UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2007

OR

o 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 0-17999

ImmunoGen, Inc.

Massachusetts	**04-2726691**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

128 Sidney Street, Cambridge, MA 02139
(Address of principal executive offices, including zip code)

(617) 995-2500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **x** Yes **o** No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer **o** Accelerated filer **x** Non-accelerated filer **o**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes **x** No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Shares of common stock, par value $.01 per share: 42,271,607 shares outstanding as of May 7, 2007.

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IMMUNOGEN, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
In thousands, except per share amounts

	March 31, 2007	June 30, 2006
ASSETS		
Cash and cash equivalents	$ 7,328	$ 4,813
Marketable securities	56,695	70,210
Accounts receivable	1,981	1,569
Unbilled revenue	6,150	5,419
Inventory	2,281	1,235
Prepaid and other current assets	1,611	1,298
Total current assets	76,046	84,544
Property and equipment, net of accumulated depreciation	8,624	9,319
Other assets	218	265
Total assets	$ 84,888	$ 94,128
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 2,202	$ 1,346
Accrued compensation	2,770	925
Other accrued liabilities	4,259	3,129
Current portion of deferred revenue	5,121	5,323
Total current liabilities	14,352	10,723
Long-term portion deferred revenue	8,438	10,705
Other long-term liabilities	297	350
Total liabilities	23,087	21,778
Commitments and contingencies (Note D)		
Stockholders' equity:		
Common stock, $.01 par value; authorized 75,000 shares; issued and outstanding 42,223 shares and 41,474 shares as of March 31, 2007 and June 30, 2006, respectively	422	415
Additional paid-in capital	314,452	310,850
Accumulated deficit	(253,019)	(238,561)
Accumulated other comprehensive loss	(54)	(354)
Total stockholders' equity	61,801	72,350
Total liabilities and stockholders' equity	$ 84,888	$ 94,128

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

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
In thousands, except per share amounts

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2007	2006	2007	2006
Revenues:				
Research and development support	$ 6,583	$ 5,258	$ 18,683	$ 16,175
License and milestone fees	1,497	3,275	6,331	5,811
Clinical materials reimbursement	1,756	822	4,664	1,734
Total revenues	9,836	9,355	29,678	23,720
Expenses:				
Cost of clinical materials reimbursed	997	779	3,232	1,778
Research and development	3,991	3,373	11,510	10,362
Preclinical and clinical	2,079	1,942	6,224	5,534
Process and product development	1,391	1,657	4,069	4,249
Manufacturing	4,504	3,244	13,346	8,322
General and administrative	2,848	2,193	8,211	7,319
Total expenses	15,810	13,188	46,592	37,564
Loss from operations	(5,974)	(3,833)	(16,914)	(13,844)
Interest income, net	757	875	2,497	2,351
Net realized losses on investments	(5)	(7)	—	(33)
Gain on sale of assets	1	—	1	3
Other income (expense)	69	(15)	(14)	351
Loss before income tax expense	(5,152)	(2,980)	(14,430)	(11,172)
Income tax expense	9	1	28	17
Net loss	$ (5,161)	$ (2,981)	$ (14,458)	$ (11,189)
Basic and diluted net loss per common share	$ (0.12)	$ (0.07)	$ (0.35)	$ (0.27)
Basic and diluted weighted average common shares outstanding	41,705	41,188	41,585	41,109

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

IMMUNOGEN, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
In thousands, except per share amounts

	Nine months ended March 31,	
	2007	2006
Cash flows from operating activities:		
Net loss	$ (14,458)	$ (11,189)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,124	2,021
Gain on sale of marketable securities	—	33
Gain on forward contracts	(64)	—
Stock-based compensation	1,872	1,839
Deferred rent	47	30
Changes in operating assets and liabilities:		
Accounts receivable	(412)	(81)
Unbilled revenue	(731)	(394)
Inventory	(1,046)	(293)
Prepaid and other current assets	(256)	(70)
Other assets	47	48
Accounts payable	856	(622)
Accrued compensation	1,845	1,218
Other accrued liabilities	1,130	1,167
Deferred revenue	(2,469)	(781)
Net cash used in operating activities	(11,515)	(7,074)
Cash flows from investing activities:		

Proceeds from maturities or sales of marketable securities	213,887	459,593
Purchases of marketable securities	(200,072)	(451,335)
Capital expenditures	(1,429)	(1,641)
Proceeds from settlement of forward contracts	7	—
Net cash provided by investing activities	12,393	6,617
Cash flows from financing activities:		
Proceeds from stock options exercised	1,637	1,084
Net cash provided by financing activities	1,637	1,084
Net change in cash and cash equivalents	2,515	627
Cash and cash equivalents, beginning balance	4,813	3,423
Cash and cash equivalents, ending balance	$ 7,328	$ 4,050
Supplemental disclosure:		
Cash paid for income taxes	$ 32	$ 17

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

IMMUNOGEN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2007

A. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements at March 31, 2007 and June 30, 2006 and for the three and nine months ended March 31, 2007, and 2006 include the accounts of ImmunoGen, Inc. (the "Company") and its wholly-owned subsidiaries, ImmunoGen Securities Corp. and ImmunoGen Europe Limited. Although the consolidated financial statements are unaudited, they include all of the adjustments, consisting only of normal recurring adjustments, which management considers necessary for a fair presentation of the Company's financial position in accordance with accounting principles generally accepted in the U.S. for interim financial information. Certain information and footnote disclosures normally included in the Company's annual financial statements have been condensed or omitted. The preparation of interim financial statements requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenues and expenditures during the reported period. The results of the interim periods are not necessarily indicative of the results for the entire year. Accordingly, the interim financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2006.

Revenue Recognition

The Company enters into out-licensing and development agreements with collaborative partners for the development of monoclonal antibody-based cancer therapeutics. The Company follows the provisions of the Securities and Exchange Commission's Staff Accounting Bulletin No. 104 (SAB No. 104), *Revenue Recognition*, and Emerging Issues Task Force 00-21 *Accounting for Revenue Arrangements with Multiple Elements* (EITF 00-21). In accordance with SAB No. 104 and EITF 00-21, the Company recognizes collaboration revenue related to research activities as they are performed, as long as there is persuasive evidence of an arrangement, the fee is fixed or determinable, and collection of the related receivable is probable. The Company recognizes revenue on preclinical and clinical materials when the materials have passed all quality testing required for collaborator acceptance and title has transferred to the collaborator. The terms of the Company's agreements contain multiple revenue elements, which typically include non-refundable license fees, payments for research activities and clinical material manufacturing obligations, payments based upon the achievement of certain milestones, and royalties on product sales. The Company evaluates such elements of its agreements to determine if the deliverables are separable into units of accounting and then applies applicable revenue recognition criteria to each unit of accounting.

At March 31, 2007, the Company had the following four types of collaborative contracts with the counterparties identified below:

· License to a single target antigen (single-target license):

Biogen Idec, Inc.

Biotest AG

Boehringer Ingelheim International GmbH

Centocor, Inc., a wholly-owned subsidiary of Johnson & Johnson

Genentech, Inc. (multiple single-target licenses)

Millennium Pharmaceuticals, Inc.

· Broad option agreements to acquire rights to a limited number of targets over a specified time period (broad license):

Amgen, Inc. (formerly Abgenix, Inc.)

Genentech, Inc.

· A broad agreement to discover, develop and commercialize antibody-based anticancer products:

sanofi-aventis

· Non-exclusive license to humanization technology

sanofi-aventis

Generally, the forgoing collaboration agreements provide that the Company will (i) at the collaborator's request, manufacture preclinical and clinical materials at the Company's cost, or, in some cases, cost plus a margin, (ii) earn payments upon the collaborators' achievements of certain milestones and (iii) earn royalty payments, generally until the later of the last applicable patent expiration or 12 years after product launch. The Company is required to provide technical training and to share any process improvements and know-how with its collaborators during the research term of the collaboration agreements.

Generally, upfront payments on single-target licenses are deferred over the period of the Company's substantial involvement during development. ImmunoGen employees are available to assist the Company's collaborators during the development of their products. The Company estimates this development phase to begin at the inception of the collaboration agreement and conclude at the end of Phase II testing. The Company believes this period of involvement is, depending on the nature of the license, on average six and one-half years. At each reporting period, the Company analyzes individual product facts and circumstances and reviews the estimated period of its substantial involvement to determine whether a significant change in its estimates has occurred and adjusts the deferral period accordingly. In the event that a single-target license were to be terminated, the Company would recognize as revenue any portion of the upfront fee that had not previously been recorded as revenue, but was classified as deferred revenue at the date of such termination.

The Company defers upfront payments received from its broad licenses over the period during which the collaborator may elect to receive a license. These periods are specific to each collaboration agreement, but are between seven and 12 years. If a collaborator selects an option to acquire a license under these agreements, any option fee is deferred and recorded over the life of the option, generally 12 to 18 months. If a collaborator exercises an option and the Company grants a single-target license to the collaborator, the Company defers the license fee and accounts for the fee as it would an upfront payment on a single-target license, as discussed above. Upon exercise of an option to acquire a license, the Company would recognize any remaining deferred option fee over the period of the Company's substantial involvement under the license acquired. In the event that a broad license agreement were to be terminated, the Company would recognize as revenue any portion of the upfront fee that had not previously been recorded as revenue, but was classified as deferred revenue at the date of such termination. In the event a collaborator elects to discontinue development of a specific product candidate under a single-target license, but retains its right to use the Company's technology to develop an alternative product candidate to the same target or a target substitute, the Company would cease amortization of any remaining portion of the upfront fee until there is substantial pre-clinical activity on another product candidate and the Company's remaining period of substantial involvement can be estimated.

The Company's discovery, development and commercialization agreement with sanofi-aventis included an upfront payment of $12.0 million that sanofi-aventis paid to ImmunoGen in August 2003. The Company deferred the upfront payment and is recognizing it ratably over the period of the Company's substantial involvement of five years, which includes the term of the collaborative research program of three years and the two 12-month extensions that sanofi-aventis has exercised. The discovery, development and commercialization agreement also provides that ImmunoGen receive committed research funding totaling $79.3 million over the full five years of the research collaboration, which includes the initial three-year period and the two 12-month extensions. The committed research funding is based upon resources that ImmunoGen is required to contribute to the collaboration. The Company records the research funding as it is earned based upon its actual resources utilized in the collaboration. In August 2005, sanofi-aventis exercised the first of the two 12-month extensions. This extension is providing the Company with $18.2 million in additional committed funding over the twelve months beginning September 1, 2006. In August 2006, sanofi-aventis exercised its remaining option to extend the term of its research collaboration with the Company for an additional year. The Company is to receive a minimum of $10.4 million in committed research support funding from sanofi-aventis over the twelve-month period beginning September 1, 2007.

When milestone fees are specifically tied to a separate earnings process and are deemed to be substantive, revenue is recognized when such milestones are achieved. In addition, when appropriate, the Company recognizes revenue from certain research payments based upon the level of research services performed during the period of the research contract. Deferred revenue represents amounts received under collaborative agreements and not yet earned pursuant to these policies. Where the Company has no continuing involvement, the Company will record non-refundable license fees as revenue upon receipt and will record revenue upon achievement of milestones by its collaborative partners.

The Company produces preclinical and clinical materials for some of its collaborators. The Company is reimbursed for its fully burdened cost to produce clinical materials and, in some cases, fully burdened cost plus a profit margin. The Company recognizes revenue on preclinical and clinical materials upon delivery to the customer so long as the materials have passed all quality testing required for collaborator acceptance and title has transferred to the collaborator.

The Company also produces research material for potential collaborators under material transfer agreements. Additionally, the Company performs research activities, including developing antibody-specific conjugation processes, on behalf of its collaborators and potential collaborators during the early evaluation and preclinical testing stages of drug development. Generally, the Company is reimbursed for its fully burdened cost of producing these materials or providing these services. The Company records the amounts received for the materials produced or services performed as a component of research and development support.

Marketable Securities

The Company invests in marketable securities of highly rated financial institutions and investment-grade debt instruments and limits the amount of credit exposure with any one entity. The Company has classified its marketable securities as "available-for-sale" and, accordingly, carries such securities at fair value. Unrealized gains and losses, if any, are reported as accumulated other comprehensive income (loss) within stockholders' equity. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and accretions are included in interest income. Realized gains and losses on available-for-sale securities are included in net realized gains (losses) on investments. The cost of securities sold is based on the specific identification method.

Unbilled Revenue

The majority of the Company's unbilled revenue at March 31, 2007 and June 30, 2006 represents (i) committed research funding earned, but not yet billed, based on actual resources utilized under the Company's discovery, development and commercialization agreement with sanofi-aventis; and (ii) research funding earned, but not yet billed, based on actual resources utilized under the Company's development and license agreements with Biogen Idec, Biotest, Centocor, and Genentech.

Inventory

Inventory costs primarily relate to clinical trial materials being manufactured for sale to the Company's collaborators. Inventory is stated at the lower of cost or market as determined on a first-in, first-out (FIFO) basis.

Inventory at March 31, 2007 and June 30, 2006 is summarized below (in thousands):

	March 31, 2007	June 30, 2006
Raw materials	$ 449	$ —
Work in process	1,832	1,235
Total	$ 2,281	$ 1,235

All Tumor-Activated Prodrug (TAP) product candidates currently in preclinical and clinical testing include either DM1 or DM4

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as a cell-killing agent, and these agents are the subject of the Company's collaborations. DM1 and DM4 (collectively referred to as DMx) are both manufactured from a precursor, ansamitocin P3.

Inventory at March 31, 2007 and June 30, 2006 is stated net of write-downs of $1.6 million and $2.9 million, respectively. The write-downs represent the cost of DM1, DM4 and ansamitocin P3 that the Company considers to be in excess of a 12-month supply based on current firm, fixed orders and projections from its collaborators.

Due to yield fluctuations, the actual amount of ansamitocin P3 and DMx that will be produced in future periods under supply agreements is highly uncertain. As such, the amount of ansamitocin P3 and/or DMx produced could be more than is required to support the development of the Company's and its collaborators' products. Such excess product, as determined under the Company's inventory reserve policy, is charged to cost of clinical materials reimbursed, unless provided for internal research programs, which would then be charged to research and development expense.

The Company produces preclinical and clinical materials for its collaborators either in anticipation of or in support of clinical trials, or for process development and analytical purposes. Under the terms of supply agreements with its collaborators, the Company generally receives rolling six-month firm, fixed orders for conjugate that the Company is required to manufacture, and rolling twelve- month manufacturing projections for the quantity of conjugate the collaborator expects to need in any given twelve-month period. The amount of clinical material produced is directly related to the number of on-going clinical trials for which the Company is producing clinical material for itself and its collaborators, the speed of enrollment in those trials and the dosage schedule of each clinical trial. Because these elements are difficult to estimate over the course of a trial, substantial differences between collaborators' actual manufacturing orders and their projections could result in usage of DMx and ansamitocin P3 varying significantly from estimated usage at an earlier reporting period. To the extent that a collaborator has provided the Company with a firm, fixed order, the collaborator is contractually required to reimburse the Company the full cost of the conjugate and any agreed margin thereon, even if the collaborator subsequently cancels the manufacturing run.

The Company accounts for the DMx and ansamitocin P3 inventory as follows:

a) DMx and/or ansamitocin P3 is capitalized as inventory upon receipt of the materials. That portion of the DMx and/or ansamitocin P3 that the Company uses in the production of its own products is recorded as research and development expense as consumed;

b) To the extent that the Company has collaborator projections for up to twelve months of firm, fixed orders and/or projections, the Company capitalizes the value of DMx and ansamitocin P3 that will be used in the production of conjugate subject to these firm, fixed orders and/or projections;

c) The Company considers more than twelve month supply of ansamitocin P3 and/or DMx that is not supported by firm and fixed orders or projections from its collaborators to be excess. The Company establishes a reserve to reduce to zero the value of any such excess ansamitocin P3 or DMx inventory with a corresponding charge to cost of clinical materials reimbursed; and

d) The Company also considers any other external factors and information of which it becomes aware and assesses the impact of such factors or information on the net realizable value of the DMx and ansamitocin P3 inventory at each reporting period.

The Company did not record any cost of clinical materials reimbursement expense related to excess inventory during the three and nine months ended March 31, 2007. However, in the nine months ended March 31, 2006, the Company recorded $153,000 to write down certain batches of ansamitocin P3 and DMx and certain work-in-process amounts to their net realizable value. If the Company increases its on-hand supply of DMx or ansamitocin P3, a corresponding change to the Company's collaborators' projections could result in significant changes in the Company's estimate of the net realizable value of

DMx and ansamitocin P3 inventory. Reductions in collaborators' projections could indicate that the Company has additional excess DMx and/or ansamitocin P3 inventory and the Company would then evaluate the need to record further write-downs, which would be included as charges to cost of clinical materials reimbursed.

Computation of Net Loss Per Common Share

Basic net loss per common share is calculated based upon the weighted average number of common shares outstanding during the period. Diluted net loss per common share incorporates the dilutive effect of stock options and warrants. The total number of options and warrants convertible into ImmunoGen Common Stock and the resulting ImmunoGen Common Stock equivalents, as calculated in accordance with the treasury-stock accounting method, are included in the following table (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2007	2006	2007	2006
Options and warrants convertible into Common Stock	4,941	5,409	4,941	5,409
Common Stock equivalents	891	1,086	701	1,382

ImmunoGen Common Stock equivalents have not been included in the calculations of dilutive net loss per common share calculations for the three and nine months ended March 31, 2007 and 2006 because their effect is anti-dilutive due to the Company's net loss position.

Comprehensive Loss

The Company presents comprehensive income (loss) in accordance with Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income." For the three and nine months ended March 31, 2007, total comprehensive loss equaled $5.1 million and $14.2 million, respectively. For the three and nine months ended March 31, 2006, total comprehensive loss equaled $3.1 million and $11.3 million, respectively. Comprehensive loss was comprised entirely of the Company's net loss and the change in its unrealized gains and losses on its available-for-sale marketable securities for all periods presented.

Stock-Based Compensation

As of March 31, 2007, the Company has one share-based compensation plan, which is the ImmunoGen, Inc. 2006 Employee, Director and Consultant Equity Incentive Plan (the "Plan"). The Plan was approved by the Company's Board of Directors and the stockholders of the Company on November 14, 2006 and replaced the previous stock option plan, the ImmunoGen, Inc. Restated Stock Option Plan, as amended (the "Former Plan"). The Plan provides for the issuance of Stock Grants, the grant of Options and the grant of Stock-Based Awards for up to 2,500,000 shares of Common Stock of the Company, as well as any shares of Common Stock that are represented by awards granted under the Former Plan that are forfeited, expire or are cancelled without delivery of shares of Common Stock or which result in the forfeiture of shares of Common Stock back to the Company on or after November 13, 2006, or the equivalent of such number of shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with the Plan; provided, however, that no more than 5,900,000 shares shall be added to the Plan from the Former Plan, pursuant to this provision. Option awards are granted with an exercise price equal to the market price of the Company's stock at the date of grant. Options vest at various periods of up to four years and may be exercised within ten years of the date of grant.

Effective July 1, 2005, the Company adopted the fair value recognition provisions of Financial Accounting Standards Board (FASB) Statement 123(R), *Share-Based Payment* (Statement 123(R)), using the modified-prospective-transition method. Under that transition method, compensation cost recognized includes: (a) compensation cost for all share-based payments granted, but not yet vested as of July 1, 2005, based on the grant-date fair value estimated in accordance with the original provisions of Statement 123 (as defined below), and (b) compensation cost for all share-based payments granted subsequent to July 1, 2005, based on the grant-date fair value estimated in accordance with the provisions of Statement 123(R). Such amounts have been reduced by the Company's estimate of forfeitures of all unvested awards.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes option-pricing model that uses the assumptions noted in the following table. Expected volatility is based exclusively on historical volatility data of the Company's stock. The expected term of stock options granted is based exclusively on historical data and represents the period of time that stock options granted are expected to be outstanding. The expected term is calculated for and applied to one group of stock options as the Company does not expect substantially different exercise or post-vesting termination behavior among its employee population. The risk-free rate of the stock options is based on the U.S. Treasury rate in effect at the time of grant for the expected term of the stock options. The following table includes the assumptions used in calculating our stock-based compensation for the three and nine month periods ended March 31, 2007 and 2006:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2007	2006	2007	2006
Dividend	None	None	None	None
Volatility	79.81%	81.60%	81.84%	81.60%
Risk-free interest rate	4.67%	4.51%	4.79%	4.26%
Expected life (years)	6.9	6.0	6.6	6.0

Using the Black-Scholes option-pricing model, the weighted average grant date fair value of options granted during the three months ended March 31, 2007 and 2006 was $3.62 and $3.24, respectively, and $2.87 and $4.15 for options granted during the nine months ended March 31, 2007 and 2006, respectively.

As of March 31, 2007, the estimated fair value of unvested employee awards was $3.1 million, net of estimated forfeitures. The weighted-average remaining vesting period for these awards is approximately two years.

During the nine months ended March 31, 2007, holders of options issued under the Plan exercised their rights to acquire an aggregate of 748,984 shares of common stock at prices ranging from $0.84 to $3.95 per share. The total proceeds to the Company from these option exercises were approximately $1.6 million.

Derivatives

Derivative instruments include a portfolio of short duration foreign currency forward contracts intended to mitigate the risk of exchange fluctuations for manufacturing/development contracts to be paid in Euros. Derivatives are estimated at fair value and classified as other current assets or liabilities in the accompanying Consolidated Balance Sheets. The fair value of these instruments represent the present value of estimated future cash flows under the contracts, which are a function of underlying interest rates, currency rates, related volatility, counterparty creditworthiness and duration of the contracts. Changes in these factors or a combination thereof may affect the fair value of these instruments.

We do not designate foreign currency forward contracts as hedges for accounting purposes, and changes in the fair value of these instruments are recognized in earnings during the period of change. Because we enter into forward contracts only as an economic hedge, any gain or loss on the underlying foreign-denominated balance would be offset by the loss or gain on the forward contract. Net gains on forward contracts for the three and nine month periods ended March 31, 2007 are $68,000 and $75,000, respectively, and are included in the Consolidated Statement of Operations as other income (expense). As of March 31, 2007, we had outstanding forward contracts with notional amounts equivalent to approximately $6.8 million (5.1 million in Euros), all maturing on or before March 27, 2008. As of March 31, 2006, there were no foreign currency forward contracts outstanding.

Reclassifications

Prior year treasury stock balances have been reclassified to common stock and additional paid-in capital in order to conform to the current year presentation.

Segment Information

During the three and nine months ended March 31, 2007, the Company continued to operate in one reportable business segment under the management approach of SFAS No. 131, “Disclosures about Segments of an Enterprise and Related Information,” which is the business of discovery of monoclonal antibody-based cancer therapeutics.

Revenues from sanofi-aventis accounted for 59% and 65% of total revenues for the three months ended March 31, 2007 and 2006, respectively, and 64% and 73% for the nine months ended March 31, 2007 and 2006, respectively. Revenues from Genentech accounted for 22% and 27% of total revenues for the three months ended March 31, 2007 and 2006, respectively, and 21% and 16% for the nine months ended March 31, 2007 and 2006, respectively. There were no other individually significant customers in the three and nine months ended March 31, 2007 and 2006.

Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, *“The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115,”* or SFAS 159, which is effective for fiscal years beginning after November 15, 2007 (our fiscal year 2009). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. We have not completed our evaluation of the effects of adopting this standard, however, we do not believe the adoption will have a material impact on the Company’s consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, *“Fair Value Measurements,”* or SFAS 157, which is effective for fiscal years beginning after November 15, 2007 (our fiscal 2009). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles, and expands disclosures about fair value measurements. The Statement codifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. We have not completed our evaluation of the effects of adopting this standard, however, we do not believe the adoption will have a material impact on the Company’s consolidated financial statements.

In July 2006, the FASB issued Financial Interpretation No. (FIN) 48, *Accounting for Uncertainty in Income Taxes*, which applies to all tax positions related to income taxes subject to No. 109 (SFAS 109), *Accounting for Income Taxes*. This includes tax positions considered to be “routine” as well as those with a high degree of uncertainty. FIN 48 utilizes a two-step approach for evaluating tax positions. Recognition (step one) occurs when an enterprise concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) is only addressed if step one has been satisfied (i.e., the position is more-likely-than-not to be sustained). Under step two, the tax benefit is measured as the largest amount of benefit, determined on a cumulative probability basis that is more-likely-than-not to be realized upon ultimate settlement. FIN 48’s use of the term “more-likely-than-not” in steps one and two is consistent with how that term is used in SFAS 109 (i.e., a likelihood of occurrence greater than 50 percent).

