to make, have made, use and sell the Product(s) for use in the Field.

Said license shall be limited to the Semi-exclusive Territories and shall be

co-exclusive with Big Pharma in said Territories.

2.3 At the end of the Agreement Period in each respective country, the

licenses granted in Paragraphs 2.1 and 2.2 hereinabove shall be converted into perpetual, royalty-free, non-exclusive licenses.

2.4 Big Pharma shall warrant the performance of any and all rights and

obligations of this Agreement by its Affiliate(s) and/or sublicensees. Small Biotech

shall warrant the performance of any and all rights and obligations of this

Agreement by its Affiliate(s).

Small Biotech agrees, if Big Pharma so requests, to enter into a separate agreement with any Affiliate(s) of Big Pharma granting a license in accordance with the provisions of this Agreement. Such agreement shall incorporate all of the terms of this Agreement to the extent that they are applicable. Big Pharma shall guarantee the performance of any and all responsibilities of the Affiliate(s) under such separate agreement.

Additionally, the parties may, by mutual written consent, license rights

granted or retained under this Agreement to a third party to manufacture the

commercial supply of Product(s) for itself and/or the other party.

2.5 Each party warrants to the other that it is the owner of, or has

exclusive rights to commercialize, with the right to grant licenses under its

respective Patent Right(s) and Know-How and has not assigned, conveyed or

otherwise encumbered by any agreement, either oral or written, any right, title or interest in and to the respective Patent Rights and Know-How which would be inconsistent with the rights granted hereunder. Each party warrants that it is free to enter into this Agreement and is free to carry out all of its obligations under this Agreement. Except as provided in Paragraphs 2.4, 2.5 and 7 and the Annexes hereto and as may be otherwise agreed in writing between the parties, the parties expressly disclaim all other warranties, express or implied, including without limitation, warranties of merchantability or fitness for a particular purpose with respect

to the Product(s).

3. PROJECT STEERING COMMITTEE/WORKING GROUPS

3.1 A. Upon execution of this Agreement, the parties hereto shall set up a Project Steering Committee to which each party shall appoint up to three (3) experts as its deputies.

A member of the Project Steering Committee appointed by Big Pharma shall

assume the chairmanship of this Project Steering Committee.

Decisions of the Project Steering Committee shall be taken, if possible, by unanimous vote and the chairman shall have a casting vote; provided, however, that no action may be taken by the Project Steering Committee to impose or increase upon either party financial or any other obligations not expressly contained in this Agreement except with the prior written consent of such party.

B. The Project Steering Committee shall:

(i) agree from time to time, particularly before entering into a new research and/or development phase as hereinafter set forth, on the development and detailed working program (including timetable) to be carried out and the budgets thereto, whereby the Project Steering Committee

shall set up the priorities and determine the various tasks of each partner

as hereinafter described;

(ii) coordinate and monitor the progress of such development work;

(iii) provide for a free exchange of any relevant information and

results relating to the development work under this Agreement and subject to the terms of this Agreement.

C. As necessary or required, the Project Steering Committee shall hold

meetings at intervals and locations to be mutually agreed upon, but at least

once a year. The minutes to the meetings shall be marked as "Confidential" and shall be subject to the secrecy obligations and restrictions on use as per Paragraph 6 hereinafter.

3.2 A. The Working Groups shall be responsible for proposing a detailed development plan (setting forth the different steps and time frames, as well as the budget for their respective activities) to the Project Steering Committee. After approval of the development plan by the Project Steering Committee, which must occur in a timely way so as not to impede the progress of the Working Groups, the Working Groups shall coordinate and implement all day-to-day activities of the parties, respectively, under this Agreement. The Working Groups shall work openly and cooperatively and

shall meet periodically, as the parties reasonably determine may be necessary, to coordinate research, preclinical and clinical development, process development and production, and other activities conducted by the parties according to the objectives and priorities of the cooperation under this Agreement. The results of such meetings shall be recorded in writing. The minutes shall be approved and signed by both parties' project leaders. The minutes shall be marked as "Confidential" and shall be subject to the secrecy obligations and restrictions on use as per Paragraph 6 hereinafter.

B. The Working Groups shall include those of its expert employees that

each party reasonably determines to be necessary or appropriate (such employees may participate in more than one Working Group which, unless requested by a party, need not include an equal number of each party's expert employees).

The Working Groups shall include the following and such other Working

Groups as may be agreed from time to time by the Project Steering Committee.

(i) Research Group -- The Research Group shall be responsible for

proposing research plans to the Project Steering Committee, supervising

research activities, and coordinating and implementing all day-to-day

activities in connection with those various research activities Annex 2.

The Research Group shall report to the Project Steering Committee from time to time the research results for review of the work performed and for the discussion of and decision on the subsequent activities.

(ii) Clinical Development Group -- The Clinical Development Group

shall be responsible for proposing the clinical development plans to the

Project Steering Committee, supervising all clinical activities, and

coordinating and implementing the clinical trials and regulatory

submissions in connection with those various clinical trial activities

identified in Annex 3. The Clinical Development Group shall report to the Project Steering Committee from time to time the results of development activities for review and for decisions on subsequent activities.

(iii) Process Development and Production (PDP) Group -- The PDP Group shall be responsible, as necessary from time to time, for proposing the

process development and production activities to the Project Steering

Committee supervising such activities, and coordinating and implementing

initial, adaption and scale-up activities identified in Annex 4. The PDP

Group also shall support with its activities the clinical development

process as outlined in Annex 3. The PDP Group shall report to the Project Steering Committee from time to time the results of the work performed for decisions on subsequent activities.

4. RESPONSIBILITIES OF THE PARTIES.

4.1 Activities of the parties under this Agreement can be characterized as follows: a) activities in which both parties will participate independently or on an agreed basis at each party's own cost: b) activities for which Small Biotechwill have primary or sole responsibility at Small Biotech’s cost; c) activities for which Big Pharma will have primary or sole responsibility at Big Pharma's cost; d) activities which can be undertaken with mutual agreement of the parties and for which Small Biotechor Big Pharma will be entitled to reimbursement of its costs and e) activities for which Big Pharma will have primary or sole responsibility at a cost to be shared between the parties. Each party shall be responsible for performing, in good faith, all activities for which it is responsible in a commercially reasonable manner.

4.2 Categories of activities in which the respective parties will

participate, and identification of the party which will have responsibility for each of such activities is set forth in Annex 2 (Research Activities), Annex 3 (Clinical Development Activities), and Annex 4 (Process Development and Production Activities), respectively. For activities in which both parties have a major participation, the parties will share responsibility for such activities or one party will have the overall responsibility, as the Project Steering Committee may mutually agree (except as specified in Paragraph 4.4 below for clinical development activities).

4.3 Costs for each party's activities, as set forth in Annex 2, Annex 3, and Annex 4, will be borne by such party or will be subject to reimbursement, all as specified in each such Annex. Reimbursement of Small Biotech’s reimbursable activities will be made in accordance with the guidelines for reimbursement set forth in Annex 5.

4.4 The overall responsibility for IND Application -- U.S. and Clinical

Development -- U.S., as identified in Annex 3, along with the overall regulatory strategy during clinical development, NDA approval and post-NDS approval phases, is agreed to be with Big Pharma. However, the parties will jointly participate through the Clinical Development and PDP Groups in all of such activities. Both parties will have full access to all submissions to, including clinical studies and other supporting information, and communications with the FDA relating to the Product(s). Big Pharma, or its Affiliates, shall file and hold title to all regulatory applications, approvals and supplements hereto in the U.S.A. Each party, or its Affiliate(s) or (in the case of Big Pharma and at its discretion,

sublicensees), shall have the irrevocable right to refer to and cross-reference all such documents for registrations in such other countries, subject to the terms of this Agreement.

4.5 Big Pharma and Small Biotechshall have continuing obligations to timely

advise each other of all adverse drug reactions and other similar matters

relevant to maintaining approvals and registrations of the Product(s).

Big Pharma and Small Biotechshall have the continuing obligations to timely advise each other of any governmental regulatory problems, notices, actions or

communications relating to the Product(s).

4.6 Big Pharma will bear overall responsibility for commercialization of

the Product(s) in all counties in which it desires to maintain the marketing

rights to the Product(s) set forth in Paragraph 8. Big Pharma agrees to use

commercially reasonable efforts to obtain and maintain all Product(s) approvals, registrations, and government authorizations necessary for commercial sale of the Product(s) in all such countries (see 4.7), and will, subject to section 12.2A (ii), maintain commercial sales of Product(s) in those countries in which such approvals are obtained. Big Pharma shall notify Small Biotechas provided in Paragraph 4.7 below should it elect not to exercise its rights to pursue commercialization of a Product in a country. Big Pharma shall be in compliance with its responsibilities hereunder so long as it is proceeding with all such activities in a commercially reasonable manner.

4.7 A. When the registration package requesting approval for commercial sale of the Product(s) (including approval for reimbursement by the appropriate health insurance authorities as well as price approvals where required) is first filed in a Major Country, Big Pharma will notify Small Biotechin writing of such filing and will advise Small Biotechin such notice of any countries for which Big Pharma holds the Exclusive Rights, but does not intend to file for registration of the Product(s). Such notice will effectuate Big Pharma's voluntary abandonment of its right hereunder to market Product(s) in such country. With respect to all other countries outside the U.S., Big Pharma shall submit the registration package requesting approval for commercial sale of the Products as soon as reasonably consistent with its normal practice for products within its organization [currently approximately 3 to 9 months in countries where Big Pharma's Basic International Registration Dossier (BIRD) forms the basis of the local submissions]. Thereafter, absent the occurrence of any events beyond its control, including non-performance by Small Biotech, of its obligations under this Agreement, Big Pharma shall have the following maximum periods in which to commence regular commercial sales of the Product(s) following the date of approval for commercial sale (including reimbursement and price approval where required) in each such country.

In the U.S.A. -- 12 months

In each Major County -- under normal circumstances 6 months

(outside the U.S.A.)

In each other country -- 24 months

The abandonment of (a) Product(s) pursuant to this Paragraph 4 shall not be

construed to be a termination of this Agreement.

B. In the U.S., Big Pharma may voluntarily abandon its right hereunder to market a Product(s), upon written notice to Small Biotech, at any time prior to

submission of the NDA for such Product(s) to the FDA. Between the time of

submission and the time of approval of said NDA, Big Pharma may voluntarily

abandon its right hereunder to market a Product(s) in the U.S., upon written

notice to Small Biotech, solely for the reasons set forth in Section 12.2A (ii) as

grounds for a termination.

C. With respect to the Territory outside the U.S.A., Big Pharma shall be obligated to establish, prior to the commercial introduction of the Product(s), a reasonable minimum sales forecast for years 1 to 4 after introduction in the Major Countries (established as 1/3 of the best estimate of expected sales); whereby, if the minimum sales in an average of two consecutive years are not achieved in a Major Country, Small Biotechshall have the right to grant a second license in such Major Country, unless Big Pharma shall pay the minimum royalties so accrued based on the minimum sales forecast for such period or shall be able to show that these sales figures have not been reached due to reasons beyond the control of Big Pharma.

4.8 If Small Biotechat any time should advise Big Pharma of its concern, and the specific reasons for same, that Big Pharma is not pursuing development,

commercialization and sale of the Product(s) outside the U.S.A. in the manner

required under this Agreement, then both parties shall discuss the situation in good faith to reach a satisfactory resolution addressing Small Biotech’s concerns, as appropriate.

5. EXCHANGE OF INFORMATION.

5.1 Subject to the confidentiality of Paragraph 6, Small Biotechand Big Pharma

shall share their Know-How with each other. If necessary, each party also will provide such information to the other, to the extent reasonable, in suitable form for regulatory approval and registration purposes. Know-How that is subject to the confidentiality obligations of Paragraph 6 received by each party from the other shall only be used for the Product(s) in the Field, except with the express written consent of the other party, such consent not to be unreasonably withheld. Prior to any use of such Know-How in products outside the Field, each party agrees that it will discuss in good faith with the other any such intended use and the possibility of compensation for such use as appropriate in view of the source and the scientific inventiveness of such Know-How, the source of funding, and other reasonable factors.

5.2 The Project Steering Committee and Working Groups, as described in

Paragraph 3, shall be responsible for the exchange of Know-How between Small Biotechand Big Pharma. (As appropriate, written reports shall be prepared for the meetings of the Project Steering Committee and Working Groups).