Those tax positions failing to qualify for initial recognition are recognized in the first subsequent interim period they meet the more-likely-than-not standard, or are resolved through negotiation or litigation with the taxing authority, or upon expiration of the statute of limitations. Derecognition of a tax position that was previously recognized would occur when a company subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained. FIN 48 specifically prohibits the use of a valuation allowance as a substitute for derecognition of tax positions. Additionally, FIN 48 requires expanded disclosure requirements, which include a tabular rollforward of the beginning and ending aggregate unrecognized tax benefits as well as specific detail related to tax uncertainties for which it is reasonably possible the amount of unrecognized tax benefit will significantly increase or decrease within twelve months. These disclosures are required at each annual reporting period unless a significant change occurs in an interim period. FIN 48 is effective for fiscal years beginning after December 15, 2006 (our fiscal year 2008). We have not completed our evaluation of the effects of adopting this standard, however, we do not believe the adoption will have a material impact on our results of operation or financial position.

B. Agreements

Biotest AG

In July 2006, the Company entered into a development and license agreement with Biotest AG. The agreement grants Biotest AG exclusive rights to use the Company's TAP technology with antibodies to a target found on multiple myeloma cells to create anticancer therapeutics. Under the agreement, the Company received a $1 million upfront payment, and is entitled to receive up to $35.5 million in milestone payments plus royalties on the sales of any resulting products. The Company will receive manufacturing payments for any preclinical and clinical materials made at the request of Biotest. The agreement also provides ImmunoGen with the right to elect to participate, at specific stages during the clinical evaluation of any compound created under this agreement, in the U.S. development and commercialization of that compound in lieu of receiving royalties on U.S. sales of that product and the milestone payments not yet earned. The Company can exercise this right by payment to Biotest of an agreed-upon fee of $5 million or $15 million, depending on the stage of development. Upon exercise of this right, ImmunoGen and Biotest would share equally the associated costs of product development and commercialization in the United States along with the profit, if any, from U.S. product sales.

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sanofi-aventis

In August 2006, sanofi-aventis exercised its remaining option to extend the term of the research collaboration with the Company for another year, and committed to pay the Company a minimum of $10.4 million in research support over the twelve months beginning September 1, 2007. Additionally, effective September 1, 2006, ImmunoGen is no longer obligated to present new targets for antibody-based anticancer therapeutics to sanofi-aventis, enabling the Company to use such targets in the development of its own proprietary products.

In October 2006, sanofi-aventis informed the Company that the clinical testing of AVE1642 began, triggering a $2 million milestone payment to the Company. This milestone is included in license and milestone fee revenue for the nine month period ended March 31, 2007. Additionally, in October 2006, sanofi-aventis licensed non-exclusive rights to use ImmunoGen's proprietary resurfacing technology to humanize antibodies. This technology was developed to enable antibodies initially of murine origin to appear to be human to the human immune system. This license provides sanofi-aventis with the non-exclusive right to use ImmunoGen's proprietary humanization technology through August 31, 2011, and can be extended thereafter. Under the terms of the license, ImmunoGen will receive a $1 million license fee, half of which was paid upon contract signing and the second half is due on August 31, 2008, and in addition, ImmunoGen is entitled to receive milestone payments potentially totaling $4.5 million plus royalties on sales for each compound humanized under this agreement. The Company has deferred the $500,000 portion of the upfront payment already received and will recognize this amount as revenue over the estimated period of substantial involvement.

In December 2006, sanofi-aventis entered into an option agreement with the Company that provides it the right to gain expanded and extended access to the Company's TAP technology. The option agreement provides sanofi-aventis with the right to enter into a multi-target agreement with the Company prior to or on August 31, 2008 by payment of an agreed-upon option exercise fee. The multi-target agreement would allow sanofi-aventis to evaluate the Company's TAP technology with antibodies to targets not included in the existing research collaboration between the companies - with certain restrictions - and to license the right to use the technology to develop products for such targets on agreed-upon terms. The Company received payment of $500,000 with the signing of this option agreement, which the Company has deferred and will recognize over the option period.

The Company has agreements with other companies with respect to its compounds, as described elsewhere in this Quarterly Report and in its 2006 Annual Report on Form 10-K.

C. Capital Stock

During the three and nine months ended March 31, 2007, the Company recorded approximately $(4,000) and $38,000 in (expense reduction) or compensation expense, respectively, related to stock units outstanding under the Company's 2001 Non-Employee Director Stock Plan. During the three and nine months ended March 31, 2006, the Company recaptured approximately $(19,000) and $(35,000), respectively, of previously recorded compensation expense. The value of the stock units is adjusted to market value at each reporting period.

Under the Company's 2004 Non-Employee Director Compensation and Deferred Share Unit Plan (the "Non-Employee Director Plan"), the Company issued 35,047 deferred share units during the nine months ended March 31, 2007. The Company recorded approximately $28,000 and $150,000 in compensation expense related to deferred share units outstanding under the 2004 Plan during the three and nine months ended March 31, 2007, respectively. The Company recorded approximately $6,000 and $54,000 in compensation expense related to the issuance of 13,817 stock units for director services rendered during the three and nine months ended March 31, 2006, respectively. The Non-Employee Director Plan was amended on September 5, 2006. Per the terms of the amended Non-Employee Director Plan, upon approval of the 2006 Employee, Director and Consultant Equity Plan, the redemption amount for deferred share units will be paid in shares of Common Stock of the Company in lieu of cash. The 2006 Employee, Director and Consultant Equity Plan was approved by the Company's Board of Directors on September 6, 2006, subject to approval by the Company's stockholders, which was received on November 14, 2006. As a result of the change in payout structure, the value of the vested awards was transferred to additional paid-in capital as of the modification date in the amount of $175,000 and the total value of the awards, as calculated on the modification date, is being expensed over the remainder of the vesting period. Accordingly, the value of the share units is fixed and will no longer be adjusted to market value at each reporting period. Additionally, under the amended Non-Employee Director Plan, the Company recorded approximately $6,000 in compensation expense related to 30,425 deferred share units issued during the three and nine months ended March 31, 2007.

D. Commitments and Contingencies

On February 21, 2007, the Company amended its original lease agreement dated June 12, 2003 with Bobson 333 LLC to lease 8,400 additional square feet of space at 333 Providence Highway, Norwood, Massachusetts for additional office space. Under the terms of the amended agreement, the annual rent increases by approximately $110,000 and is $606,000, $671,000, $737,000, $803,000, and $825,000 for the fiscal years ending June 30, 2007 through June 30, 2011, respectively. The Company is also required to pay its allocable share of operating and tax expenses related to the premises. The lease is effective April 1, 2007 and expires on June 30, 2011, with the option to extend for one additional five year period.

Minimum rental commitments, including real estate taxes and other expenses, under all non-cancelable operating lease agreements are the following for the next five fiscal years ended June 30,

2007 (remaining three months)	$ 910
2008	3,177
2009	1,649
2010	1,715
2011	1,220
Total minimum lease payments	$ 8,671

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

OVERVIEW

Since our inception, we have been principally engaged in the development of targeted antibody-based anticancer therapeutics. The combination of our expertise in antibodies and cancer biology has resulted in the development of both proprietary product candidates and technologies. Our Tumor-Activated Prodrug, or TAP, technology relates to the attachment of one of our proprietary, extremely potent small molecule cytotoxic (cell-killing) agents to monoclonal antibodies that bind specifically to cancer cells. The antibody serves to target the cytotoxic agent specifically to cancer cells and the cytotoxic agent serves to kill the cells. Our TAP technology is designed to selectively kill cancer cells with limited damage to healthy tissue. All TAP compounds currently in preclinical and clinical testing contain either DM1 or DM4 as the cytotoxic agent. Both DM1 and DM4 are our proprietary derivatives of a naturally occurring substance called maytansine. We also use our expertise in antibodies and cancer biology to develop "naked" (unconjugated) antibody anticancer product candidates.

We have entered into collaborative agreements that enable companies to use our TAP technology to develop commercial product candidates containing their antibodies. We have also used our proprietary TAP technology in conjunction with our in-house antibody expertise to develop our own anticancer product candidates. Under the terms of our collaborative agreements, we are entitled to upfront fees, milestone payments, and royalties on any commercial product sales. We are reimbursed for our fully burdened costs to manufacture preclinical and clinical materials and, under certain collaborative agreements, the reimbursement includes a profit margin. Currently, our collaborative partners include Amgen, Inc. (formerly Abgenix, Inc.), Biogen Idec, Biotest AG, Boehringer Ingelheim International GmbH, Centocor, Inc. (a wholly-owned subsidiary of Johnson & Johnson), Genentech, Inc., Millennium Pharmaceuticals, Inc., and sanofi-aventis. We expect that substantially all of our revenue for the foreseeable future will result from payments under our collaborative arrangements.

In July 2003, we announced a discovery, development and commercialization collaboration with Aventis Pharmaceuticals, Inc. (now sanofi-aventis). Under the terms of this agreement, in consideration of an upfront payment of $12 million, sanofi-aventis gained commercialization rights to three of the then-most-advanced product candidates in our preclinical pipeline, and the commercialization rights to new product candidates developed within the collaboration during its research program term. This collaboration allows us to benefit from sanofi-aventis' clinical development and commercialization capabilities. Under the terms of the sanofi-aventis agreement, we also are entitled to receive committed research funding totaling approximately $79.3 million over the full five years of the research collaboration, which includes the initial three-year term of the research program ending August 31, 2006 plus the two 12-month extensions beginning September 1, 2006.

In August 2005, sanofi-aventis exercised its contractual right to extend the term of its research program with us and committed to fund $18.2 million in research support over the twelve months beginning September 1, 2006. In August 2006, sanofi-aventis exercised its remaining option to extend the term of the research collaboration with us for an additional year and committed to pay ImmunoGen a minimum of $10.4 million in research support over the twelve months beginning September 1, 2007. Additionally, effective September 1, 2006, we are no longer obligated to present new targets for antibody-based anticancer therapeutics to sanofi-aventis, enabling us to be able to use such targets in the development of our own proprietary products. After August 2008, sanofi-aventis will need to license the right to use our maytansinoid TAP technology with antibodies to targets that were not part of the research collaboration between us and sanofi-aventis.

In October 2006, sanofi-aventis informed us that clinical testing of AVE1642 had begun, triggering a $2 million milestone payment to us. This milestone is included in license and milestone fees revenue for the nine months ending March 31, 2007. Additionally, in October 2006, sanofi-aventis licensed non-exclusive rights to use our proprietary resurfacing technology to humanize antibodies. This technology was developed to enable antibodies initially of murine origin to appear to be human to the human immune system. This license provides sanofi-aventis with the non-exclusive right to use our proprietary humanization technology through August 31, 2011, and can be extended thereafter. Under the terms of the license, ImmunoGen is due a $1 million license fee, half of which was paid upon contract signing and the second half is due on August 31, 2008, and in addition, ImmunoGen is entitled to receive milestone payments potentially totaling $4.5 million plus royalties on sales for each compound humanized under this agreement. We have deferred the $500,000 portion of the upfront payment already received and will recognize this amount as revenue over the estimated period of substantial involvement.

In December 2006, sanofi-aventis entered into an option agreement with us that enables them to gain expanded access to our TAP technology. The option agreement provides sanofi-aventis with the right to enter into a multi-target agreement with us prior to or on August 31, 2008 by payment of an agreed-upon option exercise fee. The multi-target agreement would allow sanofi-aventis to evaluate our TAP technology with antibodies to targets not included in the existing research collaboration between the companies-with certain restrictions-and to license the right to use the technology to develop products for such targets on agreed-upon terms. We received payment of $500,000 with the signing of this option agreement, which we have deferred and will recognize over the option period.

On January 27, 2006, Genentech notified us that the trastuzumab-DM1 Investigational New Drug (IND) application submitted by Genentech to the FDA had become effective. Under the terms of our May 2000 license agreement with Genentech that granted Genentech exclusive rights to use our TAP technology with antibodies to HER2, this event triggered a $2.0 million milestone payment to us. Trastuzumab-DM1 comprises Genentech's HER2-targeting antibody, trastuzumab, and our DM1 cell-killing agent. On March 23, 2007, Genentech disclosed in its Investment Community Meeting (ICM) new clinical information related to trastuzumab-DM1. In its ICM, Genentech disclosed that 18 patients have received trastuzumab-DM1 in the Phase I study being conducted by Genentech. The Phase I study is evaluating the compound when administered once every three weeks to patients with HER2-positive metastatic breast cancer that has progressed on a chemotherapy regimen containing trastuzumab (Herceptin®). Genentech disclosed that, in this study, sustained antitumor activity has been seen with trastuzumab-DM1 in multiple patients at doses at or below the maximum tolerated dose (MTD) and that the toxicity seen in this study at doses at or below MTD was mostly grade 1, which means a low level of toxicity. Genentech also disclosed in its ICM that it expects to report the complete results from this Phase I study at the American Society of Clinical Oncology (ASCO) Annual Meeting in June 2007. Further, Genentech

also disclosed that the company is conducting a second trastuzumab-DM1 Phase I study that evaluates a weekly dosing schedule, and that it expects to make a decision in 2007 regarding the advancement of trastuzumab-DM1 into Phase II testing.

On January 25, 2006, Millennium Pharmaceuticals, Inc. notified us that, as part of its ongoing portfolio management process and based on the evaluation of clinical data in the context of other opportunities in its pipeline, Millennium had decided not to continue the development of its MLN2704 compound. Millennium retains its right to use our maytansinoid TAP technology with antibodies targeting PSMA.

On March 27, 2006, Millennium paid us a fee of $250,000 to extend the agreement that provides Millennium with certain rights to test our TAP technology with antibodies to specific targets and to license the right to use the technology to develop products on the terms defined in the agreement. This agreement expired on March 30, 2007. The extension fee was recorded as revenue over the twelve-month period ending March 30, 2007.

In January 2004 we announced that we would take over from Vernalis plc the further development of huN901-DM1. This compound was originally developed by us and was licensed to British Biotech prior to its acquisition by Vernalis. Pursuant to the terms of the termination agreement executed on January 7, 2004, Vernalis retained responsibility for the conduct and expense of the study it initiated in the United States (Study 001) until June 30, 2004, and the study it had started in the United Kingdom (Study 002) through completion. We took over responsibility for Study 001 on July 1, 2004 and, in September 2005, we announced the initiation of our own clinical trial with huN901-DM1 in multiple myeloma (Study 003). On December 15, 2005, we executed an agreement to amend the residual obligation terms of the January 7, 2004 termination agreement with Vernalis. Under the terms of the amendment, we assumed responsibility for Study 002 as of December 15, 2005, including the cost of its completion. Under the amendment, Vernalis paid us $365,000 in consideration of the expected cost of the obligations assumed by us with the amendment.

On November 10, 2006, we announced the presentation of clinical data from Study 002 at the 18th EORTC-NCI-AACR International Conference on Molecular Targets and Cancer Therapeutics (EORTC) in Prague. This ongoing Phase I dose-escalation trial is designed to assess the safety and tolerability of huN901-DM1in patients with CD56-expressing solid tumors. At the time of the conference, the maximum tolerated dose of the compound had not yet been established. Evidence of anticancer activity was reported. A patient with Merkel cell cancer had a complete response following treatment with huN901-DM1 and had been in remission for 21 months at the time of the conference. A patient with relapsed small-cell lung cancer had an unconfirmed partial response and another

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thirteen patients had stable disease following treatment with huN901-DM1. In December 2006, the first findings from Study 003 were reported at the American Society of Hematology (ASH) annual meeting. While this ongoing Phase I trial is designed to evaluate the safety and tolerability of huN901-DM1 in patients with relapsed multiple myeloma, evidence of anticancer activity also was reported. Among the three patients receiving the higher of the two dose levels evaluated to date, one had an objective response and the other two also had clinical benefit. The maximum tolerated dose had not yet been established in this study. Interim findings from our other huN901-DM1 trial, Study 001, were reported previously and will be updated at the American Society of Clinical Oncology (ASCO) meeting in June 2007.

On January 8, 2004, we announced that we intended to advance cantuzumab mertansine (huC242-DM1), or an improved version of the compound, into human testing to assess the clinical utility of the compound in certain indications. In October 2004, we announced that we decided to move huC242-DM4 into clinical trials instead of cantuzumab mertansine. We initiated a Phase I clinical trial with huC242-DM4 in June 2005. On November 8, 2006 we announced the presentation of initial clinical data from this ongoing study at EORTC. This trial is designed as a dose-escalation study in which increasingly higher doses of the compound are evaluated in new cohorts of patients until dose-limiting toxicity is observed. In a trial of this design, the occurrence of potential dose-limiting toxicity is typically assessed prior to defining the maximum tolerated dose. Eight huC242-DM4 dose levels have been evaluated in this study. We have encountered some toxicity, which is being assessed and may be addressable with patient pretreatment. The maximum tolerated dose of the compound has not been established.

Based upon the results of our huN901-DM1 clinical trials, if and when they are completed, we will evaluate whether to continue clinical development, and, if so, whether we will seek a collaborative partner or partners to continue the clinical development and commercialization of this compound. Based upon the results of our huC242-DM4 clinical trials, we intend to start a Phase II clinical trial in gastric cancer by the end of our 2007 fiscal year.

To date, we have not generated revenues from commercial product sales and we expect to incur significant operating losses for several more years. We do not anticipate that we will have a commercially approved product within the near future. Research and development expenses and cash expenditures are expected to increase significantly in the near term as we continue our development efforts, including an expanded clinical trial program and development of commercial-scale production capabilities at third-party suppliers. As of March 31, 2007, we had approximately $64.0 million in cash and marketable securities. We anticipate that our current capital resources and future collaboration payments, including the committed research funding due us under the sanofi-aventis collaboration over the remainder of the research program, will enable us to meet our operational expenses and capital expenditures for at least the current and next one to two fiscal years.

We anticipate that the increase in total cash expenditures will be partially offset by collaboration-derived proceeds, including milestone payments and the committed research funding to which we are entitled pursuant to the sanofi-aventis collaboration. Accordingly, period-to-period operational results may fluctuate dramatically based upon the timing of receipt of the proceeds. We believe that our established collaborative agreements, while subject to specified milestone achievements, will provide funding to assist us in meeting obligations under our collaborative agreements while also assisting in providing funding for the development of internal product candidates and technologies. However, we can give no assurances that such collaborative agreement funding will, in fact, be realized in the time frames we expect, or at all. Should we or our partners not meet some or all of the terms and conditions of our various collaboration agreements, we may be required to pursue additional strategic partners, secure alternative financing arrangements, and/or defer or limit some or all of our research, development and/or clinical projects.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to our collaborative agreements and inventory. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We estimate the period of our significant involvement during development for each of our collaborative agreements. We recognize any upfront fees received from our collaborators ratably over this estimated period of significant involvement. We generally believe our period of significant involvement occurs between the date we sign a collaboration agreement and completion of Phase II testing of our collaborator's product that is the subject of the collaboration agreement. We estimate that this time period is generally

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six and one-half years, depending on the characteristics of the license. The actual period of our involvement could differ significantly based upon the results of our collaborators' preclinical and clinical trials, competitive products that are introduced into the market and the general uncertainties surrounding drug development. Any difference between our estimated period of involvement during development and our actual period of involvement could have a material effect upon our results of operations. We assess our period of significant involvement with each collaboration on a quarterly basis and adjust the period of involvement prospectively, as appropriate.

We are recognizing the $12.0 million upfront fee we received from sanofi-aventis ratably over our estimated period of significant involvement of five years. This estimated period includes the initial three-year term of the collaborative research program and the two 12-month extensions sanofi-aventis exercised in August 2005 and 2006.

Inventory

We review our estimates of the net realizable value of our inventory at each reporting period. Our estimate of the net realizable value of our inventory is subject to judgment and estimation. The actual net realizable value of our inventory could vary significantly from our estimates. We consider quantities of DM1 and DM4, collectively referred to as DMx, and ansamitocin P3 in excess of twelve-month projected usage that is not supported by firm, fixed collaborator orders and projections to be excess. To date, we have fully reserved any such material identified as excess with a corresponding charge to cost of clinical materials reimbursed. Our collaborators' estimates of their clinical material requirements are based upon expectations of their clinical trials, including the timing, size, dosing schedule and maximum tolerated dose of each clinical trial. Our collaborators' actual requirements for clinical materials may vary significantly from their projections. Sizeable differences between our collaborators' actual manufacturing orders and their projections could result in our actual twelve-month usage of DMx and ansamitocin P3 varying significantly from our estimated usage at an earlier reporting period.

Stock Based Compensation

As of March 31, 2007, the Company has one share-based compensation plan, which is the ImmunoGen, Inc. 2006 Employee, Director and Consultant Equity Incentive Plan. Effective July 1, 2005, we adopted the fair value recognition provisions of Financial Accounting Standards Board (FASB) Statement 123(R), *Share-Based Payment* (Statement 123(R)), using the modified-prospective-transition method. Under that transition method, compensation cost includes: (a) compensation cost for all share-based payments granted, but not yet vested as of July 1, 2005, based on the grant-date fair value estimated in accordance with the original provisions of Statement 123 (as defined below), and (b) compensation cost for all share-based payments granted subsequent to July 1, 2005, based on the grant-date fair value estimated in accordance with the provisions of Statement 123(R). Such amounts have been reduced by the Company's estimate of forfeitures of all unvested awards.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility is based exclusively on historical volatility data of the Company's stock. The expected term of stock options granted is based exclusively on historical data and represents the period of time that stock options granted are expected to be outstanding. The expected term is calculated for and applied to one group of stock options as the Company does not expect substantially different exercise or post-vesting termination behavior among its employee population. The risk-free rate of the stock options is based on the U.S. Treasury rate in effect at the time of grant for the expected term of the stock options. The compensation cost that has been incurred during the three and nine months ended March 31, 2007 is $582,000 and $1.8 million, respectively. As of March 31, 2007, the estimated fair value of unvested employee awards was $3.1 million, net of estimated forfeitures. The weighted-average remaining vesting period for these awards is approximately two years.

Derivatives

Derivative instruments include a portfolio of short duration foreign currency forward contracts intended to mitigate the risk of exchange fluctuations for manufacturing/development contracts to be paid in Euros. Derivatives are estimated at fair value and classified as other current assets or liabilities in the accompanying Consolidated Balance Sheets. The fair value of these instruments represent the present value of estimated future cash flows under the contracts, which are a function of underlying interest rates, currency rates, related volatility, counterparty creditworthiness and duration of the contracts. Changes in these factors or a combination thereof may affect the fair value of these instruments.

We do not designate foreign currency forward contracts as hedges for accounting purposes, and changes in the fair value of these instruments are recognized in earnings during the period of change. Because we enter into forward contracts only as an economic hedge, any gain or loss on the underlying foreign-denominated balance would be offset by the loss or gain on the forward contract. Net gains on forward contracts for the three and nine month periods ended March 31, 2007 are $68,000 and $75,000, respectively, and are included in the Consolidated Statement of Operations as other income (expense). As of March 31, 2007, we had outstanding

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forward contracts with notional amounts equivalent to approximately $6.8 million (5.1 million in Euros), all maturing on or before March 27, 2008. As of March 31, 2006, there were no foreign currency forward contracts outstanding.

RESULTS OF OPERATIONS

Comparison of Three Months ended March 31, 2007 and 2006

Our total revenues for each of the three months ended March 31, 2007 and 2006 were $9.8 million and $9.4 million, respectively. The $481,000 increase in revenues in the three months ended March 31, 2007 compared to the same period in the prior year is due to an increase in research and development support revenue and clinical materials reimbursement revenue, partially offset by a decrease in license and milestone fees.

Research and development support was $6.6 million for the three months ended March 31, 2007 compared with $5.3 million for the three months ended March 31, 2006. These amounts primarily represent committed research funding earned based on actual resources utilized under our discovery, development and commercialization agreement with sanofi-aventis, as well as amounts earned for resources utilized under our development and license agreements with Biogen Idec, Biotest, Centocor, and Genentech. Also included in research and development support revenue are fees related to samples of research-grade material shipped to collaborators. To date, our development fees represent the fully burdened reimbursement of costs incurred in producing research-grade materials and developing antibody-specific conjugation processes on behalf of our collaborators and potential collaborators during the early evaluation and preclinical testing stages of drug development. The amount of development fees we earn is directly related to the number of our collaborators and potential collaborators, the stage of development of our collaborators' compounds and the resources our collaborators allocate to the development effort. As such, the amount of development fees may vary widely from quarter to quarter and year to year.

Revenues from license and milestone fees for the three months ended March 31, 2007 decreased $1.8 million to $1.5 million from $3.3 million in the same period ended March 31, 2006. Total revenue from license and milestone fees recognized from each of our collaborative partners in the three-month periods ended March 31, 2007 and 2006 is included in the following table (in thousands):

	Three months ended March 31, 2007	2006
Collaborative Partner:		
Amgen (formerly Abgenix)	$ 100	$ 100
Sanofi-aventis	700	600
Biogen Idec	22	12
Biotest	38	—
Centocor	38	42
Genentech	381	2,452
Millennium	218	69
Total	$ 1,497	$ 3,275

Deferred revenue of $13.6 million as of March 31, 2007 represents payments received from our collaborators pursuant to our license and supply agreements, which we have yet to earn pursuant to our revenue recognition policy.

Clinical materials reimbursement increased by approximately $934,000 in the three months ended March 31, 2007, to nearly $1.8 million from $822,000 in the three months ended March 31, 2006. During the three months ended March 31, 2007, we shipped clinical materials in support of the trastuzumab-DM1 clinical trials, as well as preclinical materials in support of the development efforts of certain other collaborators. During the three months ended March 31, 2006, we shipped clinical materials in support of the AVE9633 clinical trials, as well as preclinical materials in support of the development efforts of certain other collaborators. Under certain collaborative agreements, we are reimbursed for our fully burdened cost to produce clinical materials plus a profit margin. The amount of clinical materials reimbursement we earn, and the related cost of clinical materials reimbursed, is directly related to (i) the number of on-going clinical trials our collaborators have underway, the speed of enrollment in those trials, the dosage schedule of each clinical trial and the time period, if any, during which patients in the trial receive clinical benefit from the clinical materials, and (ii) our production of clinical-grade material on behalf of our collaborators, either in anticipation of clinical trials, or for process development and analytical purposes. As such, the amount of clinical materials reimbursement and the related cost of clinical materials reimbursed may vary significantly from quarter to quarter and year to year.

Research and Development Expenses

We report research and development expense net of certain reimbursements we receive from our collaborators. Our research and development expenses relate to (i) research to identify and evaluate new targets and to develop and evaluate new antibodies and cytotoxic drugs, (ii) preclinical testing of our own and, in certain instances, our collaborators' product candidates, and the cost of our own clinical trials, (iii) development related to clinical and commercial manufacturing processes and (iv) manufacturing operations. Our research and development efforts have been primarily focused in the following areas:

- activities pursuant to our discovery, development and commercialization agreement with sanofi-aventis;
- activities related to the clinical development of huN901-DM1 and huC242-DM4;
- process development related to production of the huN901 antibody and huN901-DM1 conjugate for clinical materials;
- process development related to production of the huC242 antibody and huC242-DM4 conjugate for clinical materials;
- process improvements related to the production of DM1, DM4 and strain development of their precursor, ansamitocin P3;
- funded development activities with contract manufacturers for the huN901 antibody, the huC242 antibody, and DM1, DM4 and their precursor, ansamitocin P3;
- operation and maintenance of our conjugate manufacturing plant;
- process improvements to our TAP technology;
- identification and evaluation of potential antigen targets;

- evaluation of internally developed and/or in-licensed product candidates and technologies; and

- development and evaluation of additional cytotoxic agents.

Our two TAP product candidates in clinical testing are both made with one of our proprietary maytansinoid cell-killing agents (one, DM1; one, DM4). We have also investigated the viability of other maytansinoid effector molecules, which, collectively with DM1 and DM4, we refer to as DMx. In order to make commercial manufacture of DMx conjugates viable, we have devoted substantial resources to improving the strain of the microorganism that produces ansamitocin P3, the precursor to DMx, to enhance manufacturing yields. We also continue to devote considerable resources to improve other DMx manufacturing processes.

On January 8, 2004, we announced that pursuant to the terms and conditions of a termination agreement between us and Vernalis, Vernalis relinquished its rights to develop and commercialize huN901-DM1. As a result, we regained the rights to develop and commercialize huN901-DM1. Under the terms of this termination agreement with Vernalis, we assumed responsibility for one of the studies underway with the compound (Study 001) on July 1, 2004. Since then, we have expanded this study based upon the data from the initial patients enrolled. Additionally, we initiated a Phase I clinical trial with huN901-DM1 in CD56-positive multiple myeloma (Study 003) in September 2005. On December 15, 2005, we executed an amendment to this termination agreement with Vernalis. Under the terms of the amendment, we assumed responsibility as of December 15, 2005, at our own expense, to complete the huN901-DM1 clinical study (Study 002) that had been initiated in the United Kingdom. Vernalis paid us $365,000 in consideration of the expected cost of the obligations assumed by us under the amendment. We intend to evaluate whether to out-license all or part of the development and commercial rights to this compound as we move through the clinical trial process.

In January 2004, we announced that we planned to advance cantuzumab mertansine, or an improved version of the compound, into a clinical trial that we would manage. In October 2004, we decided to move forward in developing a modified version of cantuzumab mertansine, which we call huC242-DM4. Patient dosing was initiated for the Phase I study of huC242-DM4 in June 2005. We intend to evaluate whether to out-license all or part of the development and commercial rights to this compound as we move through the clinical trial process for this compound.

In July 2003, under the terms of our discovery, development and commercialization collaboration, we licensed a number of compounds to sanofi-aventis, including the three then-most advanced product candidates in our preclinical portfolio. These three product candidates were an anti-CD33 TAP compound for acute myeloid leukemia (AVE9633), an anti-IGF-1R antibody (AVE1642), and an anti-CD19 TAP compound (SAR 3419) for certain B-cell malignancies, including non-Hodgkin's lymphoma. Over the original, three-year term of the collaboration and two agreed-upon one-year extensions, we will receive a minimum of $79.3 million of committed research funding and will devote a significant amount of our internal research and development resources to advancing the collaborative research program. Under the terms of the agreement, we may advance any TAP or antibody products that sanofi-aventis has elected not to either initially include or later advance in the research program. Additionally, as of September 1, 2006 we are no longer obligated to present new targets for antibody-based anticancer therapeutics to sanofi-aventis, enabling us to be able to use such targets in the development of our own proprietary products. In December, 2006, sanofi-aventis entered into an option agreement that enables them to gain extended and expanded access to the Company's TAP technology.

Sanofi-aventis initiated Phase I testing of AVE9633 in March 2005. An abstract with findings from the first Phase I study was published in December 2006. A separate Phase I study is underway in Europe. In October 2006, clinical testing of AVE1642, a therapeutic antibody that binds to the Insulin-like Growth Factor 1 Receptor (IGF-1R), was initiated. SAR3419 is in preclinical development. Additional compounds also are in various stages of research and development.

Our agreement with sanofi-aventis had required us to present for inclusion in the collaborative research program certain antibodies or antibody targets that we believed had utility in oncology, with the exception of those antibodies or antibody targets that are the subject of our pre-existing or future collaboration and license agreements. Sanofi-aventis then had the right to either include in or exclude from the collaborative research program these proposed antibodies and antibody targets. If sanofi-aventis elected to exclude any antibodies or antibody targets, we could elect to develop the compounds for our own pipeline. Effective September 1, 2006, we are no longer obligated to present new targets for antibody-based anticancer therapeutics to sanofi-aventis, enabling us to use such targets in the development of our own proprietary products.

The potential product candidates that have been or that may eventually be excluded from the sanofi-aventis collaboration are in an early stage of discovery research and we are unable to accurately estimate which potential products, if any, will eventually move into our internal preclinical research program. We are unable to reliably estimate the costs to develop these products as a result of the uncertainties related to discovery research efforts as well as preclinical and clinical testing. Our decision to move a product candidate into the clinical development phase is predicated upon the results of preclinical tests. We cannot accurately predict which, if any, of the discovery research stage product candidates will advance from preclinical testing and move into our internal clinical development program. The clinical trial and regulatory approval processes for our product candidates that have advanced or we intend to advance to clinical testing are lengthy, expensive and uncertain in both timing and outcome. As a result, the pace and timing of the clinical development of our product candidates is highly uncertain and may not ever result in approved products. Completion dates and development costs will vary significantly for each product candidate and are difficult to predict. A variety of factors, many of which are outside our control, could cause or contribute to the prevention or delay of the successful completion of our clinical trials, or delay or prevent our obtaining necessary regulatory approvals. The costs to take a product through clinical trials are dependent upon, among other factors, the clinical indications, the timing, size and dosing schedule of each clinical trial, the number of patients enrolled in each trial, and the speed at which patients are enrolled and treated. Product candidates may be found ineffective or cause harmful side effects during clinical trials, may take longer to progress through clinical trials than anticipated, may fail to receive necessary regulatory approvals or may prove impracticable to manufacture in commercial quantities at reasonable cost or with acceptable quality.

The lengthy process of securing FDA approvals for new drugs requires the expenditure of substantial resources. Any failure by us to obtain, or any delay in obtaining, regulatory approvals would materially adversely affect our product development efforts and our business overall. Accordingly, we cannot currently estimate, with any degree of certainty, the amount of time or money that we will be required to expend in the future on our product candidates prior to their regulatory approval, if such approval is ever granted. As a result of these uncertainties surrounding the timing and outcome of our clinical trials, we are currently unable to estimate when, if ever, our product candidates that have advanced into clinical testing will generate revenues and cash flows.

Research and development expense for the three months ended March 31, 2007 increased $1.8 million to $12.0 million from $10.2 million for the three months ended March 31, 2006. The number of research and development personnel increased to 164 at March 31, 2007 compared to 150 at March 31, 2006 in order to support increased activities related to our collaborators' programs, as well as our own. Research and development salaries and related expenses increased by $1.2 million in the three months ended March 31, 2007 compared to the three months ended March 31, 2006. Included in salaries and related

expenses for the current period was approximately $468,000 in severance costs related to the departure of two senior personnel. Contract service expense increased by $633,000 in the three months ended March 31, 2007 compared to the same period ended March 31, 2006. This increase is primarily due to increased development costs with contract manufacturing organizations for the potential production of later-stage materials, as well as the purchase of research grade materials during the current period. Partially offsetting these increases, overhead utilization

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from the manufacture of clinical materials on behalf of our collaborators increased by $490,000 in the three months ended March 31, 2007 compared to the three months ended March 31, 2006.

We expect future research and development expenses to increase as we expand our clinical trial activity. We do not track our research and development costs by project. Since we use our research and development resources across multiple research and development projects, we manage our research and development expenses within each of the categories listed in the following table and described in more detail below (in thousands):

	Three Months Ended March 31, 2007	2006
Research and Development	$ 3,991	$ 3,373
Preclinical and Clinical	2,079	1,942
Process and Product Development	1,391	1,657
Manufacturing	4,504	3,244
Total Research and Development Expense	$ 11,965	$ 10,216

Research and Development: Research and development includes expenses associated with activities to identify and evaluate new targets and to develop and evaluate new antibodies and cytotoxic agents for our products and in support of our collaborators. Such expenses primarily include personnel, fees to in-license certain technology, facilities and lab supplies. Research and development expenses for the three months ended March 31, 2007 increased $618,000 to $4.0 million from $3.4 million for the three months ended March 31, 2006. The increase in research and development expenses was primarily the result of an increase in salaries and related expense.

Preclinical and Clinical Testing*:* Preclinical and clinical testing includes expenses related to preclinical testing of our own and, in certain instances, our collaborators' product candidates, and the cost of our own clinical trials. Such expenses include personnel, patient enrollment at our clinical testing sites, consultant fees, contract services, and facility expenses. Preclinical and clinical testing expenses for the three months ended March 31, 2007 increased $137,000 to $2.1 million compared to $1.9 million for the three months ended March 31, 2006. This increase is primarily due to an increase in salaries and related expense, as well as an increase in contract service expense resulting from increased costs associated with preclinical studies, partially offset by a decrease in clinical trial costs resulting from reduced patient enrollment during the current period.

Process and Product Development*:* Process and product development expenses include costs for development of clinical and commercial manufacturing processes. Such expenses include the costs of personnel, contract services and facility expenses. For the three months ended March 31, 2007, total development expenses decreased $266,000 to $1.4 million, compared to $1.7 million for the three months ended March 31, 2006. The decrease is primarily due to a decrease in contract service expense, partially offset by an increase in salaries and related expense.

Manufacturing Operations: Manufacturing operations expense includes costs to scale-up the manufacture of preclinical and clinical materials for our own product candidates and costs to support the operation and maintenance of our conjugate manufacturing plant. Such expenses include personnel, materials for our preclinical and clinical trials, development costs with contract manufacturing organizations, manufacturing supplies, and facilities expense. Manufacturing costs related to the production of material for our collaborators are recorded as cost of clinical material reimbursed in our statement of operations. For the three months ended March 31, 2007, manufacturing operations expense increased $1.3 million to $4.5 million compared to $3.2 million in the same period last year. The increase in the three months ended March 31, 2007 as compared to the three months ended March 31, 2006 was primarily the result of (i) an increase in contract service expense substantially due to higher development costs with contract manufacturing organizations for the production of later-stage materials; (ii) higher disposable costs related to the manufacture of clinical materials; and (iii) an increase in salaries and related expense. Partially offsetting these increases was higher overhead utilization from the manufacture of clinical materials on behalf of our collaborators during the three months ended March 31, 2007 as compared to the same period ended March 31, 2006.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2007 increased $656,000 to $2.8 million compared to $2.2 million for the three months ended March 31, 2006. The increase is primarily due to an increase in patent costs, salaries and related expense, and legal fees.

Interest Income

Interest income for the three months ended March 31, 2007 decreased $118,000 to $757,000 from $875,000 for the three months ended March 31, 2006. The decrease in interest income is primarily the result of a decrease in our average investment balance.

Net Realized Gains (Losses) on Investments

Net realized losses on investments were $5,000 and $7,000 for the three months ended March 31, 2007 and 2006, respectively. The difference is attributable to the timing of investment sales.

Comparison of Nine Months ended March 31, 2007 and 2006

Our total revenues for each of the nine months ended March 31, 2007 and 2006 were $29.7 million and $23.7 million, respectively. The $6.0 million increase in revenues in the nine months ended March 31, 2007 compared to the same period in the prior year is attributable to an increase in clinical materials

reimbursement revenue, research and development support revenue, and license and milestone fees.

Research and development support was $18.7 million for the nine months ended March 31, 2007 compared with $16.2 million for the nine months ended March 31, 2006. These amounts primarily represent committed research funding earned based on actual resources utilized under our discovery, development and commercialization agreement with sanofi-aventis, as well as amounts earned for resources utilized under our development and license agreements with Biogen Idec, Biotest, Centocor, and Genentech. Of the $16.2 million reported in the nine months ended March 31, 2006, $1.1 million represents funding related to research and development efforts performed during the Company's 2005 fiscal year under the sanofi-aventis collaboration but billed and recognized in fiscal 2006. Also included in research and development support revenue are fees related to samples of research-grade material shipped to collaborators. To date, our development fees represent the fully burdened reimbursement of costs incurred in producing research-grade materials and developing antibody-specific conjugation processes on behalf of our collaborators and potential collaborators during the early evaluation and preclinical testing stages of drug development. The amount of development fees we earn is directly related to the number of our collaborators and potential collaborators, the stage of development of our collaborators' compounds and the resources our collaborators allocate to the development effort. As such, the amount of development fees may vary widely from quarter to quarter and year to year.

Revenues from license and milestone fees for the nine months ended March 31, 2007 increased $520,000 to $6.3 million from $5.8 million in the same period ended March 31, 2006. Total revenue from license and milestone fees recognized from each of our collaborative partners in the nine-month periods ended March 31, 2007 and 2006 is included in the following table (in thousands):

	Nine months ended March 31, 2007	2006
Collaborative Partner:		
Amgen (formerly Abgenix)	$ 300	$ 300
Sanofi-aventis	3,926	1,800
Biogen Idec	65	36
Biotest	115	—
Centocor	114	125
Genentech	1,158	3,260
Millennium	653	290
Total	$ 6,331	$ 5,811

Clinical materials reimbursement increased by approximately $2.9 million to $4.7 million in the nine months ended March 31, 2007, compared to $1.7 million in the nine months ended March 31, 2006. During the nine months ended March 31, 2007, we shipped clinical materials in support of the AVE9633 clinical trials, trastuzumab-DM1 clinical trials, and in the anticipation of the clinical trials to be conducted by our partners, as well as preclinical materials in support of the development efforts of certain other collaborators. During the nine months ended March 31, 2006, we shipped clinical materials in support of the AVE9633 clinical trials and in the anticipation of the clinical trials to be conducted by our partners, as well as preclinical materials in support of the development efforts of certain other collaborators. We are reimbursed for our fully burdened cost to produce clinical materials plus under certain collaborative agreements, a profit margin. The amount of clinical materials reimbursement we earn, and the related cost of clinical materials reimbursed, is directly related to (i) the number of on-going clinical trials our collaborators have underway, the speed of enrollment in those trials, the dosage schedule of each clinical trial and the time period, if any, during which patients in the trial receive clinical benefit from the clinical materials, and (ii) our production of clinical-grade material on behalf of our collaborators, either in anticipation of clinical trials, or for process development and analytical purposes. As such, the amount of clinical materials reimbursement and the related cost of clinical materials reimbursed may vary significantly from quarter to quarter and year to year.

Research and Development Expenses

Research and development expense for the nine months ended March 31, 2007 increased $6.7 million to $35.1 million from $28.5 million for the nine months ended March 31, 2006. The number of research and development personnel increased to 164 at March 31, 2007 compared to 150 at March 31, 2006 in order to support increased activities related to our collaborators' programs, as well as our own. Research and development salaries and related expenses increased by $2.3 million in the nine months ended March 31, 2007 compared to the nine months ended March 31, 2006. Included in salaries and related expenses for the current period was approximately $468,000 in severance costs related to the departure of two senior personnel. Contract service expense increased by $5.1 million in the nine months ended March 31, 2007 compared to the same period ended March 31, 2006. This increase is primarily related to the manufacturing and material costs for our compounds currently in clinical trials, as well as development costs with contract manufacturing organizations for the potential production of later-stage materials. Disposable costs related to the manufacture of clinical materials also increased $615,000 in the nine months ended March 31, 2006 as compared to the same period last year due primarily to increased manufacturing and development activities. Partially offsetting these increases, overhead utilization from the manufacture of clinical materials on behalf of our collaborators increased by $1.6 million in the nine months ended March 31, 2007 compared to the nine months ended March 31, 2006.

We expect future research and development expenses to increase as we expand our clinical trial activity. We do not track our research and development costs by project. Since we use our research and development resources across multiple research and development projects, we manage our research and development expenses within each of the categories listed in the following table and described in more detail below (in thousands):

	Nine Months Ended March 31, 2007	2006
Research and Development	$ 11,510	$ 10,362
Preclinical and Clinical Testing	6,224	5,534
Process and Product Development	4,069	4,249
Manufacturing	13,346	8,322
Total Research and Development Expense	$ 35,149	$ 28,467

Research and Development: Research and development includes expenses associated with activities to identify and evaluate new targets and to develop and evaluate new antibodies and cytotoxic agents for our products and in support of our collaborators. Such expenses primarily include personnel, fees to in-

license certain technology, facilities and lab supplies. Research and development expenses for the nine months ended March 31, 2007 increased $1.1 million to $11.5 million from $10.4 million for the nine months ended March 31, 2006. The increase in research expenses was primarily the result of an increase in salaries and related expense, and to a lesser extent, facilities expense.

Preclinical and Clinical Testing*:* Preclinical and clinical testing includes expenses related to preclinical testing of our own and, in certain instances, our collaborators' product candidates, and the cost of our own clinical trials. Such expenses include personnel, patient enrollment at our clinical testing sites, consultant fees, contract services, and facility expenses. Preclinical and clinical testing

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expenses for the nine months ended March 31, 2007 increased $690,000 to $6.2 million compared to $5.5 million for the nine months ended March 31, 2006. This increase is primarily due to an increase in salaries and related expense, as well as an increase in contract service expense resulting from increased costs associated with preclinical studies, partially offset by a decrease in recruiting fees.

Process and Product Development*:* Process and product development expenses include costs for development of clinical and commercial manufacturing processes. Such expenses include the costs of personnel, contract services and facility expenses. For the nine months ended March 31, 2007, total development expenses decreased $180,000 to $4.1 million, compared to $4.2 million for the nine months ended March 31, 2006. The decrease is primarily due to a decrease in contract service expense, partially offset by an increase in salaries and related expense, and to a lesser extent, facilities expense.

Manufacturing Operations: Manufacturing operations expense includes costs to manufacture preclinical and clinical materials for our own product candidates and costs to support the operation and maintenance of our conjugate manufacturing plant. Such expenses include personnel, materials for our preclinical and clinical trials, development costs with contract manufacturing organizations, manufacturing supplies, and facilities expense. Manufacturing costs related to the production of material for our collaborators are recorded as cost of clinical material reimbursed in our statement of operations. For the nine months ended March 31, 2007, manufacturing operations expense increased $5.0 million to $13.4 million compared to $8.3 million in the same period last year. The increase in the nine months ended March 31, 2007 as compared to the same period ended March 31, 2006 was primarily the result of (i) an increase in contract service expense substantially due to higher antibody purchases as well as development costs with contract manufacturing organizations for the potential production of later-stage materials; (ii) an increase in salaries and related expense; and (iii) an increase in the cost of disposable supplies. Partially offsetting these increases was higher overhead utilization from the manufacture of clinical materials on behalf of our collaborators during the nine months ended March 31, 2007 as compared to the same period ended March 31, 2006.

General and Administrative Expenses

General and administrative expenses for the nine months ended March 31, 2007 increased $892,000 to $8.2 million compared to $7.3 million for the nine months ended March 31, 2006. The increase is primarily due to (i) an increase in patent expense due to increased patents filed in additional countries, resulting in additional fees; (ii) an increase in salaries and related expense; (iii) an increase in recruiting fees; (iv) an increase in director compensation; and (v) an increase in legal expenses. Partially offsetting these increases was a decrease in the cost of D&O insurance and insurance-related brokerage fees, as well as facilities expense. The decrease in facilities expense was due to an adjustment made during the first quarter of fiscal 2007 to reverse an incorrect accrual recorded in fiscal 2006 of $195,000 related to operating expenses and real estate taxes associated with the 64 Sidney Street office. The Company does not believe such previously recorded expense was material to the results of operations or the financial position of the Company for fiscal year 2006 or for the nine months ended March 31, 2007.

Interest Income

Interest income for the nine months ended March 31, 2007 increased $146,000 to $2.5 million from $2.4 million for the nine months ended March 31, 2006. The increase in interest income is primarily the result of higher yields on investments.

Net Realized Gains (Losses) on Investments

No net realized gains or losses on investments were recognized during the nine months ended March 31, 2007 as compared to net realized losses on investments of $33,000 for the nine months ended March 31, 2006. The difference is attributable to the timing of investment sales.

LIQUIDITY AND CAPITAL RESOURCES

We require cash to fund our operating expenses, including the advancement of our own clinical programs, and to make capital expenditures. Historically, we have funded our cash requirements primarily through equity financings in public markets and payments from our collaborators, including equity investments, milestone payments, license fees and research funding. As of March 31, 2007, we had approximately $64.0 million in cash and marketable securities. Net cash used for operations during the nine months ended March 31, 2007 was $11.5 million compared to $7.1 million during the nine months ended March 31, 2006. The principal use of cash in operating activities for all periods presented was to fund our net loss. The increase in cash used in operations during the nine months ended March 31, 2007 compared to the nine months ended March 31, 2006 is principally due to the increased net loss, resulting from increased research and development costs and general and administrative expenses.

Net cash provided by investing activities during the nine months ended March 31, 2007 was $12.4 million compared to $6.6 million during the nine months ended March 31, 2006. The variance primarily relates to an increase in the sale of and maturities of marketable securities to fund our operations, and to a lesser extent, a decrease in capital expenditures. Capital expenditures, primarily

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for the purchase of new equipment, were $1.4 million and $1.6 million for the nine-month periods ended March 31, 2007 and 2006, respectively.

Net cash provided by financing activities was $1.6 million for the nine months ended March 31, 2007 compared to net cash provided by financing activities of $1.1 million for the nine months ended March 31, 2006. For the nine months ended March 31, 2007, net cash provided by financing activities reflects the proceeds to us from the exercise of 748,984 stock options under our Restated Stock Option Plan, at prices ranging from $0.84 to $3.95 per

share. For the nine months ended March 31, 2006, net cash provided by financing activities reflects the proceeds to us from the exercise of 379,219 stock options under the Company's Restated Stock Option Plan, at prices ranging from $1.31 to $6.27 per share.

We anticipate that our current capital resources and future collaborator payments, including committed research funding that we expect to receive from sanofi-aventis pursuant to the terms of our collaboration agreement, will enable us to meet our operational expenses and capital expenditures for at least the current and the next one to two fiscal years. We believe that our existing capital resources in addition to our established collaborative agreements will provide funding sufficient to allow us to meet our obligations under all collaborative agreements while also allowing us to develop product candidates and technologies not covered by collaborative agreements. However, we cannot provide assurance that such collaborative agreement funding will, in fact, be received. Should we not meet some or all of the terms and conditions of our various collaboration agreements, we may be required to pursue additional strategic partners, secure alternative financing arrangements, and/or defer or limit some or all of our research, development and/or clinical projects.

Contractual Obligations

On February 21, 2007, the Company amended its original lease agreement dated June 12, 2003 with Bobson 333 LLC to lease 8,400 additional square feet of space at 333 Providence Highway, Norwood, Massachusetts for additional office space. Under the terms of the amended agreement, the annual rent increases by approximately $110,000 and is $606,000, $671,000, $737,000, $803,000, and $825,000 for the fiscal years ending June 30, 2007 through June 30, 2011, respectively. The Company is also required to pay its allocable share of operating and tax expenses related to the premises. The lease is effective April 1, 2007 and expires on June 30, 2011, with the option to extend for one additional five year period.