5.3 Small Biotechwill obtain, at its cost, its Patent Right(s) covering the

Product(s) in each country in which Small Biotechbelieves patent protection to be

appropriate. After the Agreement date, Small Biotechwill advise Big Pharma in writing not later than four (4) months before the expiration date of the priority year of the filing of any foreign patent applications, as to those countries where it does not intend to timely file for patent protection and will offer at the same time in writing to file in the remaining countries suggested by Big Pharma corresponding patent applications within such applicable priority year on Big Pharma's behalf and at Big Pharma's cost. Big Pharma shall collaborate and share equally with Small Biotechthe cost of preparing and filing patent applications covering jointly made inventions. Big Pharma will obtain, at its cost, patents based upon its independent research activities for the Product(s) in each country in which Big Pharma believes such patent protection to be beneficial or appropriate.

The parties have communicated to each other, prior to the date of this

Agreement, the text of the priority patent applications, and continuations-in-part, currently filed in the Field as listed in Annex 1. The parties will communicate to each other, not later than ninety (90) days after the filing thereof, the text of any additional priority patent applications which are filed or notice of intention to abandon any such application so as to permit the other party to assume prosecution of same at its own expense.

6. CONFIDENTIALITY AND PUBLICATIONS.

6.1 Unless otherwise provided for in this Agreement, both parties shall

treat the Know-How and any and all other information and data received or

derived under this Agreement as strictly confidential, and shall not disclose

the same to any Third Party during the Agreement Period and for five years

thereafter, except for information which:

(1) is or shall have been known to the receiving party prior to the

disclosure by the other party as evidenced by written record of other

proof;

(2) is or shall have been public knowledge through no fault of the

receiving party;

(3) has been received from a Third Party who did not acquire it

directly or indirectly from the disclosing party;

(4) needs to be disclosed to government officials for purposes of

obtaining registration of the Product(s); or

(5) is compelled to be disclosed in the course of litigation by a

Third Party, provided that the party compelled to make such disclosure

provides the other party to this Agreement with notice of such compulsion sufficiently in advance of disclosure so as to provide such other party a reasonable time period to seek a protective order.

Notwithstanding the above, both parties may disclose such information (i) to their legal representatives and employees, to Affiliates, to legal

representatives and employees of Affiliates, and to consultants to the extent

such disclosure is necessary to achieve the purposes of this Agreement and

provided such legal representatives, employees and consultants are covered by

obligations of confidentiality with respect to such information no less

stringent than those set forth herein; and (ii) as required by law.

6.2 The parties acknowledge the legitimate interest of their respective

employees in publishing findings under this Agreement to the scientific

community. On the other hand, the parties recognize their mutual interest that publications be made and lectures, seminars, or other presentations be given only to the extent that both parties' commercial interests have been reasonably safeguarded through patent protection or otherwise so that Third Parties cannot make commercial and/or industrial use of the information contained in such disclosures. For this purpose, each party shall ensure that the other shall have the opportunity to comment in advance on any publication or oral presentation in public involving disclosure of any information under this Agreement that may constitute confidential information and that no such

publication or presentation relating to such confidential information under this Agreement shall be made without such other party's prior written consent. The party from which such consent is requested shall not unreasonably withhold or delay such consent. A request from the non-disclosing party that any such publication or presentation be delayed until a patent application is filed thereon shall be a reasonable request to delay; provided, that such delay lasts no more than six (6) months from the date of such request.

7. PRODUCT MANUFACTURING.

7.1 In the interest of the competitive position of the Products emerging from the cooperation, an economic, safe and reliable source of manufacture must be identified. After the start of Phase I clinical trials, the PDP Group will initiate the cooperative identification and development of suitable manufacturing technology to provide the best reasonable conditions for manufacturing the Product(s). Regulatory provisions which apply to biological may have an impact on the final manufacturing arrangements. For example, it may be required that Big Pharma obtain and maintain the ELA for the Product(s) in the U.S.A. to assume and maintain its governmental marketing approval for the U.S.A. in accordance with this Agreement. If so, Big Pharma may be required to satisfy FDA requirements for ownership and/or control over the means of manufacture in order to obtain and maintain such ELA. In that event, Big Pharma shall hold ownership and/or control over such means of manufacture. The parties shall negotiate in good faith to reach mutually agreeable terms to permit Big Pharma to comply with its regulatory responsibilities.

7.2 In accordance with Amex 4 (Process Development and Production), Small Biotechwill produce Product(s) required for pre-clinical and Phase I and Phase II clinical development, subject to reimbursement of Small Biotech’s manufacturing costs (as defined in the third and fourth sentence of Paragraph 7.4) by Big Pharma. Production of Product(s) for Phase III clinical trials and subsequent commercial production will be subject to the respective manufacturing rights of the parties agreed under this Paragraph 7.

7.3 Should neither Big Pharma nor Small Biotech-- working in cooperation to

identify the best reasonable conditions for manufacturing the Product(s) – be

capable of providing such manufacturing conditions and reasonably determine that an alternative Third Party source of manufacturing is necessary, then Small Biotechand Big Pharma will negotiate in good faith on a reasonable compensation to Small Biotechfor relinquishing its manufacturing rights. Such compensation to Small Biotechshall be established as an appropriate percentage of the estimated manufacturing profits to Small Biotech, as mutually agreed.

7.4 Subject to Paragraph 7.3 above, Small Biotechwill retain manufacturing rights for \*. Big Pharma shall determine, in good faith, considering Small Biotech’s input and the objectives of this Agreement, which of Big Pharma's Affiliates' requirements \* shall be supplied by Small Biotech. For all Product(s) manufactured by Small Biotechfor sale to Big Pharma pursuant hereto, Big Pharma will purchase such Product(s) from Small Biotechat a price \*

In any event, all Product(s) supplied by Small Biotechshall satisfy the standards

set forth in Annex 3 and 4 and the specifications for the Product(s) to be

agreed upon between the parties. Payment for such Product(s) shall not be due

until after quality control evaluation by Big Pharma determines that said

Product(s) satisfy said standards and specifications.

7.5 In addition to quantities and pricing of the Product(s) agreed in

Paragraph 7.3 above, additional details concerning the commercial manufacturing arrangements will be negotiated in good faith between the parties. These discussions may cover Big Pharma's financial support of Small Biotech’s contribution to acquisition and/or development of the Know-How for the commercial manufacture of the Product(s). \*

7.6 If the parties reasonably determine that manufacture of the Product(s) from one facility provides the best reasonable manufacturing conditions, then, as an alternative, Small Biotechand Big Pharma may agree to establish manufacturing capability for the Product(s) in the form of a joint venture.

7.7 In the event that (i) Small Biotechcould not supply Big Pharma's

requirements, in whole or in part, for the Product(s) or that (ii) Small Biotechshould not be able to supply, in whole or in part, the Product(s) in the quality as agreed upon between the parties in writing at least twelve (12) months prior to the delivery date established for the first commercial supplies by Small Biotechto Big Pharma, or that (iii) Big Pharma or its Affiliates or sublicensees should be compelled to manufacture the Product(s) locally in any country of the Territory due to the laws or regulations by the government authorities in such country or due to other compelling commercial reasons beyond the control of the parties, Small Biotechor Big Pharma, as the case may be, shall notify the other party immediately to this effect and both parties hereto shall, as promptly as possible, but not later than thirty (30) days after the receipt by Small Biotechor Big Pharma, as the case may be, shall notify the other party immediately to this effect and both parties hereto shall as promptly as possible, but not later than thirty (30) days after the receipt by Small Biotechor Big Pharma, as the case may be, of said notification by Small Biotechor Big Pharma , start good faith negotiations with the aim to find a quick solution to overcome the difficulties arisen. If the parties hereto do not come to an agreement in this respect within ninety (90)days after the date of notification, then Big Pharma shall have the right to manufacture itself such portion of its requirements of the Product(s) as may be necessary without any compensation to Small Biotech.

If Big Pharma is manufacturing such Product(s) due to the occurrence of

event (iii) above, then Big Pharma will agree to adjust purchases of its

requirements for other countries in a manner that will permit Small Biotechto continue to supply \* Regarding the occurrence of events (i) or (ii) above, Big Pharma and Small Biotechwill negotiate in good faith in concluding the details of the manufacturing and supply arrangements to establish the return of such

manufacturing responsibility to Small Biotechas soon as reasonable or to terminate its manufacturing responsibility, in whole or in part, as appropriate under the circumstances.

7.8 Big Pharma shall have the right to have, at its own expense, an

independent certified public accountant, to which Small Biotechhas no reasonable

objection, inspect Small Biotech’s books and records of account to determine and

communicate to Big Pharma only whether Small Biotechhas properly charged Big Pharma

pursuant to Article 7 for supplies of Product(s) and for reimbursement of other Small Biotechcosts pursuant to this Agreement and the amount of any discrepancy. Small Biotechagrees that such records are maintained or will be maintained in sufficient detail to permit such determination for a period of at least three (3) years from the date of their origin. If any review by the independent accountant of Big Pharma of such books and records should indicate that the amount(s) paid by Big Pharma has not been correct, the parties shall seek to mutually agree to settle any discrepancies raised by Big Pharma's accountants and, if the parties mutually agree that the discrepancy is greater than one percent (1%) in Small Biotech’s favor, then Small Biotechshall agree to reimburse Big Pharma for the expense of such inspection.

8. MARKETING

8.1 Subject to the terms and conditions of this Agreement, Big Pharma will have Exclusive Rights in the Exclusive Territories during the Agreement Period.

8.2 Subject to the terms and provisions of this Agreement, both Small Biotechand Big Pharma will have Semi-Exclusive, Co-Marketing Rights in the Semi-exclusive Territories during the Agreement Period.

8.3 Notwithstanding anything above to the contrary, in the U.S.A.,

Big Pharma and Small Biotechwill have Semi-Exclusive, Co-Promotion Rights to the

Product(s), subject, as applicable, to the following:

A. Small Biotechand Big Pharma agree to negotiate in good faith the details of

their Co-Promotion agreement at a mutually agreeable time and in accordance with the terms and conditions described in this Paragraph 8.3 and elsewhere in this Agreement as applicable. Such negotiation, however, shall commence no later than the date of filing of the NDA in the U.S. or at such other earlier time as Small Biotechand Big Pharma determine is commercially reasonable.

B. Small Biotech’s and Big Pharma's compensation shall be fairly determined based on the profits from such Co-Promotion computed in a mutually agreeable manner based on Big Pharma's standard accounting procedures ("Big Pharma Profits"), which Big Pharma Profits are defined as the difference between Net Sales of the Product(s) in the U.S.A. and Big Pharma's "Total Marketing Expense" in the U.S.A. Big Pharma's "Total Marketing Expense" shall include but not necessarily be limited to the following costs incurred by Big Pharma and by Small Biotech, if any, as may be reasonable:

(i) Cost of goods to Small Biotechand Big Pharma, as appropriately

determined in accordance with Big Pharma's standard accounting procedures:

(ii) Royalty payments from Big Pharma to Small Biotechon that proportion of Net Sales attributable to Big Pharma;

(iii) Product specific marketing expenses (PSME) which include but

are not limited to costs for direct advertising, films, samples, exhibits, clinical conference aids, peer promotion activities, marketing research and such other costs as are normally included in PSME according to Big Pharma's standard accounting procedures;

(iv) Field force costs (FF) which are the direct and indirect costs of the combined Small Biotechand Big Pharma field forces, such costs to be borne by Small Biotechand Big Pharma respectively, properly allocated to the sale of the Product(s) and in accordance with Big Pharma's (and Small Biotech’s) standard

accounting procedures; provided, that the FF costs may be included or

excluded from Big Pharma's Total Marketing Expenses as the parties may

mutually agree;

(v) Other marketing expenses according to Big Pharma's standard

accounting procedures; and

(vi) Overhead costs and cost of services as determined in accordance with Big Pharma's standard accounting procedures.

C. Small Biotech’s compensation (TC) shall be a proportion of Big Pharma Profits, \*\* of Big Pharma Profits. Such proportion shall be determined by Big Pharma Profits, and the two factors described below:

(i) Relative field force time (RFFT) is that amount of Small Biotech’s field

force time spent in direct promotion of the Product(s) to the Product(s)

target audience, divided by that time spent by the combined Big Pharma and Small Biotechfield forces.

(ii) Relative field force productivity (RFFP) is that amount of the Small Biotechfield force experience, in terms of years, in promoting Product(s) in the indication(s) for which the Product(s) are approved, divided by that

quantity for the Big Pharma field force. RFFP shall at no time be less than 0.75 or greater than 1.0.

D. Small Biotechacknowledges that it shall permit Big Pharma to design and

implement the overall marketing and sales program as Big Pharma determines is

commercially reasonable for the Product(s), with consideration of such input as Small Biotechrepresentatives may from time to time provide, for a reasonable time

following the launch of the Product(s).