Minimum rental commitments, including real estate taxes and other expenses, under all non-cancelable operating lease agreements are the following for the next five fiscal years ended June 30,

2007 (remaining three months)	$ 910
2008	3,177
2009	1,649
2010	1,715
2011	1,220
Total minimum lease payments	$ 8,671

Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115,*" or SFAS 159, which is effective for fiscal years beginning after November 15, 2007 (our fiscal year 2009). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. We have not completed our evaluation of the effects of adopting this standard, however, we do not believe the adoption will have a material impact on the Company's financial statements.

In September 2006, the FASB issued SFAS No. 157, *"Fair Value Measurements,"* or SFAS 157, which is effective for fiscal years beginning after November 15, 2007 (our fiscal year 2009). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles, and expands disclosures about fair value measurements. The Statement codifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that

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prioritizes the information used to develop those assumptions. We have not completed our evaluation of the effects of adopting this standard, however, we do not believe the adoption will have a material impact on our results of operation or financial position.

In July 2006, the FASB issued Financial Interpretation No. (FIN) 48, *Accounting for Uncertainty in Income Taxes*, which applies to all tax positions related to income taxes subject to No. 109 (SFAS 109), *Accounting for Income Taxes*. This includes tax positions considered to be "routine" as well as those with a high degree of uncertainty. FIN 48 utilizes a two-step approach for evaluating tax positions. Recognition (step one) occurs when an enterprise concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) is only addressed if step one has been satisfied (i.e., the position is more-likely-than-not to be sustained). Under step two, the tax benefit is measured as the largest amount of benefit, determined on a cumulative probability basis that is more-likely-than-not to be realized upon ultimate settlement. FIN 48's use of the term "more-likely-than-not" in steps one and two is consistent with how that term is used in SFAS 109 (i.e., a likelihood of occurrence greater than 50 percent).

Those tax positions failing to qualify for initial recognition are recognized in the first subsequent interim period they meet the more-likely-than-not standard, or are resolved through negotiation or litigation with the taxing authority, or upon expiration of the statute of limitations. Derecognition of a tax position that was previously recognized would occur when a company subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained. FIN 48 specifically prohibits the use of a valuation allowance as a substitute for derecognition of tax positions. Additionally, FIN 48 requires expanded disclosure requirements, which include a tabular rollforward of the beginning and ending aggregate unrecognized tax benefits as well as specific detail related to tax uncertainties for which it is reasonably possible the amount of unrecognized tax benefit will significantly increase or decrease within twelve months. These disclosures are required at each annual reporting period unless a significant change occurs in an interim period. FIN 48 is effective for fiscal years beginning after December 15, 2006 (our fiscal year 2008). We have not completed our evaluation of the effects of adopting this standard, however, we do not believe the adoption will have a material impact on our results of operation or financial position.

Forward-Looking Statements

This quarterly report and other documents we may file with the SEC contain forward-looking statements. Also, our management may make forward-looking statements orally to investors, analysts, the media and others. Forward-looking statements express our expectations or predictions of future events or

results. They are not guarantees and are subject to many risks and uncertainties. There are a number of factors that could cause actual events or results to be significantly different from those described in the forward-looking statement. Forward-looking statements might include one or more of the following:

- future products revenues, expenses, liquidity and cash needs;
- anticipated agreements with collaboration partners;
- anticipated clinical trial timelines or results;
- anticipated research and product development results;
- projected regulatory timelines;
- descriptions of plans or objectives of management for future operations, products or sevices;
- forecasts of future economic performance; and
- descriptions or assumptions underlying or relating to any of the above items.

Forward-looking statements can be identified by the fact that they do not relate to historical or current facts. They use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “opportunity,” “plan,” “potential,” “believe” or words of similar meaning. They may also use words such as “will,” “would,” “should,” “could” or “may”. Given these uncertainties, you should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. You should review carefully the risks and uncertainties identified in this Quarterly Report on Form 10-Q, including the cautionary information set forth under Part II, Item 1A., Risk Factors, and our Annual Report on Form 10-K for the year ended June 30, 2006. We may not revise these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

We maintain an investment portfolio in accordance with our Investment Policy. The primary objectives of our Investment Policy are to preserve principal, maintain proper liquidity to meet operating needs and maximize yields. Although our investments are subject to credit risk, our Investment Policy specifies credit quality standards for our investments and limits the amount of credit exposure from any single issue, issuer or type of investment. Our investments are also subject to interest rate risk and will decrease in value if market interest rates increase. However, due to the conservative nature of our investments and relatively short duration, interest rate

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risk is mitigated. We do not own derivative financial instruments in our investment portfolio. Accordingly, we do not believe that there is any material market risk exposure with respect to derivative or other financial instruments that would require disclosure under this item.

ITEM 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures*

As of the end of the period covered by this report, the Company’s principal executive officer and principal financial officer evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have concluded, based on such evaluation, that the design and operation of the Company’s disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which this Quarterly Report on Form 10-Q was being prepared.

(b) *Changes in Internal Controls*

There were no changes, identified in connection with the evaluation described above, in the Company’s internal controls over financial reporting or in other factors that could significantly affect those controls that have materially affected or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

None.

ITEM 1A. Risk Factors.

We have a history of operating losses and expect to incur significant additional operating losses.

We have generated operating losses since our inception. As of March 31, 2007, we had an accumulated deficit of $253.0 million. For the nine months ended March 31, 2007, and the fiscal years ended June 30, 2006, 2005, and 2004, we generated losses of $14.5 million, $17.8 million, $11.0 million and $5.9 million, respectively. We may never be profitable. We expect to incur substantial additional operating expenses over the next several years as our research, development, clinical studies, manufacturing support activities, and collaborator support activities increase. We intend to continue to invest significantly in our product candidates. Further, we expect to invest significant resources supporting our existing collaborators as they work to develop, test and commercialize TAP and other antibody compounds, and we or our collaborators may encounter technological or regulatory difficulties as part of this development and commercialization process that we cannot overcome or remedy. We may also incur substantial marketing and other costs in the future if we decide to establish marketing and sales capabilities to commercialize our product candidates. None of our product candidates has generated any commercial revenue and our only revenues to date have been primarily from upfront and milestone payments, research and development support and clinical materials reimbursement from our collaborative partners. We do not expect to generate revenues from the commercial sale of our product candidates for several years, and we may never generate revenues from the commercial sale of products. Even if we do successfully develop products that can be marketed and sold

commercially, we will need to generate significant revenues from those products to achieve and maintain profitability. Even if we do become profitable, we may not be able to sustain or increase profitability on a quarterly or annual basis.

Foreign currency exchange risk

ImmunoGen's market risks associated with changes in foreign currency exchange rates are concentrated primarily in a portfolio of short duration foreign currency forward contracts. Generally, these contracts provide that ImmunoGen receive certain foreign currencies and pay U.S. dollars at specified exchange rates at specified future dates.

Our foreign currency risk management strategy is principally designed to mitigate the future potential financial impact of changes in the value of transactions and balances denominated in foreign currency, resulting from changes in foreign currency exchange rates. Our foreign currency hedging program uses forward contracts to manage the foreign currency exposures that exist as part of our ongoing business operations. The contracts primarily are denominated in European currencies and have maturities of less than one year.

In addition to the foregoing risk factors, for a complete set of risk factors, please refer to the section entitled "Risk Factors" in our Annual Report on Form 10-K for our fiscal year ended June 30, 2006, as updated by our Quarterly Reports on Form 10Q, on file with the Securities and Exchange Commission.

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

None.

ITEM 3. Defaults Upon Senior Securities.

None.

ITEM 4. Submission of Matters to a Vote of Security Holders.

None.

ITEM 5. Other Information.

None.

ITEM 6. Exhibits.

(a) Exhibits

3.3	By-Laws, as amended (1)
10.1***	License Agreement executed February 21, 2007, effective as of April 27, 2005, between the Company and Genentech, Inc.
10.2***	License Agreement executed February 21, 2007, effective as of December 12, 2005, between the Company and Genentech, Inc.
31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.	Certifications of Chief Executive Officer and Principal Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Previously filed as an exhibit to, and hereby incorporated herein by reference from, ImmunoGen's report on Form 8-K dated April 4, 2007.
*** Certain confidential material contained in the document was omitted and filed separately with the SEC pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

SIGNATURES

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

ImmunoGen, Inc.

Date: May 9, 2007

By: /s/ Mitchel Sayare
Mitchel Sayare
President and Chief Executive Officer
(principal executive officer)

Date: May 9, 2007

By: /s/ Daniel M. Junius
Daniel M. Junius
Executive Vice President and Chief Financial Officer
(principal financial officer)

LICENSE AGREEMENT

This License Agreement (the "Agreement") is made effective as of April 27, 2005 (the "Effective Date") by and between GENENTECH, INC., a Delaware corporation having its principal business office at 1 DNA Way, South San Francisco, California 94080 ("GENENTECH"), and IMMUNOGEN, INC., a Massachusetts corporation with its principal place of business at 128 Sidney Street, Cambridge, Massachusetts 02139 ("IMMUNOGEN"). GENENTECH and IMMUNOGEN are each hereafter referred to individually as a "Party" and together as the "Parties".

WHEREAS, the Parties entered into the Heads of Agreement (defined below) pursuant to which IMMUNOGEN granted GENENTECH the right to obtain up to [***] exclusive options at any given time to obtain an exclusive license to use IMMUNOGEN's proprietary maytansinoid conjugation technology with certain proprietary antibodies of GENENTECH and other binding proteins relating thereto that bind to any antigen target selected by GENENTECH and determined by IMMUNOGEN to be available for licensing as described more fully in the Heads of Agreement; and

WHEREAS, pursuant to the Heads of Agreement, GENENTECH was granted an Exclusive Target Option (as defined in the Heads of Agreement) with respect to [***] and has exercised such Exclusive Target Option pursuant to the terms set forth in the Heads of Agreement, resulting in the grant of an exclusive license from IMMUNOGEN to GENENTECH on the terms set forth in the Heads of Agreement; and

WHEREAS, pursuant to the Heads of Agreement, the Parties have agreed to enter into an agreement setting forth the detailed terms of the exclusive license from IMMUNOGEN to GENENTECH.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS

Whenever used in the Agreement with an initial capital letter, the terms defined in this Section 1 shall have the meanings specified.

1.1. "**Adverse Event**" shall mean any untoward medical occurrence in a patient or subject who is administered a Licensed Product, whether or not considered related to the Licensed Product, including, without limitation, any undesirable sign (including abnormal laboratory findings of clinical concern), symptom or disease temporally associated with the use of such Licensed Product.

1.2. "**Affiliate**" shall mean any corporation, firm, limited liability company, partnership or other entity which directly or indirectly controls or is controlled by or is under common control with a Party to this Agreement. For purposes of this Section 1.2, "control" means ownership, directly or indirectly through one or more Affiliates, of fifty percent (50%) or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or fifty percent (50%) or more of the equity interests in the case of any other type of legal entity, or status as a general partner in the case of any partnership, or any other arrangement whereby a Party controls or has the right to control the Board of Directors or equivalent governing body or management of a corporation or other entity.

1.3. "**Agreement**" shall mean this Agreement between the Parties, dated as of the Effective Date, including any exhibits, schedules or other attachments hereto and incorporated herein, as any of the foregoing may be validly amended from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of any exhibits, schedules or other attachments incorporated herein, the terms of this Agreement shall govern unless the Parties expressly agree otherwise in writing.

1.4. "**Allocable Overhead**" shall mean overhead costs incurred by IMMUNOGEN attributable to IMMUNOGEN's supervisory services, occupancy costs, and its payroll, information systems, human relations, purchasing, accounts receivable or accounts payable functions which are allocated to company departments based on space occupied or headcount or another activity-based method, and shall include the "General Administrative Fee" as defined hereinbelow. For purposes of any given calculation of "Allocable Overhead" hereunder, the "General and Administrative Fee" shall equal [***] percent ([***]%) of the total amount of Allocable Overhead (as calculated before the inclusion of any such fee). However, "Allocable Overhead" shall not include any costs attributable to general corporate activities, executive management, investor relations, corporate communications, business development, legal affairs or finance.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

1.5. **"Clinical Materials"** shall mean (a) supplies of ansamitocin P-3, and/or any other MAY Compound as manufactured in accordance with all applicable GMPs and other legal requirements and all applicable Specifications for such MAY Compound for use in human clinical testing, and (b) supplies of any Licensed Product as manufactured in accordance with all applicable GMPs and other legal requirements and all applicable Specifications for such Licensed Product for use in human clinical testing of any Licensed Product.

1.6. **"Collaboration Committee"** shall mean the committee with representatives of each Party established as set forth in Section 3.4.

1.7. **"Combination Product**" shall mean any Licensed Product that contains, in addition to any conjugate of a [***] Antibody with any MAY Compound, one or more other ingredients that has biologic activity as a therapeutic agent when present alone.

1.8. **"Confidential Information"** shall have the meaning set forth in Section 5.1.

1.9. "**Control**" or "**Controlled**" shall mean, with respect to any Patent Rights or Technology (including, without limitation, any MAY Compound, [***] Antibody or other proprietary biologic material covered under this Agreement), the possession by a Party of the ability to grant a license or sublicense of such patent rights, know-how or other intellectual property and the rights thereto or to supply such compounds or materials as provided for in this Agreement without violating the terms of any arrangement or agreement between such Party and any Third Party.

1.10. "**Development**" and "**Develop**" shall mean, with respect to any Licensed Product, all activities with respect to such Licensed Product relating to research and development in connection with seeking, obtaining and/or maintaining any Regulatory Approval for such Licensed Product in the Field in the Territory, including without limitation, all pre-clinical research and development activities, all human clinical studies, all activities relating to developing the ability to manufacture any Licensed Product or any component thereof (including, without limitation, process development work), and all other activities relating to seeking, obtaining and/or maintaining any Regulatory Approvals from the FDA and/or any Foreign Regulatory Authority.

1.11. "**Drug Approval Application**" shall mean any application for Regulatory Approval (including pricing and reimbursement approvals) required prior to any commercial sale or use of a Licensed Product in any country or jurisdiction in the Territory, including, without

limitation, (a) any NDA or MAA filed with the FDA or any Foreign Regulatory Authority, and (b) any equivalent application filed with any Foreign Regulatory Authority for Regulatory Approval (including pricing and reimbursement approvals) required prior to any commercial sale or use of a Licensed Product in any country or jurisdiction in the Territory.

1.12. "**Effective Date**" shall mean the date first written above in the introductory paragraph to this Agreement.

1.13. "**FDA**" shall mean the United States Food and Drug Administration and any successor agency or authority thereto.

1.14. "**Field**" shall mean any and all human uses.

1.15. "**First Commercial Sale**" shall mean the date of the first commercial sale (other than for purposes of obtaining Regulatory Approval) of a Licensed Product by or on behalf of GENENTECH or any Sublicensee.

1.16. **"[***] Indication"** shall mean the [***] use permitted by the FDA or any Foreign Regulatory Authority in any Regulatory Approval of a given Licensed Product.

1.17. "**Foreign Regulatory Authority**" shall mean any applicable supranational, national, federal, state or local regulatory agency, department, bureau or other governmental entity of any country or jurisdiction in the Territory (other than the FDA in the United States), having responsibility in such country or jurisdiction for any Regulatory Approvals of any kind in such country or jurisdiction, and any successor agency or authority thereto.

1.18. "**Fully Burdened Manufacturing Cost**" shall mean, with respect to any Preclinical Materials or Clinical Materials produced by IMMUNOGEN for GENENTECH under this Agreement, the sum of the following components: (a) the costs of goods produced, as determined by IMMUNOGEN in accordance with generally accepted accounting principles in the United States, consistently applied, including, without limitation, direct labor, material and product testing costs of such Preclinical Materials or Clinical Materials; (b) any Third Party royalty costs directly allocable to the manufacture or use of such Preclinical Materials or Clinical Materials; (c) all Allocable Overhead on the cost of goods under clause (a) above; and (d) any other costs borne by IMMUNOGEN, for the transport, customs clearance, duty, insurance and/or storage of such Preclinical Materials or Clinical Materials.

1.19. "**GENENTECH**" shall mean Genentech, Inc., a Delaware corporation, and its successors and permitted assigns under this Agreement.

1.20. "**GLPs**" shall mean all good laboratory practices under Title 21 of the United States Code of Federal Regulations, as amended from time to time.

1.21. "**GMPs**" shall mean all good manufacturing practices under Title 21 of the United States Code of Federal Regulations, as amended from time to time.

1.22. **"Heads of Agreement"** shall mean the Heads of Agreement, dated May 2, 2000, as amended, whereunder the Parties agreed upon the terms and conditions for a broader arrangement relating to the conjugation of a larger array of antibodies and binding proteins to maytansine derivatives such as DM1.

1.23. **"HER2 License Agreement"** shall mean that certain License Agreement dated as of May 2, 2000, as amended May 3, 2006, by and between the Parties with respect to the use of IMMUNOGEN's proprietary maytansinoid conjugation technology with GENENTECH's Anti-HER2 antibodies and other HER-2 binding proteins.

1.24. "**IMMUNOGEN**" shall mean ImmunoGen, Inc., a Massachusetts corporation, and its successors and permitted assigns under this Agreement.

1.25. "**IMMUNOGEN Field**" shall mean any and all uses other than any use that involves an antibody that binds to an antigen that is subject to an exclusive license from IMMUNOGEN under, or arising from, the Heads of Agreement or an antigen that is subject to an Exclusive Target Option under the Heads of Agreement, during the period that such exclusive license or Exclusive Target Option remains in effect.

1.26. "**Improvement**" shall mean: (a) improvements to any MAY Compound, (b) improvements to methods of making any MAY Compound, and (c) improvements to the conjugation process for making antibody-drug conjugates that include any MAY Compound (including, for example, reaction conditions or changes in process that create improvements in the yield of such conjugate). "Improvement" excludes any and all of the following items ("GNE Exclusions"): (w) any improvement that is specific to any antibody-drug conjugates that bind to an antigen that is subject to an exclusive license from IMMUNOGEN under, or arising from, the Heads of Agreement or is subject to an Exclusive Target Option under the Heads of Agreement during the period that such exclusive license or Exclusive Target Option remains in effect; (x) improvements to [***] or [***], or the [***] of [***] or [***] of the foregoing; (y) improvements arising out of GENENTECH [***] or [***] activities (whether or not the associated [***] is the subject of a license or option to GENENTECH by IMMUNOGEN); or

(z) the [***] or [***] of any [***] (*i.e.*, the [***] or [***] of such [***] (*e.g.*, the [***] of [***] or the [***] of [***] to [***]) and [***] the manner of [***] such [***]) that binds to an antigen that is subject to an exclusive license from IMMUNOGEN under, or arising from, the Heads of Agreement or an antigen that is subject to an Exclusive Target Option under the Heads of Agreement, during the period that such exclusive license or Exclusive Target Option remains in effect.

1.27. "**IND**" shall mean an investigational new drug application (as defined in Title 21 of the United States Code of Federal Regulations, as amended from time to time) filed or to be filed with the FDA with regard to any Licensed Product.

1.28. "**Indemnitees**" and "**Indemnifying Party**" shall have the meanings set forth in Section 9.

1.29. "**Licensed Patent Rights**" shall mean any and all Patent Rights in the Field in the Territory which are Controlled by IMMUNOGEN as of the Effective Date or become Controlled by IMMUNOGEN during the Term, to the extent that any of the foregoing is necessary or useful for the Development, manufacture, use, import, export or sale of any Licensed Product (or any component thereof) in the Field in the Territory. The Licensed Patent Rights as of the Effective Date include, without limitation, the patents and patent applications set forth in the Existing License Agreement, as updated from time to time.

1.30. "**Licensed Product**" shall mean any product containing any conjugate of a [***] Antibody with any MAY Compound, and shall include, without limitation, any formulation thereof (including, without limitation, any lyophilized, liquid, sustained release or aerosolized formulation). "Licensed Product" shall also include any and all Combination Products (if any).

1.31. "**Licensed Technology**" shall mean any and all Technology which relates to the use of any Licensed Product in the Field in the Territory which is Controlled by IMMUNOGEN as of the Effective Date or becomes Controlled by IMMUNOGEN during the Term, to the extent that any of the foregoing relates to any Licensed Patent Rights or is necessary or useful for the Development, manufacture, use, import, export or sale of any Licensed Product in the Field in the Territory.

1.32. "**MAA**" shall mean an application filed with the relevant Foreign Regulatory Authority in Europe seeking Regulatory Approval to market and sell any Licensed Product in Europe or any country or territory therein for a particular indication within the Field.

1.33. "**MAY Compound**" shall mean any and all maytansinoid compounds (including, without limitation, maytansine, ansamitocin P-3 and DM1), whether produced by a botanical source, natural fermentation or chemical synthesis, and shall include, without limitation, all variants, fragments or derivatives of any of the foregoing, in each case owned or otherwise Controlled by IMMUNOGEN. MAY shall include, without limitation, that certain maytansine derivative known as "DM1" whose more specific chemical name is $N^{2'}$-deacetyl-$N^{2'}$-(3-mercapto-1-oxopropyl)-maytansine.

1.34. "**NDA**" shall mean a new drug application (as defined in Title 21 of the United States Code of Federal Regulations, as amended from time to time) filed with the FDA seeking Regulatory Approval to market and sell any Licensed Product in the United States for a particular indication within the Field.

1.35. "**Net Sales**" shall mean, as to each calendar quarter during the Term, the gross invoiced sales prices charged for all Licensed Products sold by GENENTECH or its Sublicensees to Third Parties throughout the Territory during such calendar quarter, less the following amounts incurred or paid by

GENENTECH or its Sublicensees during such calendar quarter with respect to sales of Licensed Products regardless of the calendar quarter in which such sales were made:

(a) trade, cash and quantity discounts or rebates actually allowed or taken, including discounts or rebates to governmental or managed care organizations;

(b) credits or allowances actually given or made for rejection of or return of, and for uncollectible amounts on, previously sold Licensed Products or for retroactive price reductions (including Medicare and similar types of rebates);

(c) any charges for insurance, freight, and other transportation costs directly related to the delivery of Licensed Product to the extent included in the gross invoiced sales price;

(d) any tax, tariff, duty or governmental charge levied on the sales, transfer, transportation or delivery of a Licensed Product (including any tax such as a value added or similar tax or government charge) borne by the seller thereof, other than franchise or income tax of any kind whatsoever; and

(e) any import or export duties or their equivalent borne by the seller. "Net Sales" shall not include sales or transfers between GENENTECH and its Sublicensees, unless the

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Licensed Product is consumed by the Sublicensee.

1.36. "**Patent Rights**" shall mean the rights and interests in and to any and all issued patents and pending patent applications (including inventor's certificates and utility models) in any country or jurisdiction in the Territory, including any and all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals and other continuing applications, supplementary protection certificates, renewals, and all letters patent on any of the foregoing, and any and all reissues, reexaminations, extensions, confirmations, registrations and patents of addition on any of the foregoing.

1.37. "**Phase II Clinical Study**" shall mean, as to a particular Licensed Product for a particular indication, a controlled and lawful study in humans of the safety, dose ranging and efficacy of such Licensed Product for such indication, which is prospectively designed to generate sufficient data (if successful) to commence a Phase III Clinical Trial of such Licensed Product for such indication.

1.38. **"Phase III Clinical Trial**" shall mean, as to a particular Licensed Product for a particular indication, a controlled and lawful study in humans of the safety and efficacy of such Licensed Product for such indication, which is prospectively designed to demonstrate statistically whether such Licensed Product is safe and effective for use in such indication in a manner sufficient to file an NDA to obtain Regulatory Approval to market and sell that Licensed Product in the United States for the indication under investigation in such study.

1.39. **"Phase III Equivalent Decision"** shall mean the date (if any) on which GENENTECH (or its Sublicensee) decides, based on notification and input from the FDA, that the data and results generated from the Phase II Clinical Studies of a Licensed Product for a particular indication are sufficient, without any Phase III Clinical Trial of such Licensed Product for such indication, to support the filing of an NDA to obtain Regulatory Approval to market and sell that Licensed Product in the United States for the indication under investigation.

1.40. **"Preclinical Materials"** shall mean (a) supplies of ansamitocin P-3, DM1 and/or any other MAY Compound as manufactured in accordance with all applicable legal requirements and all applicable Specifications for such MAY Compound for use in preclinical testing, and (b) supplies of any Licensed Product as manufactured in accordance with all applicable legal requirements and all applicable Specifications for such Licensed Product for use in preclinical testing of any Licensed Product.

1.41. "**Regulatory Approval**" shall mean any and all approvals (including pricing and reimbursement approvals), product and establishment licenses, registrations or authorizations of any kind of the FDA or any Foreign Regulatory Authority necessary for the development, pre-clinical and/or human clinical testing, manufacture, quality testing, supply, use, storage, importation, export, transport, marketing and sale of a Licensed Product (or any component thereof) for use in the Field in any country or other jurisdiction in the Territory. "Regulatory Approval" shall include, without limitation, any NDA, MAA or other Drug Approval Application.