Big Pharma acknowledges that after said reasonable time which shall be no less than three (3) years following the launch of the Product(s), if Small Biotechgives notice to Big Pharma that it is not satisfied with the sales performance of the Product(s), then in such case Big Pharma, in its discretion, reasonably exercised, may grant Small Biotechthe right to imitate certain activities on its own in order to increase the sales performance of the Product(s) and its relative benefits therefrom.

E. Big Pharma acknowledges that, in accordance with its sole right to

determine the overall marketing and sales strategy for the Product(s), and in

consideration of the input to same which, from time to time may be provided by Small Biotech, it shall provide Small Biotechwith a commercially reasonable opportunity to achieve its \* compensation of Big Pharma Profits as defined above.

8.4 If Big Pharma abandons its right to market a Product in a country in accordance with Paragraph 4.7 (without electing to sublicense), then such rights shall be owned in full by Small Biotechand Small Biotechshall thereafter retain the Exclusive Rights to market the Product in such country. If Big Pharma has abandoned and relinquished (either worldwide or in particular countries) its marketing rights hereunder with respect to the Product(s) (one or more than one, as applicable), without electing to sublicense, Small Biotechor a Third Party licensee or sublicensee of Small Biotechmay freely carry on future development and commercialization of the Abandonment Product. If Small Biotechacquires any rights to an Abandoned Product, Small Biotechmay use any studies conducted by Big Pharma and its Affiliate(s), and shall have access and rights thereto, to the extent that such rights and access have not already been provided under this Agreement.

9. Financial Commitments of Big Pharma.

9.1 Subject to the continuing interest of Big Pharma in this project,

Big Pharma shall pay the following amounts to Small Biotechupon the happening of the

events specified hereinafter.

PAYMENT

EVENT (in millions)

1. On signing of the Agreement by both \*

parties

2. Within 30 working days after receipt \*

by Big Pharma of a two (2) mg sample

of a chimeric mAb developed by Small Biotech

at a quality to be agreed upon in

advance in writing between the

parties

3. Within 30 working days after receipt \*

by Big Pharma of batch 0 of the

Product at quantity / quality /

specifications to be agreed upon in

advance in writing between the

parties

4. Start by Big Pharma of phase I \*

clinical trials

5. Start by Big Pharma of phase II \*

clinical trials

6. Start by Big Pharma of phase III \*

clinical trials

7. Upon submission of NDA/PLA/ELA in \*

first Major Country (other than

Japan) (50% creditable against

royalties)

8. Upon submission of NDA/PLA in Japan \*

(50% creditable against royalties)

9. Upon approval of NDA/PLA/ELA in first \*

Major Country (other than Japan) (50%

creditable against royalties)

10. Upon approval of NDA/PLA in Japan \*

(50% creditable against royalties)

The above payments under event numbers 1 and 4 to 10 shall be due within

thirty (30) days after occurrence of the event specified.

The above payments (except for the signing payment) shall be made for the initial Product and for each different Product which the parties agree to pursue which is not a follow-up or second generation product initiated solely by Big Pharma's R&D activities; however, if the parties agree to replace a Product being developed with another Product of the same type and function which shows greater promise, then such payments will continue with the payment next due at the time such initial product was replaced.

9.2 A. In consideration of the rights herewith granted, Big Pharma shall pay royalties to Small Biotechon Net Sales of the Product(s) based on the following:

(i) on all Net Sales within a calendar year in Exclusive

Territories, in the aggregate, where Small Biotech’s Patent Right(s)

exist in the form of issued, valid, and unexpired patents:

-- up to and including \*: \*

-- between \* and up to

and including \*: \*

-- over \*: \*

(ii) on Net Sales in Semi-exclusive Territories where Small Biotech’s

Patent Rights exist in the form of issued, valid, and

unexpired patents: \*

(iii) on Net Sales in countries outside of the U.S.A. in which

there are no Small BiotechPatent Rights in the form of issued,

valid, and unexpired patents: \*

(iv) on Net Sales in the U.S.A. if there are no Small BiotechPatent

Rights in the form of issued, valid, and unexpired patents: \*

Small Biotech, at its option on written notice to Big Pharma, may permanently waive

prior to a commercial introduction of the Product(s) its Semi-Exclusive Rights in one or more countries, from time to time, and such countries shall thereafter be considered for purposes hereof as countries with Exclusive Rights held by Big Pharma.

B. If the Product(s) contain one or more therapeutically active substances and such substances are of comparable significance, or the added one(s) are of greater significance than the original Product(s), then the parties shall in good faith renegotiate a reduction to the above royalty rates applicable to such Product(s).

C. Where royalty payments to Small Biotechbecome due, Big Pharma shall have the right to receive a credit for \* of the total amount of each such royalty

payment until such time as the cumulative credits received under this provision shall equal \* of the amounts paid under Paragraph 9.1, event numbers 7, 8, 9 and 10), plus amounts as may be permitted to be credited against royalty payments under Annex 3, paragraph number 4.

D. If in any country any Product is covered by more than one of Small Biotech’s Patent Rights which entitles Small Biotechto royalty payments hereunder, the highest royalty rate shall be applicable, but no cumulation of royalties shall be made.

E. The royalties shall be payable in each country as follows: (i) until the

last to expire in each of the respective countries of the patents actually used and covering the manufacture, use, or sale of Product(s) issuing from the patent applications of Small Biotechlisted in Annex 1 as of the date of the signature of this Agreement or claiming its priorities thereof (such expiration to occur only after expiration of extensions of any nature to such patents which may be obtained under applicable statues or regulations in the respective countries of Territory, such as the Drug Price Competition and Patent Term Restoration Act of 1984 in the U.S.A. and similar patent extension laws in other countries), or (ii) for a duration of nine (9) years from the day of the first commercial sale of the respective Product(s) in each of the respective sales countries if there is no patent protection in such country at the expiration of such nine (9) year period, whichever is longer. If a patent expires in a country prior to such nine (9) year period, then the royalty rate shall drop to the rate applicable in countries without patent protection.

F. All royalty payments shall be made in U.S. Dollars for each calendar half

year (ending on June 30 and December 31, respectively) within ninety (90) days after the end of such calendar half year. Such royalty payments shall be

accompanied by a written statement indicating Net Sales of the Product(s), as

applicable, by country.

If Big Pharma is required to pay or withhold any income tax or other tax with

respect to royalty payments, Big Pharma shall first (i) furnish Small Biotech, in

writing, with satisfactory evidence that such payment or withholding is

required, (ii) give Small Biotechits reasonable assistance to enable or assist Small Biotechto claim exemption from any such deduction and (iii) shall provide satisfactory documentation to confirm the payment of the tax.

To the extent and as long as the laws and/or regulations in force in any country prohibit the payment, conversion or remittance of the royalties as hereby contemplated, Big Pharma's obligations under this Paragraph 9.2.F. shall be discharged by the deposit thereof to the account of Small Biotech, or its designee, in any commercial bank or trust company selected by Small Biotechlocated in such country; provided, that no infraction of law or regulation occurs in making such deposit.

Small Biotechshall have the right to have, at its own expense, an independent certified accountant, to which Big Pharma has no reasonable objection, inspect Big Pharma's books and records of account to determine and communicate to Small Biotechonly whether appropriate payments have been made to Small Biotechand the amount of any discrepancy. Big Pharma agrees that such records are maintained or will be maintained in sufficient detail to permit such determination for a period of at least three (3) years from the date of their origin. If any review by the independent accountant of Small Biotechof such books and records should indicate that the amount(s) paid by Big Pharma have not been correct, the parties shall seek to mutually agree to settle any discrepancies raised by Small Biotech’s accountants and, if the parties mutually agree that the discrepancy is greater than 1% in Big Pharma's favor, then Big Pharma shall agree to reimburse Small Biotechfor the expense of such inspection.

9.3 Notwithstanding any set-offs or other reductions to royalties which

may be provided under this Agreement, the parties agree that the total annual

aggregate royalties payable to Small Biotechunder this Agreement shall in no event be reduced by greater than \* of the total annual aggregate amount which would be payable absent any such set-offs or reductions.

10. INDEMNIFICATION; LIABILITY; INFRINGEMENT.

10.1 Big Pharma shall indemnify and hold Small Biotechharmless from and against any and all damages, costs, expenses, and other liabilities, including, without limitation, all liability claims and damages with respect to the Product(s) sold by Big Pharma (including sales under Co-Promotion Rights) provided that a) no later than ten days after receipt of notice by Small Biotechof such claim, Small Biotechshall notify Big Pharma thereof; b) said damages, costs, expenses and other liabilities do not arise out of the negligence or violation by Small Biotechof applicable laws or of its obligations under this Agreement; c) Small Biotechfully cooperates with Big Pharma in the defense of such claims without out-of-pocket cost to Small Biotech; and d) Big Pharma shall control the defense and or settlement thereof. Big Pharma also agrees to add Small Biotechas an additional named insured on any product liability insurance policy that Big Pharma may have outside the U.S.A. which covers such Product(s) and furnish satisfactory evidence of same upon request from time to time.

Small Biotechshall indemnify and hold Big Pharma harmless from and against any and all damages, costs, expenses, and other liabilities, including, without

limitation, all liability claims and damages with respect to the Product(s) sold by Small Biotechunder its Co-Marketing Rights (or any subsequent Exclusive Rights it may obtain); provided that a) no later than ten days after receipt of notice by Big Pharma of such claim, Big Pharma shall notify Small Biotechthereof; b) said damages, costs, expenses and other liabilities do not arise out of the negligence or violation by Big Pharma of applicable laws or of its obligations under this Agreement; c) Big Pharma fully cooperates with Small Biotechin the defense of such claims without out-of-pocket cost to Big Pharma; and d) Small Biotechshall control the defense and or settlement thereof. Small Biotechalso agrees to add Big Pharma as an additional named insured on any product liability insurance policy that Small Biotechmay have outside the U.S.A. which covers such Product(s) and furnish satisfactory evidence of same upon request from time to time.

It is understood, however, that neither party nor their officers, directors and employees shall be liable for any loss or damage caused by the negligence of the other party while the latter party is performing its work under this Agreement.

10.2 Small Biotechshall indemnify and hold harmless Big Pharma, its Affiliates

and sublicensees from and against any and all damages, costs, expenses, and

other liabilities incurred by them as the result of any infringement of patent rights of any Third Party arising from the manufacture, use or sale of the Product(s); provided that no later than ten days after receipt of notice by Big Pharma of any such claim, Big Pharma shall notify Small Biotechthereof and give Small Biotechthe opportunity to undertake and direct the defense and/or settlement thereof. Any amount due to Big Pharma , its Affiliates or sublicensees pursuant to this indemnification shall be paid solely out of royalties thereafter due by Big Pharma to Small Biotech hereunder.

In the event of any such infringement, Small Biotechmay obtain, or Big Pharma may require Small Biotechto use its best efforts to obtain, for Big Pharma a license

applicable to such country of such Third Party's patent rights. If royalties

shall become payable to third parties under such a license obtained by Small Biotechor under a license which Big Pharma is compelled to execute with a Third Party to market Product(s) without infringing the patent rights of that Third Party, such royalties shall be deductible of the royalties due Small Biotech, but the royalties due Small Biotechshall in any event at least be equal to those in countries of the Territory without Small Biotech’s Patent Rights.

10.3 If Small Biotech, Big Pharma , or its respective Affilite(s) or sublicensees becomes aware of any actual or threatened infringement of any Patent Rights, such party shall promptly notify the other party in writing. Big Pharma and its Affiliate(s) or sublicensees, shall have the first right to bring, at Big Pharma’sown expense, an infringement action against any third party in its own name, or if necessary in the name of Small Biotech. If Big Pharma , or its Affiliate(s) or sublicensees, do not bring a particular patent infringement action within six (6) months from the date of notification, or within two months prior to expiration of any applicable statute of limitations on such action, Small Biotech, after notifying Big Pharma in writing, shall be entitled to bring such infringement action at Small Biotech’s own expense. The party not conducting such suit shall assist the other party and cooperate in any such litigation at the other's reasonable request without out-of-pocket expense to the party providing such assistance. The award or settlement in such litigation shall first be used to pay the legal costs and expenses of such suit and any remaining amount shall be divided between the parties in proportion to each party's respective injury caused by the infringer.