1.42. **"[***] Indication"** shall mean the [***] use permitted by the FDA or any Foreign Regulatory Authority in any Regulatory Approval of a given Licensed Product and with respect to which GENENTECH has made a [***] based on [***] that such indication will [***] at least a $[***] in [***] in the [***].

1.43. "**Specifications**" shall mean any specifications agreed upon in writing by the Parties relating to the manufacturing and supply of any MAY Compound and/or Licensed Product hereunder.

1.44. "**Sublicensee**" shall have the meaning set forth in Section 2.2, and "**Material Sublicensee**" shall have the meaning set forth in Section 3.3.

1.45. "**Technology**" shall mean and include any and all unpatented proprietary ideas, inventions, discoveries, Confidential Information, biologic materials, data, results, formulae, designs, specifications, methods, processes, formulations, techniques, ideas, know-how, technical information (including, without limitation, structural and functional information), process information, pre-clinical information, clinical information, and any and all proprietary biological, chemical, pharmacological, toxicological, pre-clinical, clinical, assay, control and manufacturing data and materials.

1.46. **"[***]"** shall mean a protein that corresponds to Swiss-Prot Primary accession number [***], or any variant or fragments thereof.

1.47. **"[***] Antibody**" shall mean any monoclonal antibodies Controlled by GENENTECH that bind to [***] and any other proteins binding to [***], and shall include, without limitation, any variants (including, without limitation, humanized versions), fragments (including, without limitation, single-chain versions) or derivatives of any of the foregoing.

1.48. "**[***] Product**" shall mean any product containing an anti-[***] monoclonal antibody conjugated to a MAY Compound.

1.49. "**Term**" shall mean the period commencing on the Effective Date and continuing until the expiration or termination of this Agreement in accordance with the terms hereof (including Section 7).

1.50. "**Territory**" shall mean all countries and jurisdictions of the world.

1.51. **"[***] Indication"** shall mean the [***] use permitted by the FDA or any Foreign Regulatory Authority in any Regulatory Approval of a given Licensed Product and with respect to which GENENTECH has made a [***] based on [***] that such indication will [***] at least $[***] in [***] in the [***].

1.52. "**Third Party**" shall mean any entity other than GENENTECH, IMMUNOGEN and their respective Affiliates.

1.53. "**Third Party Payments**" shall have the meaning set forth in Section 4.2.2.

1.54. "**Valid Claim**" shall mean a claim in an issued, unexpired patent within the Licensed Patent Rights that (i) has not been finally cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction, and (ii) has not been revoked, held invalid, or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal, and (iii) has not been rendered unenforceable through disclaimer or otherwise, and (iv) is not lost through an interference proceeding.

2. GRANT OF RIGHTS

2.1. **License Grants**.

(a) License to GENENTECH. IMMUNOGEN hereby grants to GENENTECH an exclusive (even as to IMMUNOGEN) royalty-bearing license within the Territory, including the right to grant sublicenses as described in Section 2.2 below, under the Licensed Patent Rights and Licensed Technology, to Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import, have imported, export and have exported Licensed Products in the Field in the Territory, subject to the other terms and conditions of this Agreement.

(b) License to IMMUNOGEN. GENENTECH hereby grants to IMMUNOGEN a non-exclusive, royalty-free license (i) under GENENTECH's intellectual property interest in Improvements, to develop, make, use, sell, offer for sale, import, and export any product that is not a Licensed Product or a [***] Product, only within the IMMUNOGEN Field and subject to Section 2.3(b) below and the remaining terms of this Section 2.1(b); and (ii) also under GENENTECH's intellectual property interest in Improvements, to otherwise exploit Improvements for all uses within the IMMUNOGEN Field, subject to Section 2.3(b) below and the remaining terms of this Section 2.1(b). The foregoing license includes the right to sublicense the rights granted under this Section 2.1(b) only if all of the following three conditions (i), (ii) and (iii) are met:

(i) the sublicense is limited to the IMMUNOGEN Field;

(ii) the sublicense is granted only in connection with a license to IMMUNOGEN MAY Technology (where "**IMMUNOGEN MAY Technology**" means Technology Controlled by IMMUNOGEN and used in the conjugation of MAY Compounds to binding proteins), and the rights granted for IMMUNOGEN MAY Technology are of the same scope (*e.g.*, for the same product or technology and within the same field and the same territory) as the rights granted for GENENTECH's Improvements; and

(iii) GENENTECH obtains Substantially Similar Grant Back Rights without incurring an obligation to pay any additional consideration (either to IMMUNOGEN or to IMMUNOGEN's sublicensee). "**Substantially Similar Grant Back Rights**" means non-exclusive rights in and to that sublicensee's "improvements" (improvements to MAY Compounds, methods of making MAY Compounds, and methods of making antibody-drug conjugates) that are of substantially the same scope (*e.g.*, within the same field and the same territory) as the rights granted in and to Improvements under this

Agreement. (GENENTECH may obtain such rights directly from IMMUNOGEN's sublicensee or indirectly through IMMUNOGEN; if GENENTECH obtains such rights from IMMUNOGEN, IMMUNOGEN may have obtained such rights under license or by transfer of ownership).

Nothing in this Agreement or the course of dealings between the Parties or usage or custom in the industry or trade shall be construed to confer any other rights or licenses to any other intellectual property Controlled by either Party or its Affiliates by implication, estoppel or

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otherwise. GENENTECH has no obligation to [***] in any [***] or [***] of [***] to [***] or a [***] of [***] with respect to [***].

2.2 **Sublicenses**. GENENTECH shall have the right freely to grant sublicenses to all or any portion of its rights under the license rights granted pursuant to Section 2.1(a) hereof to any Affiliate or Third Party (in any case, a "**Sublicensee**"); provided, however, that (a) each such sublicense shall be consistent with the terms and conditions of this Agreement, and (b) GENENTECH shall remain obligated to ensure payment of all of its milestone and royalty obligations as set forth in Section 4 hereof.

2.3 **IMMUNOGEN Retained Rights and Covenants; GENENTECH Technology or Patent Rights**.

(a) Retained Rights. Subject to the other terms of this Agreement, including, without limitation, Section 2.3(b) hereof, IMMUNOGEN retains the right to use the Licensed Technology and practice the Licensed Patent Rights (i) to perform its work under Sections 3.3, 3.4, 3.5 and 3.6 hereof relating to the Collaboration Committee and to manufacture and supply Preclinical Materials and Clinical Materials for GENENTECH (and its Sublicensees), and (ii) to develop, have developed, make, have made, use, have used, sell have sold, offer for sale, import, have imported, export and have exported any product that is not a Licensed Product or a [***] Product, subject to Section 2.3(b) below.

(b) Covenants. It is hereby further agreed that (i) during the Term of this Agreement, IMMUNOGEN shall not Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import, have imported, export and have exported any [***] Product, which restriction shall be [***] for [***] of this Agreement if, during a [***] prior to expiration or termination of this Agreement, [***] is [***] or [***] with a [***], if [***] is subject to a [***] of [***], or if this Agreement is [***] pursuant to [***], and (ii) during the Term of this Agreement, and for [***] (which [***] shall not apply in connection with expiration of this Agreement under [***] below or in connection with [***] of this Agreement by [***] under Section 7.2(a) below, but which shall apply in connection with any other [***] of this Agreement, including by [***] under [***] below), IMMUNOGEN shall not grant to any Third Party any license or other right under any Patent Rights or Technology owned or Controlled by

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IMMUNOGEN to Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import, have imported, export and have exported, any [***] Product.

(c) No Rights to GENENTECH Technology or Patent Rights. Except for the license granted to IMMUNOGEN by GENENTECH in Section 2.1(b) above, nothing in this Section 2.3 or any other provision of this Agreement shall be construed as a grant to IMMUNOGEN of any license or other rights with respect to any Technology (including, without limitation, any Confidential Information) or Patent Rights owned or Controlled (in whole or in part) by GENENTECH.

3. DEVELOPMENT AND COMMERCIALIZATION

OF LICENSED PRODUCTS.

3.1 **Development and Commercialization**.

(a) Responsibility. On and after the Effective Date, except as otherwise agreed in writing with respect to certain process development and manufacturing activities, GENENTECH shall have full control and authority over, and sole responsibility for, all Development and commercialization of Licensed Products in the Field in the Territory, including, without limitation, (i) all pre-clinical Development activities (including any pharmaceutical development work on formulations or process development relating to any Licensed Product), (ii) all activities related to human clinical trials (including any phase I clinical studies, any Phase II Clinical Studies or any Phase III Clinical Trials), (iii) all activities relating to manufacture and supply of [***] Antibodies, all MAY Compounds (including ansamitocin P-3 and DM1) and all Licensed Products, solely to the extent such activities relate to the development and commercialization of Licensed Products (including all required process development and scale up work with respect thereto), (iv) all marketing, promotion, sales, distribution, import and export activities relating to any Licensed Product (including any post-marketing trials or databases and post-marketing safety surveillance), and (v) all activities relating to any regulatory filings, registrations, applications and Regulatory Approvals relating to any of the foregoing (including any INDs or foreign equivalents, any manufacturing facility validation and/or licensure, any Drug Approval Applications and any other Regulatory Approvals). Except as described in the next sentence, GENENTECH shall own all data, results

and all other information arising from any such activities under this Agreement, including, without limitation, all regulatory filings, registrations, applications and Regulatory Approvals relating to Licensed Products (including any INDs or foreign equivalents, any Drug Approval Applications and any other Regulatory Approvals), and all of the foregoing information, documentation and materials shall be considered Confidential Information and Technology solely owned by GENENTECH. IMMUNOGEN shall own all data, results and all other information arising from IMMUNOGEN's activities relating to the manufacture and supply of MAY Compounds (including ansamitocin P-3 and DM1) to GENENTECH, and all of the foregoing information, documentation and materials shall be considered Confidential Information and Technology solely owned by IMMUNOGEN. All activities relating to Development and commercialization under this Agreement shall be undertaken at GENENTECH's sole cost and expense, except as otherwise expressly provided in this Agreement.

(b) Due Diligence. GENENTECH will exercise its commercially reasonable efforts and diligence in Developing and commercializing Licensed Products in accordance with its business, legal, medical and scientific judgment, and in undertaking investigations and actions required to obtain appropriate Regulatory Approvals necessary to market Licensed Products in the Field in the Territory, such reasonable efforts and diligence to be in accordance with the efforts and resources GENENTECH would use for a compound owned by it or to which it has rights, which is of similar market potential at a similar stage in development as the applicable Licensed Product, taking into account the competitiveness of the marketplace, the proprietary position of the Licensed Product, the relative potential safety and efficacy of the Licensed Product, the regulatory requirements involved in its Development, commercialization and Regulatory Approval, the cost of goods and availability of capacity to manufacture and supply the Licensed Product at commercial scale, the profitability of the applicable Licensed Product, and other relevant factors including, without limitation, technical, legal, scientific or medical factors. In the event that GENENTECH fails to use due diligence as required hereunder, then on a Licensed Product-by-Licensed Product and country-by-country basis as to the Licensed Product in the country in which GENENTECH has failed to use due diligence as required hereunder, IMMUNOGEN's exclusive remedy shall be, in its sole discretion (i) to terminate the licenses granted under Section 2.1 this Agreement for breach under Section 7.2(a) below

(including the notice and cure provisions therein) or (ii) to convert the licenses granted under Section 2.1 of this Agreement from exclusive licenses to non-exclusive licenses, in either case only as such licenses apply to such Licensed Product in such country, which termination or conversion, as the case may be, shall be effective upon expiration of the cure period specified in 7.2(a) below provided that such failure remains uncured upon such expiration.

3.2 **Updates and Reports; Exchanges of Adverse Event Information**.

(a) Updates and Reports. GENENTECH shall keep IMMUNOGEN informed of the progress of GENENTECH's efforts to Develop and commercialize Licensed Products in the Field in the Territory as provided in this Section 3.2(a). GENENTECH (or its Sublicensee) shall provide IMMUNOGEN with brief written reports as provided herein no less frequently than on each anniversary of the Effective Date during the Term (commencing with the first anniversary of the Effective Date). Such reports shall summarize GENENTECH's material efforts to Develop and commercialize all Licensed Products hereunder, identify the Drug Approval Applications with respect to any Licensed Product that GENENTECH and its Sublicensees have filed, sought or obtained in the prior twelve (12)-month period, and any they reasonably expect to make, seek or attempt to obtain in the following twelve (12)-month period. In addition, GENENTECH (or its Sublicensee) shall provide IMMUNOGEN with prompt written notice of the occurrence of any event giving rise to an obligation to make a milestone payment to IMMUNOGEN under Section 4.1, and shall provide IMMUNOGEN with prompt written notice of the occurrence of the First Commercial Sale of any particular Licensed Product. All such reports and notices shall be sent to the attention of IMMUNOGEN's designated representative, who shall be its Chief Executive Officer unless IMMUNOGEN otherwise notifies GENENTECH.

(b) Adverse Events. In addition to such reports, GENENTECH agrees to provide IMMUNOGEN with Adverse Event information and product complaint information relating to Licensed Products (but not relating to any other products of GENENTECH, including any antibody that may be included in a Licensed Product, to the extent that antibody is used in its "naked" form or in connection with a different effector molecule) as compiled and prepared by GENENTECH in the normal course of business in connection with the Development, commercialization or sale of any Licensed Product, within time frames consistent with reporting obligations under applicable laws and regulations. To the extent it could reasonably apply or

could reasonably be relevant to a Licensed Product, IMMUNOGEN agrees to provide GENENTECH with Adverse Event and product complaint information relating to any product containing any MAY Compound that is compiled and prepared by IMMUNOGEN or any Third Party in the normal course of business in connection with the development, commercialization or sale of any such product, within time frames consistent with reporting obligations under applicable laws and regulations; provided, however, that the foregoing shall not require IMMUNOGEN to violate any agreements with or confidentiality obligations owed to any Third Party. GENENTECH shall provide its Adverse Event and product complaint information hereunder to IMMUNOGEN's designated representative, who shall be its Chief Regulatory Officer unless IMMUNOGEN otherwise notifies GENENTECH. IMMUNOGEN shall provide its Adverse Event and product complaint information hereunder to GENENTECH's designated representative, who shall be the head of its Drug Safety group in GENENTECH'S Medical Affairs Department unless GENENTECH otherwise notifies IMMUNOGEN.

(c) Confidential Information. All reports, updates, Adverse Event, product complaint and other information provided by one Party to the other Party under this Agreement (including under this Section 3), shall be considered Confidential Information of the disclosing Party, subject to the

terms of Section 5.

3.3 **Reasonable Assistance by IMMUNOGEN**. In connection with the exclusive grant of rights to GENENTECH under Section 2.1 above, and subject to the other terms of this Agreement, IMMUNOGEN shall provide GENENTECH (and any Sublicensee of GENENTECH with respect to all of GENENTECH's license rights hereunder to make or have made all Licensed Products or any particular Licensed Product(s) throughout the Territory or in a particular geographic region of the Territory, and/or all of GENENTECH's license rights hereunder to Develop or commercialize all Licensed Products or any particular Licensed Product(s) throughout the Territory or in a particular geographic region of the Territory (in any case, a "**Material Sublicensee**")) such information and materials comprising the Licensed Technology and/or Licensed Patent Rights as GENENTECH (or its Material Sublicensee) may reasonably request. Without limiting the generality of the foregoing, IMMUNOGEN shall provide all of such technical assistance within IMMUNOGEN's area of expertise (or its subcontractors) concerning the Development and commercialization of Licensed Products as

may be reasonably requested by GENENTECH (or its Material Sublicensee) from time to time during the Term, provided that such technical assistance and expertise is within the scope of the Licensed Technology and/or Licensed Patent Rights covered under this Agreement. Such technical assistance and expertise shall include, but not be limited to, visits by IMMUNOGEN personnel to GENENTECH and visits by GENENTECH to IMMUNOGEN (or its subcontractors), at GENENTECH's expense, at such times and for such periods of time as may be reasonably acceptable to the Parties. Without limiting the generality of the foregoing, within [***] ([***]) days after GENENTECH's reasonable written request, IMMUNOGEN shall deliver to GENENTECH a list or description of the documents and information that embody the Licensed Technology. GENENTECH will inform IMMUNOGEN which of those identified documents and information GENENTECH believes are reasonably related to its exercise of the license rights under this Agreement and, within [***] ([***]) days after that identification, IMMUNOGEN shall deliver to GENENTECH a copy of those documents and other information.

3.4 **Collaboration Committee**.

(a) Mandate of Committee. Promptly after the Effective Date, the Parties shall form a **"Collaboration Committee"** to serve as a forum for coordination and communication between the Parties with respect to activities related to Licensed Products for which the Parties agree there is a need for coordination and communication (including, without limitation, all process science and process development work, formulation work, and quality control/ assurance work hereunder), and to assist GENENTECH in its exercise of its rights to make or have made Licensed Products under this Agreement. Within [***] ([***]) days after the Effective Date, the Parties shall each nominate an equal number of representatives (which shall be no less than two (2) each) for membership on the Collaboration Committee. Each Party may change its representative(s) as it deems appropriate by notice to the other Party. The input of the IMMUNOGEN representatives on the Collaboration Committee shall be fully considered by the Collaboration Committee; provided, however, that all decisions of the Collaboration Committee shall be subject to final approval by GENENTECH.

(b) Chair of Committee; Meetings. The Parties hereby agree that (i) the chair of the Collaboration Committee shall be one of the GENENTECH representatives on the Collaboration Committee, as designated by GENENTECH; provided, however, that [***] the [***] after the Effective Date, the Collaboration Committee shall be [***] by a [***] on the

Collaboration Committee (as designated by [***]) and an [***] on the Collaboration Committee (as designated by [***]); (ii) all decisions of the Collaboration Committee shall be subject to the approval of the GENENTECH chair (including [***] the [***] there is a [***]); (iii) the Collaboration Committee shall meet on a semi-annual basis or other schedule agreed upon by the Parties, unless at least thirty (30) days in advance of any meeting the chair (or co-chairs during the first twelve (12) months) of the Collaboration Committee determine that there is no need for a meeting (in which instance, the next Collaboration Committee meeting shall also be scheduled as agreed upon by the Parties); (iv) the location of meetings of the Collaboration Committee shall alternate between IMMUNOGEN's offices in Massachusetts and GENENTECH's offices in California, unless otherwise agreed by the Parties and, as agreed upon by the Parties, Collaboration Committee meetings may be face-to-face or may be conducted through teleconferences and/or videoconferences. In addition to its Collaboration Committee representatives, each Party shall be entitled to have other employees attend such meetings to present and participate, though not in a decision-making capacity. Each Party shall bear all costs and expenses, including travel and lodging expense, that may be incurred by its Collaboration Committee representatives or other of its attendees at Collaboration Committee meetings, as a result of such meetings hereunder. Minutes of each Collaboration Committee meeting will be transcribed and issued to members of the Collaboration Committee by the chair (or the GENENTECH co-chair, as the case may be) within thirty (30) days after each meeting, and such minutes shall be reviewed and modified as mutually required to obtain approval of such minutes promptly thereafter.

3.5 **Supply of Preclinical Materials**. During the Term of this Agreement, IMMUNOGEN shall supply to GENENTECH (or its Material Sublicensee) with such quantities of Preclinical Materials as may be reasonably requested by GENENTECH (or its Material Sublicensee) in order to conduct all pre-clinical Development activities relating to Licensed Products. GENENTECH (or its Material Sublicensee) shall order all amounts of Preclinical Materials, and IMMUNOGEN shall deliver all such ordered amounts, in accordance with advance ordering timeframes and delivery timeframes to be agreed upon by the Parties through the Collaboration Committee. IMMUNOGEN shall use its commercially reasonable efforts to deliver such amounts of Preclinical Materials ordered in accordance with the foregoing (including such agreed upon timeframes) in a timely manner. In connection with any ordering of

Preclinical Materials by GENENTECH (or its Material Sublicensee), IMMUNOGEN shall provide GENENTECH (or its Material Sublicensee) promptly with IMMUNOGEN's good faith estimate of the Fully Burdened Manufacturing Cost for manufacture and supply of such Preclinical Materials. IMMUNOGEN's price to supply Preclinical Materials to GENENTECH (or its Material Sublicensee) shall equal [***]% of IMMUNOGEN's Fully Burdened Manufacturing Cost for such Preclinical Materials as approved by GENENTECH (or its Material Sublicensee). Nothing herein shall preclude GENENTECH from making its own arrangements for manufacture and supply of Preclinical Materials on its own or with Third Parties, in exercise of its license rights under Section 2.1. GENENTECH hereby agrees that (a) it shall not use the Preclinical Materials in any human subject, (b) it shall use the Preclinical Materials in compliance with all applicable federal, state and local laws and regulations, and (c) it (as a matter of contract between itself and IMMUNOGEN) shall assume all liability for damages that may arise from the use, storage and disposal of any Preclinical Materials to the extent provided pursuant to Section 9 below. GENENTECH shall be entitled to transfer Preclinical Materials to any Third Party under terms obligating such Third Party not to transfer or use such Preclinical Materials except in compliance with the foregoing clauses (a) and (b) of this Section 3.5.

3.6 **Supply of Clinical Materials.** During the Term of this Agreement, IMMUNOGEN shall supply to GENENTECH (or its Material Sublicensee) with such quantities of Clinical Materials as may be reasonably requested by GENENTECH (or its Material Sublicensee) in order to conduct all human clinical trials of Licensed Products through non-pivotal Phase II Clinical Studies. To the extent GENENTECH requests IMMUNOGEN to manufacture Clinical Materials as provided in the foregoing sentence, IMMUNOGEN and GENENTECH shall enter into separate supply and quality agreements detailing the terms of supply for any Clinical Materials that IMMUNOGEN is so requested to supply to GENENTECH for the purpose of conducting clinical trials. GENENTECH (or its Material Sublicensee) shall order all amounts of Clinical Materials, and IMMUNOGEN shall deliver all such ordered amounts, in accordance with forecasting parameters, advance ordering timeframes and delivery timeframes to be agreed upon by the Parties through the Collaboration Committee. IMMUNOGEN shall use its commercially reasonable efforts to deliver such amounts of Clinical Materials ordered in accordance with the foregoing (including such agreed upon timeframes) in a timely manner. In connection with any ordering of Clinical Materials by GENENTECH (or its

Material Sublicensee), IMMUNOGEN shall provide GENENTECH (or its Material Sublicensee) promptly with IMMUNOGEN's good faith estimate of the Fully Burdened Manufacturing Cost for manufacture and supply of such Clinical Materials. IMMUNOGEN's price to supply Clinical Materials to GENENTECH (or its Material Sublicensee) shall equal [***]% of IMMUNOGEN'S Fully Burdened Manufacturing Cost for such Clinical Materials as approved by GENENTECH (or its Material Sublicensee). Nothing herein shall preclude GENENTECH from making its own arrangements for manufacture and supply of Clinical Materials on its own or with Third Parties, in exercise of its license rights under Section 2.1. GENENTECH hereby agrees that (a) it shall use the Clinical Materials in compliance with all applicable federal, state and local laws, and (b) it (as a matter of contract between itself and IMMUNOGEN) shall [***] all [***] for [***] that may arise from the [***] and [***] of such Clinical Materials to the extent provided pursuant to Section 9 below. GENENTECH shall be entitled to transfer Clinical Materials to any Third Party under terms obligating such Third Party not to transfer or use such Clinical Materials except in compliance with the foregoing clause (a) of this Section 3.6.

3.7 **Purchase of Equipment.** If, during the Term of this Agreement, IMMUNOGEN determines in good faith that it is necessary or advisable to purchase equipment or instruments in order to perform any of its obligations to manufacture Preclinical Materials and Clinical Materials under Sections 3.5 or 3.6 of this Agreement, then IMMUNOGEN shall provide the Collaboration Committee with written notice of such determination, along with the estimated price for such purchase and quality parameters for the equipment or instruments, for the Collaboration Committee's approval of such price and features. Promptly after the consummation of such purchase, assuming that the Collaboration Committee has provided its approval hereunder, IMMUNOGEN shall provide GENENTECH with a copy of the invoice or invoices reflecting such purchase, and GENENTECH shall reimburse IMMUNOGEN for the purchase of all such approved equipment hereunder within [***] days of its receipt of such invoice from IMMUNOGEN; provided, however, that no costs reimbursed by GENENTECH hereunder (or depreciation of such purchased equipment or instruments) shall be includible or included within the calculation of any Fully Burdened Manufacturing Costs under this Agreement.