11. RIGHT OF FIRST REFUSAL. Big Pharma will have the right of first

refusal to market any Product(s) with the Field that are independently developed by Small Biotechas permitted under Annex 3, paragraph number 5. At such time as Small Biotechdesires to license out all or part of the rights to any such Product(s), Small Biotechshall notify Big Pharma in writing, specifying in such notice the terms and conditions upon which such license will be offered. Big Pharma will have sixty (60) days after the date of receipt of all relevant information to review such information regarding the Product(s) as Small Biotechhas made or will make available to interested Third Parties. If Big Pharma desires to exercise its right of first refusal hereunder, it will notify Small Biotechof same and negotiate any details necessary to consummate such license transaction within one hundred and twenty (120) days from the date of its decision to exercise such right of first refusal. At the conclusion of such one hundred and twenty (120) days period, unless Big Pharma and Small Biotechhave reached written agreement with respect to the exercise of its rights (with closing to occur within thirty (30) days thereafter), Small Biotechshall be free to conclude such license transaction with a Third Party in accordance with its notice to Big Pharma, provided, that if Small Biotechshould determine that it will conclude any such license transaction on terms and conditions

materially more favorable than those stated in its notice to Big Pharma, then

Small Biotechwill permit Big Pharma to have another right of refusal with respect to

such other terms and conditions.

12. TERM; TERMINATION

12.1 A. The term of this Agreement shall begin as of the date hereof and, on a country by country basis, unless earlier terminated as permitted hereunder, shall remain in effect for the Agreement Period.

B. Upon such expiration of the Agreement Period, each party shall continue to have the right and license to sell Product(s) under any name, trademark, and product label applicable to the Product(s) sold by such party during the term of this Agreement so long as such party takes all actions reasonably necessary to protect and maintain the goodwill associated with such names or marks; except that in the U.S.A. only Big Pharma shall have the right to continue to use the previously used trademark. Actions to protect and maintain such goodwill shall include, without limitation, (i) using and displaying such marks in the manner required by law and consistent with the manner in which such name(s) or marks were used or displayed during the term of this Agreement and (ii) using such names or marks only in connection with Product(s) which meet standards, specifications, and quality assurance requirements that are the same, in all material respects, as were applicable to such Product(s) during the term of this Agreement.

12.2 A.(i) Prior to submission of a registration package requesting

approval for commercial sale of the Product(s) in the first Major Country, this Agreement and the licenses granted hereunder may be terminated by Big Pharma, with or without cause, at any time upon \* days prior written notice thereof to Small Biotech. During such period, pending the effectiveness of such termination notice, Big Pharma agrees to withhold public disclosure of

such termination until it has provided the reasons for such termination to

Small Biotech. Any payments according to Paragraph 9.1 of this Agreement shall, however, not become payable by Big Pharma to Small Biotechduring such \* days' notice period.

(ii) Subsequent to submission of a registration package requesting

approval for commercial sales of the Product(s) in the first Major Country, if Big Pharma reasonably determines, in good faith, that there are unanticipated limitations on the market opportunity represented by the Product(s) because of restrictive labeling requirements, side effects, absence of medical needs, conditions which in Big Pharma's reasonable judgement make it commercially unreasonable to launch the Product(s), or similar problems, then this Agreement and the licenses granted hereunder, may be terminated by Big Pharma upon one hundred and twenty (120) days' prior written notice thereof to Small Biotech. During such period, pending the effectiveness of such termination notice, Big Pharma agrees to withhold public disclosure of such termination until it has provided

the reasons for such termination to Small Biotech. Any payments according to paragraph 9.1 of this Agreement, shall, however, not become payable by Big Pharma to Small Biotechduring such \* days' notice period.

B. Either party may terminate this Agreement in the event of a material

breach by the other, provided, that the breaching party is given written notice of such claimed breach and a reasonable time, not to exceed sixty (60) days, in which to cure such breach or submit same to arbitration hereunder. Such period to cure may be extended for up to one hundred twenty (120) days, upon written request, if such additional time is reasonably necessary to effect such cure; provided, that such breaching party is using its reasonable efforts to diligently pursue such cure. If Small Biotechis the breaching party and fails to cure its breach within such period allowed for cure, then Big Pharma, at its election in lieu of termination of this Agreement under Paragraph 12.2.A. above, shall be entitled to setoff against the royalty payments due Small Biotech, without effect of the limitation on aggregate reduction under Paragraph 9.3, the amount of damages agreed or determined by arbitration to have resulted from such breach.

12.3 A. If this Agreement is terminated by Small Biotechpursuant to Paragraph

12.2.B. or by Big Pharma pursuant to Paragraph 12.2.A., then Big Pharma and its Affiliate(s) and sublicensees, as applicable, shall return to Small Biotechall

documented or written Know-How provided by Small Biotechunder this Agreement and Big Pharma, and its Affiliate(s) and sublicensees, shall have no further right or license to Small Biotech’s Know-How and Patent Rights. Upon such termination (other than a termination by Big Pharma pursuant to 12.2.B), Small Biotechshall retain and be granted a non-exclusive, world-wide license to Big Pharma's Patent Rights and Know-How for the manufacture, use, and sale of the Product(s), with the right to sublicense. If Big Pharma terminates this Agreement in good faith under Paragraph 12.2.A.(i) because adverse results obtained in the development activities for the Product(s) make such termination reasonable under the circumstances and, if Small Biotechor any of its licensees intends to use Big Pharma's Patent Rights or Know-How for the manufacture, use and/or sale of the Product(s), the studies conducted by Big Pharma and its Affiliates and sublicensees relating to Product(s) may only be used if Small Biotechshall agree to compensate Big Pharma for such use in an aggregate amount equal to Big Pharma's payments to Small Biotechunder Article 9.1, events 1-10 of this Agreement. If Big Pharma terminates this Agreement under Paragraph 12.2.A(i) for any other reason and the foregoing use by Small Biotechor its licensees occurs, then Small Biotechshall compensate Big Pharma for such use in an aggregate amount equal to Big Pharma's payments to Small Biotechunder 9.1, events 3-10, of this Agreement. Such compensation shall be paid from Small Biotech’s own Product(s) sales and/or from other payments made by Third Parties for the rights under this Agreement and shall be paid in installments equal to 3.3% of Small Biotech’s Product(s) sales and/or one-third of such other payments until Big Pharma has obtained full recovery of the amounts agreed above.