4. PAYMENTS AND ROYALTIES

4.1 **Milestone Payments for Licensed Products.**

4.1.1 Milestones. In consideration of the grant of the license by IMMUNOGEN hereunder, and subject to the other terms of this Agreement, GENENTECH will make the following nonrefundable, noncreditable (except as expressly provided in Section 4.1.2 below) payments to IMMUNOGEN, on the payment terms in Section 4.5:

[***] Milestones	Milestone Payment
Effective Date	$ 1 Million
[***] for a [***]	$ [***]

[***] of [***] in [***] for a [***]	$	[***]
[***] of [***] of [***] in [***] for a [***] or [***] [***] for a [***]	$	[***]
[***] of [***] by the [***] for a [***] for [***]	$	[***]
[***] of an [***] or other [***] in the [***] for a [***] for [***]	$	[***]
[***] of a [***] for a [***] in [***] for [***]	$	[***]
[***] of [***] by the [***] for a [***] for [***]	$	[***]
[***] of [***] by the [***] for a [***] for a [***]	$	[***]

[***] Milestones	**Milestone Payment**	
[***] of [***] greater than $[***]	$	[***]
[***] of [***] greater than $[***]	$	[***]

It is hereby acknowledged and agreed that any milestone payment shall be made only once, with respect to the first achievement of the relevant milestone for the first Licensed Product, regardless of how many times such milestones are achieved by Licensed Products and regardless of how many times a particular Licensed Product achieves such milestones.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

GENENTECH shall notify IMMUNOGEN of the achievement of milestones hereunder as provided in Section 3.2(a) above.

4.1.2 **[***] of [***]**. GENENTECH shall be [***] to [***] its [***] (but not any [***]) [***] to IMMUNOGEN only to the extent set forth in this Section 4.1.2. As to the Licensed Product with respect to which [***] are owed to IMMUNOGEN under this Section 4.1, GENENTECH shall be [***] to [***] [***] percent ([***]%) of each such [***] made with respect to such Licensed Product hereunder [***][***][***] to IMMUNOGEN hereunder with respect to such Licensed Product, but (a) only if prior to the date of such [***][***], GENENTECH (or its Sublicensee) has modified such Licensed Product such that it would not (even in the absence of the license under this Agreement) [***] a [***] within the Licensed Patent Rights in the United States (excluding any Patent Rights [***] by [***] and [***]), and (b) only if such modification was undertaken (i) to address a [***] or [***] with respect to such Licensed Product or its Development, manufacture, use or sale, (ii) to obtain a [***] in the toxicity, safety or efficacy profile of such Licensed Product, or (iii) to obtain a [***] in the ability to make or have made such Licensed Product (or any component thereof).

4.2 **Payment of Royalties; Royalty Rates; Accounting for Royalties and Records**.

4.2.1 **Royalty Payments**. In consideration of the grant of the license by IMMUNOGEN hereunder, and subject to the other terms of this Agreement (including the remainder of this Section 4), commencing on the first date of First Commercial Sale of Licensed Products in such country or jurisdiction in the Territory, GENENTECH shall pay to IMMUNOGEN the following royalties based on total Net Sales of all Licensed Products sold by GENENTECH and/or its Sublicensees, on an incremental basis in each calendar year during the Term, at the following rates in [***] of the [***]:

For Net Sales of a Licensed Product [***] in any Calendar Year During the Term:	**Royalty Rate (% of Net Sales)**
Above $[***] and up to $[***]	[***]%
Above $[***]	[***]%

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

For Net Sales of a Licensed Product [***] in any Calendar Year During the Term:	**Royalty Rate (% of Net Sales)**
Above $[***] and up to $[***]	[***]%
Above $[***]	[***]%

By way of example only, if during the Term a Licensed Product achieved total Net Sales in a given calendar of $[***], the applicable royalty rate would be [***]% of Net Sales for Net Sales up to $[***], and [***]% of Net Sales for Net Sales over $[***].

4.2.2 **Third Party Royalty Offset**. Subject to the other terms of this Agreement, on a country-by-country basis, the royalties otherwise due and payable by GENENTECH under Section 4.2.1 above (but not the royalties otherwise due and payable by GENENTECH under Section 4.2.3(a) or (b) below) shall be reduced as provided in this Section 4.2.2:

(a) GENENTECH Process Development. Consistent with GENENTECH'S due diligence obligations under this Agreement, GENENTECH agrees to exercise due diligence to attempt to Develop a commercially viable manufacturing process relating to the manufacture and supply of Licensed Products. For purposes of this Agreement, GENENTECH shall determine in good faith the commercial viability of any such manufacturing process that is Developed hereunder, taking into account, without limitation, the following factors relevant thereto: the consistency and reproducibility of the process itself; the consistency, reproducibility, safety and efficacy of the resulting conjugated Licensed Products; any regulatory issues; the availability of capacity; the cost of goods and other components of Fully Burdened Manufacturing Cost as applied to such process and to the overall manufacture and supply of Licensed Products; the overall profitability of the Licensed Products; and the ability to produce at commercial scale quantities.

(b) Partial Offset. If GENENTECH is not able to Develop such a commercially viable manufacturing process after exercising due diligence as required hereunder, GENENTECH may elect to license a manufacturing process from a Third Party, and in that event GENENTECH shall be entitled to offset up to [***] percent ([***]%) of any Third Party Payments it makes in connection with any license providing rights to any such manufacturing

process against the royalties due to IMMUNOGEN pursuant to Section 4.2.1 above, subject to the clause (d) of this Section 4.2.2. GENENTECH shall not be entitled to the offset under this clause (b) if it fails to exercise due diligence as required hereunder.

(c) Full Offset. If GENENTECH determines in good faith that it is necessary, in order to exploit the license granted to it under Section 2.1 of this Agreement in any country, to make royalty payments to any Third Party ("**Third Party Payments**") under any license agreement that GENENTECH determines, in good faith, is necessary in connection with the Development, manufacture, use or sale of any MAY Compound, the linker of any MAY Compound to a [***] Antibody, and/or the conjugation of a [***] Antibody to any MAY Compound (including, without limitation, DM1) as part of any Licensed Product, then in any such case the royalties due to IMMUNOGEN pursuant to Section 4.2.1 above for such Licensed Product shall be reduced by [***] of such Third Party Payments, subject to the limitations set forth in clause (d) of this Section 4.2.2. If GENENTECH elects to take any such license agreement as described herein without having first determined that it is necessary (as determined by GENENTECH in good faith) in order to exploit the license granted to it under Section 2.1 of this Agreement in any country, then GENENTECH shall not be entitled to the offset under this clause (c). If IMMUNOGEN in good faith disputes GENENTECH's determination hereunder, the Parties shall submit the matter promptly to IMMUNOGEN'S Chief Executive Officer and a designated officer of GENENTECH with settlement authority.

(d) Limitations on Offsets. The royalty offset in Section 4.2.2(c) above is separate and cumulative to the royalty offset under Section 4.2.2(b) above, but each is subject to the limitations set forth in this Section 4.2.2(d) as follows. No royalty reductions under this Section 4.2.2, alone or in the aggregate, shall reduce the royalty (if any) for any Licensed Product in any country payable pursuant to Section 4.2.1 above by more than [***] percent ([***]%) of the royalties otherwise owed to IMMUNOGEN thereunder, nor reduce such royalty for such Licensed Product in any such country to less than [***] percent ([***]%) of Net Sales of such Licensed Product in such country.

4.2.3 **[***] and [***].**

(a) Notwithstanding anything set forth in [***] above, the [***] set forth therein shall apply, on a [***] and [***] basis, to [***] of [***] or its [***], [***] or [***] in [***] would, [***] for the [***] under this Agreement, [***] a [***] the [***] (excluding any

[***] by [***] and [***]). Subject to the other terms of this Agreement (except for Section 4.2.2 above, which shall not apply), on a [***] and [***] where and as of when the [***] under Section 4.2.1 [***] as a [***] of this Section 4.2.3, GENENTECH shall [***] to IMMUNOGEN a [***] to [***][***] ([***]%) of [***] of [***] by [***] and/or its [***] in [***].

(b) [***]. Notwithstanding anything set forth in [***] above, the [***] set forth in [***] above shall no longer apply, on a [***] basis, on and after the [***] on which any [***] to [***] and [***] in a [***] any [***]. Subject to the other terms of this Agreement (except for [***], which shall not apply), on a [***] basis where the [***] under [***] do not apply as a result of this [***], [***] on the [***] of such [***] of [***] in such [***], [***] shall [***] and [***] to [***] a [***] equal to [***][***] ([***]%) of [***] of all [***] by [***] and/or its [***] in [***]; provided, however, that if the [***] is [***] from the [***] in [***], then this [***] shall no longer apply and [***] shall [***] the [***] set forth in [***] on a [***] basis [***] on the [***] of [***] [***].

4.2.4 **Combination Products**. In determining Net Sales of any Combination Products under this Agreement, Net Sales shall first be calculated in accordance with the definition of "Net Sales" above, then multiplied by the percentage value of the Licensed Product contained in the

Combination Product, such percentage value being the quotient obtained by dividing the current market price of the Licensed Product by the sum of the separate current market price of the Licensed Product and other ingredients which are therapeutically active contained in the Combination Product. The current market price of each therapeutically active ingredient and of the Licensed Product shall be for a quantity comparable to that contained in the Combination Product and of the same class, purity and potency. When no current market price is available for any therapeutically active ingredient or for the Licensed Product, GENENTECH shall calculate in good faith a hypothetical market price with respect to the Combination Product, allocating the same proportions of costs, overhead and profit as are then allocated to all similar substances then being made and marketed by GENENTECH and having an ascertainable market price; provided, however, that if IMMUNOGEN in good faith disputes GENENTECH's calculation, the Parties shall submit the matter promptly to IMMUNOGEN'S Chief Executive Officer and a designated officer of GENENTECH with settlement authority.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

4.3 **One Royalty**. Only one royalty, calculated at the highest applicable royalty rate under this Section 4, shall be payable to IMMUNOGEN hereunder for each sale of a Licensed Product.

4.4 **Royalty Term**. GENENTECH shall pay royalties with respect to each Licensed Product on a country-by-country and Licensed Product-by-Licensed Product basis until the later of (a) ten (10) years from the First Commercial Sale of such Licensed Product in such country and (b) the expiration of the last to expire Valid Claim of the Licensed Patent Rights covering the Licensed Product in such country. Following such royalty term, GENENTECH shall have a fully paid-up, irrevocable, freely transferable and sublicensable license in such country under the relevant Licensed Patent Rights and Licensed Technology, to Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import and have imported such Licensed Product in such country.

4.5 **Payment Terms**.

(a) Payment of Milestones; Payment of Royalties; Royalty Reports. All [***] Milestone payments shall be made within [***] days after the first achievement of each of the [***] Milestones described above. All [***] Milestones payments shall be paid no later than the [***] of the [***] of the [***] following the [***] in which the applicable [***] Milestone is achieved, including in any circumstance in which [***] Milestones are achieved in the [***]. Subject to the other terms of this Agreement (including Section 4.1 above), GENENTECH shall make any milestone payments owed to IMMUNOGEN hereunder in United States Dollars, using the wire transfer provisions of this Section 4.4. Subject to the other terms of this Agreement (including Sections 4.2, 4.3 and 4.4 above), GENENTECH shall make any royalty payments owed to IMMUNOGEN in United States Dollars, quarterly within [***] days following the end of each calendar quarter for which such royalties are deemed to occur (as provided in the next sentence), using the wire transfer provisions of this Section 4.5. For purposes of determining when a sale of any Licensed Product occurs under this Agreement, the sale shall be deemed to occur on the earlier of (i) the date the Licensed Product is [***] or (ii) the date of the [***] the [***] of the Licensed Product. Each royalty payment shall be accompanied by a report for each country in the Territory in which sales of Licensed Products occurred in the calendar quarter covered by such statement, specifying: the gross sales (if available) and Net Sales in each country's currency; the applicable royalty rate under this Agreement; the royalties payable in

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

each country's currency, including an accounting of deductions taken in the calculation of Net Sales; the applicable exchange rate to convert from each country's currency to United States Dollars under this Section 4.5; and the royalties payable in United States Dollars.

(b) Foreign Currency Exchange. All royalties shall be payable in full in the United States in United States Dollars, regardless of the countries in which sales are made. For the purpose of computing Net Sales for Licensed Products sold in any currency other than United States Dollars, the quarterly royalty payment will be calculated as follows:

(A/B) x C = United States Dollars royalty payment on foreign current sales, where

A = foreign current "Net Sales" (as defined above) per quarter;

B = foreign exchange conversion rate, expressed in local currency per United States Dollar (using as the applicable foreign exchange rate the average of the rate published in the [***] of the [***], for the [***] of the calendar quarter); and

C = the royalty rate applicable to such Net Sales under this Agreement.

(c) Tax Withholding; Restrictions on Payment**.** All payments hereunder shall be made free and clear of any taxes, duties, levies, fees or charges, except for withholding taxes (to the extent applicable). GENENTECH shall make any applicable withholding payments due on behalf of IMMUNOGEN and shall promptly provide IMMUNOGEN with written documentation of any such payment sufficient to satisfy the requirements of the United States Internal Revenue Service relating to an application by IMMUNOGEN for a foreign tax credit for such payment. If by law, regulations or fiscal policy of a particular country in the Territory, remittance of royalties in United States Dollars is restricted or forbidden, written notice thereof shall promptly be given to IMMUNOGEN, and payment of the royalty shall be made by the deposit thereof in local currency to the credit of IMMUNOGEN in a recognized banking institution designated by IMMUNOGEN by written notice to GENENTECH. When in any country in the Territory the law or regulations prohibit both the transmittal and the deposit of royalties on sales in such country, royalty payments shall be suspended for as long a such prohibition is in effect and as

soon as such prohibition ceases to be in effect, all royalties that GENENTECH would have been under an obligation to transmit or deposit but for the prohibition shall forthwith be deposited or transmitted, to the extent allowable.

(d) Wire Transfers. All payments hereunder shall be made to IMMUNOGEN by bank wire transfer in immediately available funds to the account designated by IMMUNOGEN by written notice to GENENTECH from time to time.

4.6 **Overdue Royalties**. Subject to the other terms of this Agreement, royalties not paid within the time period set forth in this Section 4 shall bear interest at a rate of [***] percent ([***]%) per month from the due date until paid in full.

4.7 **Records Retention; Review.**

(a) Royalties. Commencing as of the date of First Commercial Sale of the first Licensed Product, GENENTECH and its Sublicensees shall keep for at least [***] ([***]) years from the end of the calendar year to which they pertain complete and accurate records of sales by GENENTECH or its Sublicensees, as the case may be, of each Licensed Product, in sufficient detail to allow the accuracy of the royalties to be confirmed.

(b) Fully Burdened Manufacturing Costs. Commencing as of the Effective Date, IMMUNOGEN shall keep for at least [***] years following the end of the calendar year to which they pertain complete and accurate records of all of IMMUNOGEN's Fully Burdened Manufacturing Costs for Preclinical Materials and Clinical Materials supplied to GENENTECH (or its Sublicensee) hereunder, in sufficient detail to allow the accuracy of the Fully Burdened Manufacturing Costs to be confirmed.

(c) Review. Subject to the other terms of this Section 4.7(c), at the request of either Party, upon at least [***] business days' prior written notice from the requesting Party, and at the expense of the requesting Party (except as otherwise provided herein), the other Party shall permit an independent certified public accountant reasonably selected by the requesting Party and reasonably acceptable to the other Party to inspect (during regular business hours) the relevant records required to be maintained by the other Party under this Section 4.7. At IMMUNOGEN's request (which shall not be made more frequently than once per year during the Term), the accountant shall be entitled to review the then-preceding [***] years of GENENTECH's records under this Section 4.7 for purposes of verifying GENENTECH's royalty calculations. At GENENTECH's request (which shall not be made more frequently than once per year during the Term), the accountant shall be entitled to review the then-preceding [***] years of IMMUNOGEN's records under this Section 4.7 for purposes of verifying IMMUNOGEN's Fully Burdened Manufacturing Cost calculations. In every case the accountant

must have previously entered into a confidentiality agreement with both Parties substantially similar to the provisions of Section 4 and limiting the disclosure and use of such information by such accountant to authorized representatives of the Parties and the purposes germane to this Section 4.7. Results of any such review shall be made available to both Parties and shall be binding on both Parties. Each Party agrees to treat the results of any such accountant's review of the other Party's records under this Section 4.7 as Confidential Information of the other Party subject to the terms of Section 5. If any review reveals a deficiency in the calculation of royalties resulting from any underpayment by GENENTECH, GENENTECH shall promptly pay IMMUNOGEN the amount remaining to be paid (plus interest thereon at the rate provided in Section 4.6 above), and if such underpayment is by [***] percent ([***]%) or more, GENENTECH shall pay all costs and expenses of the review. If any review reveals a deficiency in the calculation of Fully Burdened Manufacturing Costs resulting from any overpayment by GENENTECH, IMMUNOGEN shall promptly refund GENENTECH the amount of any such overpayment (plus interest thereon at the rate provided in Section 4.6 above), and if such overpayment is by [***] percent ([***]%) or more, IMMUNOGEN shall pay all costs and expenses of the review.

5. TREATMENT OF CONFIDENTIAL INFORMATION

5.1 **Confidential Information.** During the Term, in the course of performance of this Agreement, each Party may disclose to the other Party proprietary technical and business information of the disclosing Party, including techniques, data, inventions, practices, methods, knowledge, know-how, test data and results (including from pre-clinical and/or human clinical testing), analytical and quality control data, cost, sales, manufacturing, patent data and any other information disclosed hereunder. Such information of the disclosing Party hereunder, if so identified in writing by the disclosing Party to the receiving Party either pursuant to this Section 5.1 or otherwise upon disclosure to the receiving Party, shall be considered "Confidential Information" of the disclosing Party. Each Party agrees that it will take the same commercially reasonable steps to protect the confidentiality of other Party's Confidential Information as it takes to protect its own proprietary and confidential information. For a period of [***] years after the receipt of any such Confidential Information from the disclosing Party hereunder, subject to the terms of this Section 5, the receiving Party shall keep confidential and not disclose (by publication or otherwise) such Confidential Information of the other Party, and shall not use,

publish or otherwise disclose Confidential Information of the other Party for any purpose other than those contemplated by this Agreement (including as reasonably necessary to exercise any rights or perform any obligations under this Agreement). Notwithstanding the foregoing, it is understood and agreed that the receiving Party's obligations of confidentiality and non-use herein shall not apply to the extent that it can be established by competent written records that any such information:

(a) is, at the time of disclosure by the disclosing Party hereunder, or thereafter becomes, a part of the public domain or publicly known or available, other than through any act or omission of the receiving Party in breach of its obligations under this Section 5; or

(b) was known to the receiving Party at the time of disclosure to it by the disclosing Party; or

(c) is, at the time of disclosure by the disclosing Party hereunder, or thereafter becomes, known to the receiving Party from a source that had a lawful right to disclose such information to others; or

(d) was independently developed by the receiving Party without use or reference to any Confidential Information of the disclosing Party.

5.2 **Permitted Disclosures; Publications**.

(a) Permitted Disclosures. Each Party shall be entitled to disclose Confidential Information of the other Party to employees of the receiving Party, provided that such employees are already bound by obligations of confidentiality to their employer, and also to Affiliates, consultants, agents and Third Parties for any purpose provided for in this Agreement, provided that any such Affiliate, consultant, agent or other Third Party has first agreed in writing to confidentiality restrictions and obligations at least as protective as this Section 5, in each case for any purpose contemplated by this Agreement (including as reasonably necessary to exercise any rights or perform any obligations under this Agreement).

(b) Review of Publications. Each Party shall consult with the other Party prior to the submission of any manuscript for publication if the publication will contain any Confidential Information of the other Party, unless the applicable laws and regulations prohibit such consultation. Such consultation shall include providing a copy of the proposed manuscript to the other Party at least [***] days prior to the proposed date of submission to a publisher,

incorporating appropriate changes proposed by the other Party regarding its Confidential Information into the manuscript submission and deleting all Confidential Information of the other Party as it may request; provided, however, that the other Party's review hereunder shall be deemed completed at the end of such [***]-day period.

(c) Other Permitted Disclosures. Notwithstanding the foregoing, Confidential Information of either Party may be disclosed by the other Party to the extent such disclosure is reasonably necessary for filing or prosecuting patent applications or maintaining patents, prosecuting or defending litigation, enforcing rights and/or obligations under this Agreement, complying with applicable laws, regulations or court order or conducting pre-clinical or human clinical testing of Licensed Products; provided, that, if a Party is required by applicable law, regulation or court order to make such disclosure of the other Party's Confidential Information, [***] of such other Party's Confidential Information required to be disclosed.

5.3 **Use of Names; Press Releases**.

(a) Use of Names. A Party may not use the name of the other Party (or any trademarks or tradenames of the other Party) in any press release or any other publicity or advertising without the prior written consent of the other Party.

(b) Press Releases. Except as provided in Sections 5.1 and 5.2 above, a Party may not issue a press release or otherwise publicize or disclose any information related to this Agreement or the terms or conditions hereof, without the prior written consent of the other Party. Once any written text is approved for disclosure by both Parties as provided herein, either Party may make subsequent or repeated public disclosures of the contents thereof [***] the [***] of the other Party, so long as such subsequent disclosures continue to be correct and presented in appropriate context. Nothing in the foregoing, however, shall prohibit a Party from making such disclosures regarding this Agreement or the terms thereof to the extent deemed necessary under applicable federal or state securities laws or any rule or regulation of any nationally recognized securities exchange, subject to the terms of Section 5.2 above regarding disclosures required to comply with applicable laws, regulations or court order.

5.4 **Integration; Survival**. As to the subject matter of this Agreement, this Section 5 supersedes any confidential disclosure agreements between the Parties. Section 5 shall survive termination or expiration of this Agreement.

6. PROVISIONS CONCERNING THE FILING, PROSECUTION AND MAINTENANCE OF PATENT RIGHTS

6.1 **Ownership of Intellectual Property**.

(a) Sole Inventions. IMMUNOGEN shall own all inventions (whether or not patentable) made during the course of and pursuant to activities carried out under this Agreement solely by employees of or agents or others obligated to assign inventions to IMMUNOGEN. GENENTECH shall own all inventions (whether or not patentable) made during the course of and pursuant to activities carried out under this Agreement solely by employees of or agents or others obligated to assign inventions to GENENTECH. The Party solely owning any inventions hereunder shall be the sole owner of any inventorship certificate(s), patent application(s) and patent(s) thereon. All determinations of inventive contribution shall be as determined by United States laws of inventorship. Subject to the terms of Section 6.2 below relating to IMMUNOGEN sole inventions, the Party solely owning an invention hereunder will be solely responsible, at its own cost and expense and in its sole discretion, for the filing, prosecution and maintenance of any inventorship certificate(s), patent application(s) and patent(s) thereon.

(b) Joint Inventions. Inventions made during the course of and pursuant to activities carried out under this Agreement jointly by employees of or agents of or others obligated to assign inventions to IMMUNOGEN and GENENTECH shall be jointly owned by IMMUNOGEN and GENENTECH. All determinations of inventive contribution shall be as determined by United States laws of inventorship. The Parties shall also jointly own any inventorship certificate(s), patent application(s) and patent(s) on any joint inventions hereunder. The terms of Section 6.2 below relating to joint inventions shall apply to any inventorship certificate(s), patent application(s) and patent(s) thereon.

(c) Disclosure. As regards any IMMUNOGEN sole or joint invention hereunder or any GENENTECH joint inventions hereunder, each Party shall provide to the other Party any invention disclosure made during the course of performance of this Agreement and relating to activities carried out hereunder within [***] days after such Party receives such disclosure from its employees, agents or others obligated to assign inventions to such Party.

(d) Other Agreements. An invention made during the course of and pursuant to other agreements between the Parties, including agreements related to process development or

manufacturing, will be considered to be made under that separate agreement and not under this Agreement.

6.2 **Patent Filing, Prosecution and Maintenance**.

(a) Sole IMMUNOGEN Inventions. Subject to the other terms of this Section 6.2(a) and Section 6.2(b), IMMUNOGEN shall have the right to prepare, file, prosecute, obtain and maintain, at its sole cost and expense, all Licensed Patent Rights. IMMUNOGEN agrees that with respect to such Licensed Patent Rights licensed exclusively to GENENTECH hereunder, (i) any such preparation, filing, prosecution and maintenance shall be conducted with commercially reasonable diligence by IMMUNOGEN, using patent counsel selected by IMMUNOGEN and reasonably acceptable to GENENTECH. In any case IMMUNOGEN (i) will provide GENENTECH with a copy of any proposed patent application covering any such Licensed Patent Rights for review and comment reasonably in advance of filing (which shall under no circumstances be in excess of [***] days), and (ii) will keep GENENTECH reasonably informed of the status of such filing, prosecution and maintenance, including, without limitation, (A) by providing GENENTECH with copies of all communications received from or filed in patent office(s) with respect to such filing, and (B) by providing GENENTECH, a reasonable time prior to taking or failing to take any action that would affect the scope or validity of any such of any such filing (including the substantially narrowing, cancellation or abandonment of any claim(s) without retaining the right to pursue such subject matter in a separate application, or the failure to file or perfect the filing of any claim(s) in any country), with prior written notice of such proposed action or inaction so that GENENTECH has a reasonable opportunity to review and comment. Any application for extension of Licensed Patent Rights in the Territory due to delays in regulatory review with respect to any Licensed Product shall be filed only upon mutual written agreement of the Parties. If IMMUNOGEN fails to undertake the filing(s) of any patent application with respect to any invention under such Licensed Patent Rights within [***] days after receipt of written notice from GENENTECH that GENENTECH believes filing of such an application by IMMUNOGEN is appropriate, GENENTECH may undertake such filing(s) at its own expense, in which case IMMUNOGEN will assign all of its rights to such invention to GENENTECH and any subsequently issued patent thereon will be owned solely by GENENTECH.

(b) Joint Inventions. As regards any joint invention by the Parties hereunder, the Party from whom the majority of the data underlying any such joint invention arose (the "controlling Party") will have the first right, but not the obligation, to undertake filing(s), prosecution and maintenance of inventorship certificate(s), patent application(s) and patent(s) thereon. In connection with any such filing(s), the filing Party will use patent counsel mutually acceptable to each Party (in its reasonable determination) and the Parties will, prior to filing of the patent application, agree on mutually acceptable sharing of the costs and expenses of such filing(s), prosecution and maintenance. In any case the filing Party (i) will provide the non-controlling Party with a copy of any such proposed patent application for review and comment reasonably in advance of filing, and (ii) will keep the non-controlling Party reasonably informed of the status of such filing, prosecution and maintenance, including, without limitation, (A) by providing the non-controlling Party with copies of all communications received from or filed in patent office(s) with respect to such filing, and (B) by providing the non-controlling Party, a reasonable time prior to taking or failing to take any action that would affect the scope or validity of any such filing (including the substantially narrowing, cancellation or abandonment of any claim(s) without retaining the right to pursue such subject matter in a separate application, or the failure to file or perfect the filing of any claim(s) in any country), with prior written notice of such proposed action or inaction so that the non-controlling Party has a reasonable opportunity to review and comment. If the Party from whom the majority of the data underlying any such joint invention fails to undertake the filing(s) of any such patent application with respect to any such invention within [***] days after receipt of written notice from the other Party that the other Party believes filing(s) of such an application by such Party is appropriate, such other Party may undertake such filing(s) at its own expense, in which case the non-filing Party will

assign all of its rights to such joint invention to the filing Party and any subsequently issued patent thereon will be owned solely by the filing Party. Either Party may assign its rights hereunder to any jointly owned invention, inventorship certificate, patent application or patent to the other Party, who will then have the right, in its discretion, to assume the filing, prosecution and/or maintenance thereof as the sole owner thereof and at its sole cost and expense.

6.3 **Notice of Infringement**. If, during the Term of this Agreement, either Party learns of any actual, alleged or threatened infringement by a Third Party of any Licensed Patent Rights under this Agreement, such Party shall promptly notify the other Party and shall provide such other Party with available evidence of such infringement.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

6.4 **Infringement of Patent Rights**.

(a) Sole IMMUNOGEN Inventions. IMMUNOGEN shall have the first right (but not the obligation), at its own expense, to bring suit (or take other appropriate legal action) against any actual, alleged or threatened infringement of the Licensed Patent Rights solely owned by IMMUNOGEN under this Agreement, with legal counsel of its own choice. GENENTECH shall have the right, at its own expense, to be represented in any such action by IMMUNOGEN by counsel of GENENTECH's own choice; provided, however, that under no circumstances shall the foregoing affect the right of IMMUNOGEN to control the suit as described in the first sentence of this Section 6.4(a). If IMMUNOGEN does not file any action or proceeding against such infringement within [***] days after the later of (i) IMMUNOGEN's notice to GENENTECH under Section 6.3 above, (ii) GENENTECH's notice to IMMUNOGEN under Section 6.3 above, or (iii) a written request from GENENTECH to take action with respect to such infringement, then GENENTECH shall have the right (but not the obligation), at its own expense, to bring suit (or take other appropriate legal action) against such actual, alleged or threatened infringement, with legal counsel of its own choice. IMMUNOGEN shall have the right, at its own expense, to be represented in any such action by GENENTECH by counsel of IMMUNOGEN's own choice. Any damages, monetary awards or other amounts recovered, whether by judgment or settlement, pursuant to any suit, proceeding or other legal action taken under this Section 6.4(a), shall first be applied to reimburse the costs and expenses (including attorneys' fees) of the Party bringing such suit or proceeding or taking such other legal action, then to the costs and expenses (including attorneys' fees), if any, of the other Party. Any amounts remaining shall be allocated as follows: (A) if GENENTECH is the Party bringing such suit or proceeding or taking such other legal action, [***] percent ([***]%) to GENENTECH and [***] percent ([***]%) to IMMUNOGEN, (B) if IMMUNOGEN is the Party bringing such suit or proceeding or taking such other legal action, [***] percent ([***]%) to IMMUNOGEN and (C) if the suit is brought jointly, [***] percent ([***]%) to each Party. If a Party brings any such action or proceeding hereunder, the other Party agrees to be joined as party plaintiff if necessary to prosecute such action or proceeding, and to give the Party bringing such action or proceeding reasonable assistance and authority to file and prosecute the suit; provided, however,

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

that neither Party shall be required to transfer any right, title or interest in or to any property to the other Party or any Third Party to confer standing on a Party hereunder.

(b) Infringement of Joint Inventions. As to the any actual, alleged or threatened infringement of any Patent Rights jointly owned by IMMUNOGEN and GENENTECH under this Agreement, including actions against any alleged infringer, the Parties hereto will consult with each other in good faith regarding the best manner in which to proceed. The Parties agree as a basic principle that in the case of such actions against infringers, the expenses incurred and damages awarded shall be for the account of the Party or Parties who take such actions to the extent of their financial participation therein.

6.5 **Third Party Patents**. If any Third Party claims that a patent it owns or controls claims any aspect of a Licensed Product or its manufacture, use or sale, the Party with notice of such claim shall notify the other Party promptly, and the Parties shall as soon as practicable thereafter discuss in good faith regarding the best response.

6.6 **Trademarks**. All Licensed Products shall be sold under one (1) or more trademarks and tradenames selected and owned by GENENTECH (or its Sublicensee) in the Territory. GENENTECH (or its Sublicensee) shall control the preparation, prosecution and maintenance of applications related to all such trademarks and tradenames in the Territory, at its sole cost and expense and at its sole discretion. IMMUNOGEN shall notify GENENTECH promptly upon learning of any actual, alleged or threatened infringement of a trademark or tradename applicable to a Licensed Product in the Territory, or of any unfair trade practices, trade dress imitation, passing off of counterfeit goods, or like offenses in the Territory. All of the costs, expenses and legal fees in bringing, maintaining and prosecuting any action to maintain, protect or defend any owned by GENENTECH (or its Sublicensee) hereunder, and any damages or other recovery, shall be GENENTECH's (or its Sublicensee's) sole responsibility, and taken in its sole discretion.

6.7 **Integration; Survival**. This Section 6 supersedes any provisions to the contrary in the HER2 License Agreement and that certain [***] Process Development Agreement by and between the Parties dated as of [***]. This Section 6 shall survive termination or expiration of this Agreement.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

7. TERM AND TERMINATION

7.1 **Term; Expiration**. The term of this Agreement ("**Term**") shall expire upon the expiration of the final royalty payment obligation under Section 4.4 above. Upon such expiration of the Term of this Agreement, GENENTECH shall have a fully paid-up, irrevocable, freely transferable and sublicensable license in the Territory under the Licensed Patent Rights and Licensed Technology, to Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import and have imported any and all Licensed Products in the Territory.

7.2. **Termination**. Subject to the other terms of this Agreement:

(a) Breach. A Party may terminate this Agreement and the licenses granted herein, effective upon written notice to the other Party, upon any breach by the other Party of any material obligation or condition of this Agreement, which material breach remains uncured [***] days after the non-breaching Party gives a first written notice to the other Party describing such breach in reasonable detail; provided, however, that in the event of a [***] by [***] under this Agreement, the [***] shall be [***] (in lieu of [***]) but the other terms of this Section 7.2(a) shall apply to termination in connection with any such payment breach. Notwithstanding anything set forth herein, if the asserted material breach is cured or shown to be non-existent within the applicable cure period, the first notice of breach hereunder shall be deemed automatically withdrawn and of no effect.

(b) Bankruptcy. A Party may terminate this Agreement, effective on written notice to the other Party, in the event the other Party shall have become insolvent or bankrupt, or shall have made an assignment for the benefit of its creditors, or there shall have been appointed a trustee or receiver of the other Party or for all or a substantial part of its property, or any case or proceeding shall have been commenced or other action taken by or against the other Party in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts or any other relief under any bankruptcy, insolvency, reorganization or other similar act or law of any jurisdiction now or hereafter in effect, or there shall have been issued a warrant of attachment, execution, distraint or similar process against any substantial part of the property of the other Party, and any such foregoing events shall have continued for [***] days undismissed, unbonded and undischarged. Furthermore, all rights and licenses granted under this Agreement are, and shall be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code, licenses of rights to "intellectual property" as

defined under Section 101(56) of the United States Bankruptcy Code. The Parties agree that in the event of the commencement of a bankruptcy proceeding by or against one Party hereunder under the United States Bankruptcy Code, the other Party shall be entitled to complete access to any such intellectual property, and all embodiments of such intellectual property, pertaining to the rights granted in the licenses hereunder of the Party by or against whom a bankruptcy proceeding has been commenced, subject, however, to payment of the milestone amounts and royalties set forth in this Agreement through the effective date of any termination hereunder.

(c) Unilateral Termination by GENENTECH. GENENTECH, in its sole discretion, at any time may terminate this Agreement, and the rights and obligations hereunder, or may remove any Licensed Product and the licenses related thereto from operation of this Agreement, in any case effective [***] days after written notice thereof to IMMUNOGEN. In the event of any termination under this Section 7.2(c) only as to a Licensed Product, the consequences set forth in Section 7.3 below relating to termination of the Agreement under this Section 7.2(c) shall apply only with respect to such terminated Licensed Product, and this Agreement and the rights and obligations hereunder shall continue in full force and effect as to any and all other Licensed Products.

7.3 **Effects of Termination**. Upon any termination of this Agreement by IMMUNOGEN under Section 7.2(a) or by GENENTECH under Section 7.2(c), as of the effective date of such termination, all relevant licenses and sublicenses granted by IMMUNOGEN to GENENTECH hereunder shall terminate automatically. Notwithstanding the foregoing, (a) no such termination of this Agreement shall be construed as a termination of any valid sublicense of any Sublicensee hereunder, and thereafter each such Sublicensee shall be considered a direct licensee of IMMUNOGEN, provided that (i) such Sublicensee is then in full compliance with all terms and conditions of its sublicense, (ii) all accrued payments obligations to IMMUNOGEN have been paid, and (iii) such sublicensee agrees at least ten (10) days prior to the effective date of such termination to assume all obligations of GENENTECH under this Agreement, and (b) GENENTECH and its Sublicensees shall have the right, for [***] ([***]) months or such longer time period (if any) on which the Parties mutually agree in writing, to sell or otherwise dispose of all Licensed Products then on hand, with royalties to be paid to IMMUNOGEN on all Net Sales of such Licensed Products as provided for in this Agreement. Nothing set forth in this Section 7 or any other provision of this Agreement shall entitle

IMMUNOGEN to any ownership interest in, or to any license under or other rights with respect to (including any rights to use or request any transfer to IMMUNOGEN or any Third Party), any Confidential Information of GENENTECH or any Technology or Patent Rights solely owned by GENENTECH under this Agreement.

7.4 **Effects of Termination For IMMUNOGEN Breach**. Upon any termination of this Agreement by GENENTECH under Section 7.2(a), as of the effective date of such termination, GENENTECH thereafter automatically shall have a fully sublicensable and transferable, fully paid up (subject to the remainder of this Section 7.4), exclusive license in the Territory under the Licensed Patent Rights and Licensed Technology, to Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import and have imported any and all Licensed Products in the Territory, provided that GENENTECH shall pay, for the remainder of the royalty term under Section 4.4 above, [***] of any payments including milestones or royalties it would

[***] to IMMUNOGEN under this Agreement, a [***] equal to [***] of the [***] that would [***] with respect to the Licensed Product under Sections 4.2.1, 4.2.2, 4.2.3 and 4.2.4 of this Agreement.

7.5 **Remedies.** Except as otherwise expressly set forth in this Agreement, the termination provisions of this Section 7 are in addition to any other relief and remedies available to either Party at law.

7.6 **Surviving Provisions.** Notwithstanding any provision herein to the contrary, the rights and obligations of the Parties set forth in Sections 4.7, 5, 6, 7.3, 7.4, 7.5, 8, 9, 10 and this Section 7.6, as well as any rights or obligations otherwise accrued hereunder (including any accrued payment obligations), shall survive the expiration or termination of the Term of this Agreement. Without limiting the generality of the foregoing, GENENTECH shall have no obligation to make any milestone or royalty payment to IMMUNOGEN that has not accrued prior to the effective date of any termination of this Agreement, but shall remain liable for all such payment obligations accruing prior to the effective date of such termination.

8. REPRESENTATIONS AND WARRANTIES

8.1 **IMMUNOGEN Representations**. IMMUNOGEN represents and warrants to GENENTECH that: (a) the execution and delivery of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by all appropriate IMMUNOGEN

corporate action; (b) this Agreement is a legal and valid obligation binding upon IMMUNOGEN and enforceable in accordance with its terms, and the execution, delivery and performance of this Agreement by the Parties does not conflict with any agreement, instrument or understanding to which IMMUNOGEN is a party or by which it is bound; (c) IMMUNOGEN has the full right and legal capacity to grant the licenses and rights to GENENTECH pursuant to Section 2 above without violating the rights of any Third Party; and (d) to IMMUNOGEN's knowledge, no Patent Rights within the Licensed Patent Rights are invalid or unenforceable or would infringe Patent Rights of Third Parties, and as of the Effective Date no patents within the Licensed Patent Rights are expired.

8.2 **GENENTECH Representations**. GENENTECH represents and warrants to IMMUNOGEN that: (a) the execution and delivery of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by all appropriate GENENTECH corporate action; and (b) this Agreement is a legal and valid obligation binding upon GENENTECH and enforceable in accordance with its terms, and the execution, delivery and performance of this Agreement by the Parties does not conflict with any agreement, instrument or understanding to which GENENTECH is a party or by which it is bound.

8.3 **No Warranties**.

(a) Nothing in this Agreement is or shall be construed as:

(i) a warranty or representation by IMMUNOGEN as to the validity or scope of any patent application or patent within the Licensed Patent Rights;

(ii) a warranty or representation that anything made, used, sold or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of patents, copyrights, and other rights of third parties.

(b) Except as expressly set forth in this Agreement, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, THAT ANY LICENSED PRODUCT WILL BE SUCCESSFULLY DEVELOPED OR MARKETED, OR THAT THE DEVELOPMENT, MANUFACTURE, SALE, IMPORTATION OR USE OF THE LICENSED PRODUCT(S) WILL NOT INFRINGE ANY PATENT,

COPYRIGHT, TRADEMARK, OR OTHER RIGHTS, OR ANY OTHER EXPRESS OR IMPLIED WARRANTIES.

8.4 **Survival**. Section 8 shall survive termination or expiration of this Agreement.

9. INDEMNIFICATION; LIABILITY

9.1 **Indemnification**.

(a) GENENTECH Indemnity. Subject to Section 9.1(b) below and the remainder of this Section 9, GENENTECH shall indemnify, defend and hold harmless IMMUNOGEN, its Affiliates and their respective directors, officers, employees, and agents and their respective successors, heirs and assigns (the "**Indemnitees**"), from and against any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation) incurred by or imposed upon such Indemnitees, or any of them, in connection with any Third Party claims, suits, actions, demands or judgments, including, without limitation, personal injury and product liability matters (but excluding any patent, trademark or tradename infringement matters, which are governed

by Section 6 above), that arise out of or relate to (i) any actions or omissions of GENENTECH or any Sublicensee in the development, testing, production, manufacture, supply, promotion, import, sale or use by any person of any Licensed Product (or any component thereof) manufactured or sold by GENENTECH or any Sublicensee under this Agreement, (ii) any material breach of this Agreement by GENENTECH, or (iii) negligence or willful misconduct on the part of GENENTECH, in any such case under this Section 9.1(a) except to the extent of IMMUNOGEN's responsibility therefor under Section 9.1(b) below.

(b) IMMUNOGEN Indemnity. Subject to Section 9.1(a) above and the remainder of this Section 9, IMMUNOGEN shall indemnify, defend and hold harmless GENENTECH, its Affiliates and their respective directors, officers, employees, and agents, and their respective successors, heirs and assigns (also the "**Indemnitees**"), from and against any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation) incurred by or imposed upon such Indemnitees, or any of them, in connection with any Third Party claims, suits, actions, demands or judgments, including, without limitation, personal injury and product liability matters (but excluding any patent, trademark or tradename infringement matters, which are governed by Section 6 above), that arise out of or relate to (i) any actions or omissions of IMMUNOGEN or subcontractor of IMMUNOGEN in the

development, testing, production, manufacture or supply of any Licensed Product (or any component thereof) manufactured and supplied by IMMUNOGEN or any subcontractor of IMMUNOGEN under this Agreement, (ii) any material breach of this Agreement by IMMUNOGEN, or (iii) negligence or willful misconduct on the part of IMMUNOGEN, in any such case under this Section 9.1(b) except to the extent of GENENTECH's responsibility therefor under Section 9.1(a) above.

9.2 **Indemnification Procedures**. In the event that any Indemnitee is seeking indemnification under Section 9.1 above from a Party (the **"Indemnifying Party"**), the other Party shall notify the Indemnifying Party of such claim with respect to such Indemnitee as soon as reasonably practicable after the Indemnitee receives notice of the claim, and the Party (on behalf of itself and such Indemnitee) shall permit the Indemnifying Party to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration) and shall cooperate as requested (at the expense of the Indemnifying Party) in the defense of the claim.

9.3 **Liability**. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT OR OTHERWISE, NEITHER PARTY WILL BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR (a) ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS OR (b) COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES.

9.4 **Survival**. Section 9 shall survive termination or expiration of this Agreement.

10. MISCELLANEOUS

10.1 **Entire Agreement; Amendments**. This is the entire Agreement between the Parties with respect to the subject matter herein, and supersedes any prior agreements, understandings, negotiations or correspondence between the Parties respecting the subject matter hereof, whether written or verbal. No modification or other amendment of this Agreement shall be effective unless in writing and signed by a fully authorized representative of each Party.

10.2 **Waiver**. The terms or conditions of this Agreement may be waived only by a written instrument executed by a duly authorized representative of the Party waiving compliance.

The failure of either Party at any time or times to require performance of any provision hereof shall in no manner affect its rights at a later time to enforce the same. No waiver by either Party of any condition or term shall be deemed as a continuing waiver of such condition or term or of another condition or term.

10.3 **Governing Law**. This Agreement will be construed, interpreted and applied in accordance with the laws of the State of California applicable to contracts entered into and to be performed entirely within the State of California.

10.4 **Notices**. Any notices, requests, deliveries, approvals or consents required or permitted to be given under this Agreement to GENENTECH or IMMUNOGEN shall be in writing and shall be personally delivered or sent by telecopy (with machine confirmation of transmission) or by overnight courier providing evidence of receipt or certified mail, return receipt requested, postage prepaid, in each case to the respective address specified below (or to such address as may be specified in writing to the other Party hereto):

If to IMMUNOGEN: ImmunoGen, Inc.
128 Sidney Street
Cambridge, MA 02139-4239
Attn: Chief Executive Officer
Fax: (617) 995-2510

with a copy to Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

One Financial Center
Boston, MA 02111
Attn: [***], Esq.
(617) 542-2241

If to GENENTECH: Genentech, Inc.
1 DNA Way 94080
South San Francisco, CA 94080
Attn: Corporate Secretary
Fax: (650) 467-9146

Such notices shall be deemed to have been sufficiently given on: (a) the date sent if delivered in person or transmitted by telecopy, (b) the next business day after dispatch in the case of overnight courier or (c) five (5) business days after deposit in the U.S. mail in the case of certified mail.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

10.5 **No Implied Licenses**. Except as expressly set forth elsewhere in this Agreement, neither Party grants to the other Party any right or license to any of its intellectual property.

10.6 **Headings**. Section and subsection headings are inserted for convenience of reference only and do not form part of this Agreement.

10.7 **Assignment**. This Agreement may not be assigned by either Party without the consent of the other, except that each Party may, without such consent, assign this Agreement and the rights, obligations and interests of such Party, in whole or in part, to any of its Affiliates, to any purchaser of all or substantially all of its assets in the line of business to which this Agreement pertains or to any successor corporation resulting from any merger or consolidation of such Party with or into such corporations.

10.8 **Force Majeure**. Neither Party shall be liable for failure of or delay in performing obligations set forth in this Agreement, and neither shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of such Party. In event of such force majeure, the Party affected thereby shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

10.9 **Construction**. The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to each Party hereto and not in a favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

10.10 **Severability**. If any provision(s) of this Agreement are or become invalid, are ruled illegal by any court of competent jurisdiction or are deemed unenforceable under then current applicable law from time to time in effect during the term hereof, it is the intention of the Parties that the remainder of this Agreement shall not be affected thereby provided that a Party's rights under this Agreement are not materially affected. The Parties hereto covenant and agree to renegotiate any such term, covenant or application thereof in good faith in order to provide a reasonably acceptable alternative to the term, covenant or condition of this Agreement or the application thereof that is invalid, illegal or unenforceable, it being the intent of the Parties that the basic purposes of this Agreement are to be effectuated.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

10.11 **Status**. Nothing in this Agreement is intended or shall be deemed to constitute a partner, agency, employer-employee, or joint venture relationship between the Parties.

10.12 **Dispute Resolution.** The Parties recognize that a bona fide dispute as to certain matters may from time to time arise during the term of this Agreement relating to either Party's rights and/or obligations hereunder or otherwise relating to the validity, enforceability or performance of this Agreement, including disputes relating to alleged breach or termination of this Agreement but excluding any determination of the validity of the Parties' patents (hereinafter, a "Dispute"). In the event of the occurrence of any such Dispute, the Parties pledge to attempt to resolve it amicably. Accordingly, if any Dispute should arise, either Party may, by written notice to the other Party, have such dispute referred to their respective senior officers designated below (and to any designated officer of a GENENTECH Sublicensee, if such Dispute involves such Sublicensee), for attempted resolution by good faith negotiations commencing promptly after such notice is received; provided, however, that if the subject matter of such Dispute is within the purview of the Collaboration Committee, the Parties' representatives on the Collaboration Committee shall first attempt to resolve such Dispute before referring it to the Parties' senior officers hereunder. Said designated senior officials of the Parties are as follows:

For GENENTECH: Designated officer with settlement authority; and

For IMMUNOGEN: Chief Executive Officer.

In the event the designated senior officials are not able to resolve such Dispute, the Parties may seek to mediate their Dispute, on terms and with a mediator mutually agreeable to the Parties, or may seek to arbitrate their Dispute, on mutually agreed upon terms and conditions, but neither Party shall be required or obligated to mediate or arbitrate and the dispute resolution provisions of this Section 10.12 are in addition to any other relief and remedies available to either Party at law or in equity.

10.13 **Further Assurances**. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all other such acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

10.14 **Counterparts**. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the Effective Date set forth on the first page hereof.

GENENTECH, INC.	IMMUNOGEN, INC.
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

LICENSE AGREEMENT

This License Agreement (the "Agreement") is made effective as of December 12, 2005 (the "Effective Date") by and between GENENTECH, INC., a Delaware corporation having its principal business office at 1 DNA Way, South San Francisco, California 94080 ("GENENTECH"), and IMMUNOGEN, INC., a Massachusetts corporation with its principal place of business at 128 Sidney Street, Cambridge, Massachusetts 02139 ("IMMUNOGEN"). GENENTECH and IMMUNOGEN are each hereafter referred to individually as a "Party" and together as the "Parties".

WHEREAS, the Parties entered into the Heads of Agreement (defined below) pursuant to which IMMUNOGEN granted GENENTECH the right to obtain up to [***] exclusive options at any given time to obtain an exclusive license to use IMMUNOGEN's proprietary maytansinoid conjugation technology with certain proprietary antibodies of GENENTECH and other binding proteins relating thereto that bind to any antigen target selected by GENENTECH and determined by IMMUNOGEN to be available for licensing as described more fully in the Heads of Agreement; and

WHEREAS, pursuant to the Heads of Agreement, GENENTECH was granted an Exclusive Target Option (as defined in the Heads of Agreement) with respect to [***] and has exercised such Exclusive Target Option pursuant to the terms set forth in the Heads of Agreement, resulting in the grant of an exclusive license from IMMUNOGEN to GENENTECH on the terms set forth in the Heads of Agreement; and

WHEREAS, pursuant to the Heads of Agreement, the Parties have agreed to enter into an agreement setting forth the detailed terms of the exclusive license from IMMUNOGEN to GENENTECH.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS

Whenever used in the Agreement with an initial capital letter, the terms defined in this Section 1 shall have the meanings specified.