If Big Pharma terminates this Agreement under Paragraph 12.2.A.(ii), then:

(i) Big Pharma and its Affiliate(s) and sublicensees, as applicable, shall

return to Small Biotechall documented or written Know-How provided by Small Biotechunder this Agreement and Big Pharma, and its Affiliate(s) and sublicensees, shall have no further right or license to Small Biotech’s Know-How and Patent Rights; (ii) Small Biotechshall retain and be granted a non-exclusive, worldwide license to Big Pharma's Patent Rights and Know-How for the manufacture, use and sale of the Product(s), with the right to sublicense; and (iii) Small Biotechmay use the studies conducted by Big Pharma and its Affiliates and sublicensees relating to Product(s) without paying additional compensation to Big Pharma. In addition, Big Pharma will provide Small Biotechwith such additional reasonable assistance in

connection with transfer of development activities, product registrations and

applications, regulatory approvals, and other matters necessary to Small Biotech’s

assumption of Big Pharma's responsibilities under this Agreement as the parties may mutually agree is appropriate.

B. Termination of this Agreement for any reason shall be without prejudice to Small Biotech’s right to receive all royalties accrued and unpaid on the effective date of termination and shall not relieve either party of any liability from any obligations which have accrued hereunder prior to such termination.

C. The confidentially obligations set forth in Paragraph 6 shall survive the termination or expiration of this Agreement for the maximum period permitted under Paragraph 6.

13. FORCE MAJEURE. Neither party shall be liable to the other for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by riots, civil commotions, wars, hostilities between nations, embargoes, acts of God, storms, fires, accidents, labor disputes or strikes, sabotage, explosions or other similar or different contingencies, in each case, beyond the reasonable control of the respective parties. If the performance of any obligation under this Agreement is delayed owing to a force majeure for any continuous period of more than six (6) months, the parties hereto shall consult with respect to an equitable solution, including the possible termination of this Agreement.

14. NON-DISCLOSURE. The existence and the terms of this Agreement shall not be disclosed by Small Biotechor Big Pharma to any Third Party or be published unless both parties expressly agree otherwise in writing. However, this

restriction shall not apply to disclosure of information set forth in the form of an agreed press release, which will be prepared in mutually agreeable format and substance following the closing of this Agreement, and to announcements required by law or regulation except that in such event the parties shall coordinate to the extent possible with respect to the wording of any such announcement. Also, this restriction shall not apply to disclosure of this Agreement to certain private Third Parties such as the shareholders of Small Biotech, investment bankers and other financial consultants, and prospective investors in Small Biotechor its technology under development, if such disclosure is made under confidentiality obligations extending for at least three (3) years and otherwise similar in substance to the provisions of Paragraph 6. Except for disclosure pursuant to the press release to be mutually agreed following closing, Small Biotechexpressly agrees that subsequent press releases or other disclosure for press publication will be subject to the obligations of non-disclosure under this paragraph, unless such disclosure includes, in substance, only the information set forth in such agreed press release.

15. NOTICES. All notices or communications sent or delivered hereunder by one party to the other party shall be in writing and shall be deemed duly given when delivered to the other party at the address set forth below or when sent by electronic facsimile transmission (Fax), with receipt evidenced by Fax transmission acknowledgement, to the Fax number set forth below. A party's address or Fax number may be changed

upon notice of such change given to the other party as provided herein. Notice

to the parties shall be delivered to their respective addresses or Fax numbers,

as follows:

16. ARBITRATION AND JURISDICTION. The parties agree to attempt to settle any dispute, controversy or difference arising out of or relating to this Agreement, or breach thereof, by friendly discussions, including concluding any subsequent agreements required or contemplated by this Agreement. If and when any such dispute, controversy, or difference is not settled by such means, then any such dispute, controversy, or difference shall be subject to arbitration, with three (3) arbitrators (one each selected by the parties and a neutral arbitrator appointed by \*) in accordance with the rules of the \*. The parties acknowledge that the arbitrators, if required to resolve any difference or dispute of the parties with respect to the terms of any such subsequent agreements should be guided by the purpose and intent of the parties reflected in this Agreement and by general industry practices among companies of equal bargaining power. The parties agree to be bound by the award and/or decision of such arbitration and such award and/or decision may be enforced by any court of competent jurisdiction. The place of arbitration shall be a mutually agreeable

site. This Agreement shall be construed in all respects and governed by

applicable laws \*.

17. RELATIONSHIP OF PARTIES. Both parties are independent contractors

under this Agreement. Nothing contained in this Agreement is intended nor is to be construed so as to constitute Small Biotechor Big Pharma as partners or joint

venturers with respect to this Agreement. Neither party shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other party or to bind the other party to any other

contract, agreement, or undertaking with any Third Party.

18. ASSIGNMENT. The rights and obligations of the parties hereunder may be assigned to Affiliates, but shall otherwise not be transferred or assigned by either party, except as otherwise permitted in compliance with the requirements of this Agreement, without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of any such permitted assigns or successors.

19. SEVERABILITY. If any part of this Agreement shall be held

unenforceable, the remainder of the Agreement shall nevertheless remain in full force and effect.

20. ENTIRE AGREEMENT AND AMENDMENT. As of the date hereof, this Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes any previous understandings or agreement

between the parties. No modification or amendment of this Agreement shall be

valid or binding upon the parties unless made in writing and duly executed on

behalf of both of the parties. The parties also acknowledge execution of that

certain Stock Purchase Agreement of even date herewith and those additional

agreements to be entered into hereafter which are referenced herein.

21. WAIVER. No failure or delay by any party to insist upon the

performance of any term or condition of this Agreement, or to exercise any

right, power, or remedy hereunder consequent upon a breach hereof, shall

constitute a waiver of any such term, condition, right, power, or remedy, or of any such breach, or preclude such party from exercising any such right, power, or remedy at any later time or times.

22. AGREEMENT TO PERFORM NECESSARY ACTS. Each party agrees to perform any further acts and execute and deliver any and all further documents, agreements, and/or instruments which may be reasonably necessary or desirable to carry out or effect the provisions of this Agreement.

23. APPLICABLE LAWS. The parties hereby agree to comply with all laws,

rules, regulations, ordinances, and other governmental requirements in

connection with the performance of their respective rights, responsibilities,

and obligations hereunder, including, without limitation, laws governing export, import, or other shipment of the Product(s), regulating approvals and

registrations of the Product(s), and requiring identification of Patent Rights on labels and containers for the Product(s).

IN WITNESS WHEREOF, this Agreement has been executed on the day and year

first above written.