1.1. "**Adverse Event**" shall mean any untoward medical occurrence in a patient or subject who is administered a Licensed Product, whether or not considered related to the Licensed Product, including, without limitation, any undesirable sign (including abnormal laboratory findings of clinical concern), symptom or disease temporally associated with the use of such Licensed Product.

1.2. "**Affiliate**" shall mean any corporation, firm, limited liability company, partnership or other entity which directly or indirectly controls or is controlled by or is under common control with a Party to this Agreement. For purposes of this Section 1.2, "control" means ownership, directly or indirectly through one or more Affiliates, of fifty percent (50%) or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or fifty percent (50%) or more of the equity interests in the case of any other type of legal entity, or status as a general partner in the case of any partnership, or any other arrangement whereby a Party controls or has the right to control the Board of Directors or equivalent governing body or management of a corporation or other entity.

1.3. "**Agreement**" shall mean this Agreement between the Parties, dated as of the Effective Date, including any exhibits, schedules or other attachments hereto and incorporated herein, as any of the foregoing may be validly amended from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of any exhibits, schedules or other attachments incorporated herein, the terms of this Agreement shall govern unless the Parties expressly agree otherwise in writing.

1.4. "**Allocable Overhead**" shall mean overhead costs incurred by IMMUNOGEN attributable to IMMUNOGEN's supervisory services, occupancy costs, and its payroll, information systems, human relations, purchasing, accounts receivable or accounts payable functions which are allocated to company departments based on space occupied or headcount or another activity-based method, and shall include the "General Administrative Fee" as defined hereinbelow. For purposes of any given calculation of "Allocable Overhead" hereunder, the "General and Administrative Fee" shall equal [***] percent ([***]%) of the total amount of Allocable Overhead (as calculated before the inclusion of any such fee). However, "Allocable Overhead" shall not include any costs attributable to general corporate activities, executive management, investor relations, corporate communications, business development, legal affairs or finance.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

1.5. **"[***]"** shall mean a protein that corresponds to Swiss-Prot Primary accession number [***], or any variant or fragments thereof.

1.6. **"[***] Antibody**" shall mean any monoclonal antibodies Controlled by GENENTECH that bind to [***] and any other proteins binding to [***], and shall include, without limitation, any variants (including, without limitation, humanized versions), fragments (including, without limitation, single-chain versions) or derivatives of any of the foregoing.

1.7. "**[***] Product**" shall mean any product containing an anti-[***] monoclonal antibody conjugated to a MAY Compound.

1.8. **"Clinical Materials"** shall mean (a) supplies of ansamitocin P-3, and/or any other MAY Compound as manufactured in accordance with all applicable GMPs and other legal requirements and all applicable Specifications for such MAY Compound for use in human clinical testing, and (b) supplies of any Licensed Product as manufactured in accordance with all applicable GMPs and other legal requirements and all applicable Specifications for such Licensed Product for use in human clinical testing of any Licensed Product.

1.9. **"Collaboration Committee"** shall mean the committee with representatives of each Party established as set forth in Section 3.4.

1.10. **"Combination Product**" shall mean any Licensed Product that contains, in addition to any conjugate of a [***] Antibody with any MAY Compound, one or more other ingredients that has biologic activity as a therapeutic agent when present alone.

1.11. **"Confidential Information"** shall have the meaning set forth in Section 5.1.

1.12. "**Control**" or "**Controlled**" shall mean, with respect to any Patent Rights or Technology (including, without limitation, any MAY Compound, [***] Antibody or other proprietary biologic material covered under this Agreement), the possession by a Party of the ability to grant a license or sublicense of such patent rights, know-how or other intellectual property and the rights thereto or to supply such compounds or materials as provided for in this Agreement without violating the terms of any arrangement or agreement between such Party and any Third Party.

1.13. "**Development**" and "**Develop**" shall mean, with respect to any Licensed Product, all activities with respect to such Licensed Product relating to research and development in connection with seeking, obtaining and/or maintaining any Regulatory Approval for such Licensed Product in the Field in the Territory, including without limitation, all pre-clinical

research and development activities, all human clinical studies, all activities relating to developing the ability to manufacture any Licensed Product or any component thereof (including, without limitation, process development work), and all other activities relating to seeking, obtaining and/or maintaining any Regulatory Approvals from the FDA and/or any Foreign Regulatory Authority.

1.14. "**Drug Approval Application**" shall mean any application for Regulatory Approval (including pricing and reimbursement approvals) required prior to any commercial sale or use of a Licensed Product in any country or jurisdiction in the Territory, including, without limitation, (a) any NDA or MAA filed with the FDA or any Foreign Regulatory Authority, and (b) any equivalent application filed with any Foreign Regulatory Authority for Regulatory Approval (including pricing and reimbursement approvals) required prior to any commercial sale or use of a Licensed Product in any country or jurisdiction in the Territory.

1.15. "**Effective Date**" shall mean the date first written above in the introductory paragraph to this Agreement.

1.16. "**FDA**" shall mean the United States Food and Drug Administration and any successor agency or authority thereto.

1.17. "**Field**" shall mean any and all human uses.

1.18. "**First Commercial Sale**" shall mean the date of the first commercial sale (other than for purposes of obtaining Regulatory Approval) of a Licensed Product by or on behalf of GENENTECH or any Sublicensee.

1.19. **"[***] Indication"** shall mean the [***] use permitted by the FDA or any Foreign Regulatory Authority in any Regulatory Approval of a given Licensed Product.

1.20. "**Foreign Regulatory Authority**" shall mean any applicable supranational, national, federal, state or local regulatory agency, department, bureau or other governmental entity of any country or jurisdiction in the Territory (other than the FDA in the United States), having responsibility in such country or jurisdiction for any Regulatory Approvals of any kind in such country or jurisdiction, and any successor agency or authority thereto.

1.21. "**Fully Burdened Manufacturing Cost**" shall mean, with respect to any Preclinical Materials or Clinical Materials produced by IMMUNOGEN for GENENTECH under this Agreement, the sum of the following components: (a) the costs of goods produced, as determined by IMMUNOGEN in accordance with generally accepted accounting principles in

the United States, consistently applied, including, without limitation, direct labor, material and product testing costs of such Preclinical Materials or Clinical Materials; (b) any Third Party royalty costs directly allocable to the manufacture or use of such Preclinical Materials or Clinical Materials; (c) all Allocable Overhead on the cost of goods under clause (a) above; and (d) any other costs borne by IMMUNOGEN, for the transport, customs clearance, duty, insurance and/or storage of such Preclinical Materials or Clinical Materials.

1.22. "**GENENTECH**" shall mean Genentech, Inc., a Delaware corporation, and its successors and permitted assigns under this Agreement.

1.23. "**GLPs**" shall mean all good laboratory practices under Title 21 of the United States Code of Federal Regulations, as amended from time to time.

1.24. "**GMPs**" shall mean all good manufacturing practices under Title 21 of the United States Code of Federal Regulations, as amended from time to time.

1.25. **"Heads of Agreement"** shall mean the Heads of Agreement, dated May 2, 2000, as amended, whereunder the Parties agreed upon the terms and conditions for a broader arrangement relating to the conjugation of a larger array of antibodies and binding proteins to maytansine derivatives such as DM1.

1.26. **"HER2 License Agreement"** shall mean that certain License Agreement dated as of May 2, 2000, as amended May 3, 2006, by and between the Parties with respect to the use of IMMUNOGEN's proprietary maytansinoid conjugation technology with GENENTECH's Anti-HER2 antibodies and other HER-2 binding proteins.

1.27. "**IMMUNOGEN**" shall mean ImmunoGen, Inc., a Massachusetts corporation, and its successors and permitted assigns under this Agreement.

1.28. "**IMMUNOGEN Field**" shall mean any and all uses other than any use that involves an antibody that binds to an antigen that is subject to an exclusive license from IMMUNOGEN under, or arising from, the Heads of Agreement or an antigen that is subject to an Exclusive Target Option under the Heads of Agreement, during the period that such exclusive license or Exclusive Target Option remains in effect.

1.29. "**Improvement**" shall mean: (a) improvements to any MAY Compound, (b) improvements to methods of making any MAY Compound, and (c) improvements to the conjugation process for making antibody-drug conjugates that include any MAY Compound (including, for example, reaction conditions or changes in process that create improvements in

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the yield of such conjugate). "Improvement" excludes any and all of the following items ("GNE Exclusions"): (w) any improvement that is specific to any antibody-drug conjugates that bind to an antigen that is subject to an exclusive license from IMMUNOGEN under, or arising from, the Heads of Agreement or is subject to an Exclusive Target Option under the Heads of Agreement during the period that such exclusive license or Exclusive Target Option remains in effect; (x) improvements to [***] or [***], or the [***] of [***] or [***] of the foregoing; (y) improvements arising out of GENENTECH [***] or [***] activities (whether or not the associated [***] is the subject of a license or option to GENENTECH by IMMUNOGEN); or (z) the [***] or [***] of [***] [***] (*i.e.*, the [***] or [***] of such [***] (*e.g.*, the [***] of [***] or the [***] of [***] to [***]) and [***] the manner of [***] such [***] [***]) that binds to an antigen that is subject to an exclusive license from IMMUNOGEN under, or arising from, the Heads of Agreement or an antigen that is subject to an Exclusive Target Option under the Heads of Agreement, during the period that such exclusive license or Exclusive Target Option remains in effect.

1.30. "**IND**" shall mean an investigational new drug application (as defined in Title 21 of the United States Code of Federal Regulations, as amended from time to time) filed or to be filed with the FDA with regard to any Licensed Product.

1.31. "**Indemnitees**" and "**Indemnifying Party**" shall have the meanings set forth in Section 9.

1.32. "**Licensed Patent Rights**" shall mean any and all Patent Rights in the Field in the Territory which are Controlled by IMMUNOGEN as of the Effective Date or become Controlled by IMMUNOGEN during the Term, to the extent that any of the foregoing is necessary or useful for the Development, manufacture, use, import, export or sale of any Licensed Product (or any component thereof) in the Field in the Territory. The Licensed Patent Rights as of the Effective Date include, without limitation, the patents and patent applications set forth in the Existing License Agreement, as updated from time to time.

1.33. "**Licensed Product**" shall mean any product containing any conjugate of a [***] Antibody with any MAY Compound, and shall include, without limitation, any formulation thereof (including, without limitation, any lyophilized, liquid, sustained release or aerosolized formulation). "Licensed Product" shall also include any and all Combination Products (if any).

1.34. "**Licensed Technology**" shall mean any and all Technology which relates to the use of any Licensed Product in the Field in the Territory which is Controlled by IMMUNOGEN as of the Effective Date or becomes Controlled by IMMUNOGEN during the Term, to the extent that any of the foregoing relates to any Licensed Patent Rights or is necessary or useful for the Development, manufacture, use, import, export or sale of any Licensed Product in the Field in the Territory.

1.35. "**MAA**" shall mean an application filed with the relevant Foreign Regulatory Authority in Europe seeking Regulatory Approval to market and sell any Licensed Product in Europe or any country or territory therein for a particular indication within the Field.

1.36. "**MAY Compound**" shall mean any and all maytansinoid compounds (including, without limitation, maytansine, ansamitocin P-3 and DM1), whether produced by a botanical source, natural fermentation or chemical synthesis, and shall include, without limitation, all variants, fragments or

derivatives of any of the foregoing, in each case owned or otherwise Controlled by IMMUNOGEN. MAY shall include, without limitation, that certain maytansine derivative known as "DM1" whose more specific chemical name is $N^{2'}$-deacetyl-$N^{2'}$-(3-mercapto-1-oxopropyl)-maytansine.

1.37. "**NDA**" shall mean a new drug application (as defined in Title 21 of the United States Code of Federal Regulations, as amended from time to time) filed with the FDA seeking Regulatory Approval to market and sell any Licensed Product in the United States for a particular indication within the Field.

1.38. "**Net Sales**" shall mean, as to each calendar quarter during the Term, the gross invoiced sales prices charged for all Licensed Products sold by GENENTECH or its Sublicensees to Third Parties throughout the Territory during such calendar quarter, less the following amounts incurred or paid by GENENTECH or its Sublicensees during such calendar quarter with respect to sales of Licensed Products regardless of the calendar quarter in which such sales were made:

(a) trade, cash and quantity discounts or rebates actually allowed or taken, including discounts or rebates to governmental or managed care organizations;

(b) credits or allowances actually given or made for rejection of or return of, and for uncollectible amounts on, previously sold Licensed Products or for retroactive price reductions (including Medicare and similar types of rebates);

(c) any charges for insurance, freight, and other transportation costs directly related to the delivery of Licensed Product to the extent included in the gross invoiced sales price;

(d) any tax, tariff, duty or governmental charge levied on the sales, transfer, transportation or delivery of a Licensed Product (including any tax such as a value added or similar tax or government charge) borne by the seller thereof, other than franchise or income tax of any kind whatsoever; and

(e) any import or export duties or their equivalent borne by the seller. "Net Sales" shall not include sales or transfers between GENENTECH and its Sublicensees, unless the Licensed Product is consumed by the Sublicensee.

1.39. "**Patent Rights**" shall mean the rights and interests in and to any and all issued patents and pending patent applications (including inventor's certificates and utility models) in any country or jurisdiction in the Territory, including any and all provisionals, non-provisionals, substitutions, continuations, continuations-in-part, divisionals and other continuing applications, supplementary protection certificates, renewals, and all letters patent on any of the foregoing, and any and all reissues, reexaminations, extensions, confirmations, registrations and patents of addition on any of the foregoing.

1.40. "**Phase II Clinical Study**" shall mean, as to a particular Licensed Product for a particular indication, a controlled and lawful study in humans of the safety, dose ranging and efficacy of such Licensed Product for such indication, which is prospectively designed to generate sufficient data (if successful) to commence a Phase III Clinical Trial of such Licensed Product for such indication.

1.41. **"Phase III Clinical Trial**" shall mean, as to a particular Licensed Product for a particular indication, a controlled and lawful study in humans of the safety and efficacy of such Licensed Product for such indication, which is prospectively designed to demonstrate statistically whether such Licensed Product is safe and effective for use in such indication in a manner sufficient to file an NDA to obtain Regulatory Approval to market and sell that Licensed Product in the United States for the indication under investigation in such study.

1.42. **"Phase III Equivalent Decision"** shall mean the date (if any) on which GENENTECH (or its Sublicensee) decides, based on notification and input from the FDA, that the data and results generated from the Phase II Clinical Studies of a Licensed Product for a

particular indication are sufficient, without any Phase III Clinical Trial of such Licensed Product for such indication, to support the filing of an NDA to obtain Regulatory Approval to market and sell that Licensed Product in the United States for the indication under investigation.

1.43. **"Preclinical Materials"** shall mean (a) supplies of ansamitocin P-3, DM1 and/or any other MAY Compound as manufactured in accordance with all applicable legal requirements and all applicable Specifications for such MAY Compound for use in preclinical testing, and (b) supplies of any Licensed Product as manufactured in accordance with all applicable legal requirements and all applicable Specifications for such Licensed Product for use in preclinical testing of any Licensed Product.

1.44. "**Regulatory Approval**" shall mean any and all approvals (including pricing and reimbursement approvals), product and establishment licenses, registrations or authorizations of any kind of the FDA or any Foreign Regulatory Authority necessary for the development, pre-clinical and/or human clinical testing, manufacture, quality testing, supply, use, storage, importation, export, transport, marketing and sale of a Licensed Product (or any component thereof) for use in the Field in any country or other jurisdiction in the Territory. "Regulatory Approval" shall include, without limitation, any NDA, MAA or other Drug Approval Application.

1.45. **"[***] Indication"** shall mean the [***] use permitted by the FDA or any Foreign Regulatory Authority in any Regulatory Approval of a given Licensed Product and with respect to which GENENTECH has made a [***] based on [***] that such indication will [***] at least a $[***] in [***] in the [***].

1.46. "**Specifications**" shall mean any specifications agreed upon in writing by the Parties relating to the manufacturing and supply of any MAY Compound and/or Licensed Product hereunder.

1.47. "**Sublicensee**" shall have the meaning set forth in Section 2.2, and "**Material Sublicensee**" shall have the meaning set forth in Section 3.3.

1.48. "**Technology**" shall mean and include any and all unpatented proprietary ideas, inventions, discoveries, Confidential Information, biologic materials, data, results, formulae, designs, specifications, methods, processes, formulations, techniques, ideas, know-how, technical information (including, without limitation, structural and functional information), process information, pre-clinical information, clinical information, and any and all proprietary

biological, chemical, pharmacological, toxicological, pre-clinical, clinical, assay, control and manufacturing data and materials.

1.49. "**Term**" shall mean the period commencing on the Effective Date and continuing until the expiration or termination of this Agreement in accordance with the terms hereof (including Section 7).

1.50. "**Territory**" shall mean all countries and jurisdictions of the world.

1.51. **"[***] Indication"** shall mean the [***] use permitted by the FDA or any Foreign Regulatory Authority in any Regulatory Approval of a given Licensed Product and with respect to which GENENTECH has made a [***] based on [***] that such indication will [***] at least $[***] in [***] in the [***].

1.52. "**Third Party**" shall mean any entity other than GENENTECH, IMMUNOGEN and their respective Affiliates.

1.53. "**Third Party Payments**" shall have the meaning set forth in Section 4.2.2.

1.54. "**Valid Claim**" shall mean a claim in an issued, unexpired patent within the Licensed Patent Rights that (i) has not been finally cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction, and (ii) has not been revoked, held invalid, or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal, and (iii) has not been rendered unenforceable through disclaimer or otherwise, and (iv) is not lost through an interference proceeding.

2. GRANT OF RIGHTS

2.1. **License Grants**.

(a) License to GENENTECH. IMMUNOGEN hereby grants to GENENTECH an exclusive (even as to IMMUNOGEN) royalty-bearing license within the Territory, including the right to grant sublicenses as described in Section 2.2 below, under the Licensed Patent Rights and Licensed Technology, to Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import, have imported, export and have exported Licensed Products in the Field in the Territory, subject to the other terms and conditions of this Agreement.

(b) License to IMMUNOGEN. GENENTECH hereby grants to IMMUNOGEN a non-exclusive, royalty-free license (i) under GENENTECH's intellectual property interest in Improvements, to develop, make, use, sell, offer for sale, import, and export any product that is not a Licensed Product or a [***] Product, only within the IMMUNOGEN Field and subject to Section 2.3(b) below and the remaining terms of this Section 2.1(b); and (ii) also under GENENTECH's intellectual property interest in Improvements, to otherwise exploit Improvements for all uses within the IMMUNOGEN Field, subject to Section 2.3(b) below and the remaining terms of this Section 2.1(b). The foregoing license includes the right to sublicense the rights granted under this Section 2.1(b) only if all of the following three conditions (i), (ii) and (iii) are met:

(i) the sublicense is limited to the IMMUNOGEN Field;

(ii) the sublicense is granted only in connection with a license to IMMUNOGEN MAY Technology (where "**IMMUNOGEN MAY Technology**" means Technology Controlled by IMMUNOGEN and used in the conjugation of MAY Compounds to binding proteins), and the rights granted for IMMUNOGEN MAY Technology are of the same scope (*e.g.*, for the same product or technology and within the same field and the same territory) as the rights granted for GENENTECH's Improvements; and

(iii) GENENTECH obtains Substantially Similar Grant Back Rights without incurring an obligation to pay any additional consideration (either to IMMUNOGEN or to IMMUNOGEN's sublicensee). "**Substantially Similar Grant Back Rights**" means non-exclusive rights in and to that sublicensee's "improvements" (improvements to MAY Compounds, methods of making MAY Compounds, and methods of making antibody-drug

conjugates) that are of substantially the same scope (*e.g.*, within the same field and the same territory) as the rights granted in and to Improvements under this Agreement. (GENENTECH may obtain such rights directly from IMMUNOGEN's sublicensee or indirectly through IMMUNOGEN; if GENENTECH obtains such rights from IMMUNOGEN, IMMUNOGEN may have obtained such rights under license or by transfer of ownership).

Nothing in this Agreement or the course of dealings between the Parties or usage or custom in the industry or trade shall be construed to confer any other rights or licenses to any other intellectual property Controlled by either Party or its Affiliates by implication, estoppel or

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otherwise. GENENTECH has no obligation to [***] in any [***] or [***] of [***] to [***] or a [***] with respect to [***].

2.2 **Sublicenses**. GENENTECH shall have the right freely to grant sublicenses to all or any portion of its rights under the license rights granted pursuant to Section 2.1(a) hereof to any Affiliate or Third Party (in any case, a "**Sublicensee**"); provided, however, that (a) each such sublicense shall be consistent with the terms and conditions of this Agreement, and (b) GENENTECH shall remain obligated to ensure payment of all of its milestone and royalty obligations as set forth in Section 4 hereof.

2.3 **IMMUNOGEN Retained Rights and Covenants; GENENTECH Technology or Patent Rights**.

(a) Retained Rights. Subject to the other terms of this Agreement, including, without limitation, Section 2.3(b) hereof, IMMUNOGEN retains the right to use the Licensed Technology and practice the Licensed Patent Rights (i) to perform its work under Sections 3.3, 3.4, 3.5 and 3.6 hereof relating to the Collaboration Committee and to manufacture and supply Preclinical Materials and Clinical Materials for GENENTECH (and its Sublicensees), and (ii) to develop, have developed, make, have made, use, have used, sell have sold, offer for sale, import, have imported, export and have exported any product that is not a Licensed Product or a [***] Product, subject to Section 2.3(b) below.

(b) Covenants. It is hereby further agreed that (i) during the Term of this Agreement, IMMUNOGEN shall not Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import, have imported, export and have exported any [***] Product, which restriction shall be [***] for [***] of this Agreement if, during a [***] prior to expiration or termination of this Agreement, [***] is [***] or [***] with a [***], if [***] is subject to a [***] of [***], or if this Agreement is [***] pursuant to [***], and (ii) during the Term of this Agreement, and for [***] (which [***] shall not apply in connection with expiration of this Agreement under [***] below or in connection with [***] of this Agreement by [***] under [***] below, but which shall apply in connection with any other [***] of this Agreement, including by [***] under [***] below), IMMUNOGEN shall not grant to any Third Party any license or other right under any Patent Rights or Technology owned or Controlled by

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IMMUNOGEN to Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import, have imported, export and have exported, any [***] Product.

(c) No Rights to GENENTECH Technology or Patent Rights. Except for the license granted to IMMUNOGEN by GENENTECH in Section 2.1(b) above, nothing in this Section 2.3 or any other provision of this Agreement shall be construed as a grant to IMMUNOGEN of any license or other rights with respect to any Technology (including, without limitation, any Confidential Information) or Patent Rights owned or Controlled (in whole or in part) by GENENTECH.

3. DEVELOPMENT AND COMMERCIALIZATION OF LICENSED PRODUCTS.

3.1 **Development and Commercialization**.

(a) Responsibility. On and after the Effective Date, except as otherwise agreed in writing with respect to certain process development and manufacturing activities, GENENTECH shall have full control and authority over, and sole responsibility for, all Development and commercialization of Licensed Products in the Field in the Territory, including, without limitation, (i) all pre-clinical Development activities (including any pharmaceutical development work on formulations or process development relating to any Licensed Product), (ii) all activities related to human clinical trials (including any phase I clinical studies, any Phase II Clinical Studies or any Phase III Clinical Trials), (iii) all activities relating to manufacture and supply of [***] Antibodies, all MAY Compounds (including ansamitocin P-3 and DM1) and all Licensed Products, solely to the extent such activities relate to the development and commercialization of Licensed Products (including all required process development and scale up work with respect thereto), (iv) all marketing, promotion, sales, distribution, import and export activities relating to any Licensed Product (including any post-marketing trials or databases and post-marketing safety surveillance), and (v) all activities relating to any regulatory filings, registrations, applications and Regulatory Approvals relating to any of the foregoing (including any INDs or foreign equivalents, any manufacturing facility validation and/or licensure, any Drug Approval Applications and any other Regulatory Approvals). Except as described in the next sentence, GENENTECH shall own all data, results and all other information arising from any such activities under this Agreement, including, without limitation, all regulatory filings, registrations, applications and Regulatory Approvals relating to Licensed Products (including any INDs or foreign equivalents, any Drug Approval Applications and any other Regulatory Approvals), and all of the foregoing information, documentation and materials shall be considered Confidential Information and Technology solely owned by GENENTECH. IMMUNOGEN shall own all data, results

and all other information arising from IMMUNOGEN's activities relating to the manufacture and supply of MAY Compounds (including ansamitocin P-3 and DM1) to GENENTECH, and all of the foregoing information, documentation and materials shall be considered Confidential Information and Technology solely owned by IMMUNOGEN. All activities relating to Development and commercialization under this Agreement shall be undertaken at GENENTECH's sole cost and expense, except as otherwise expressly provided in this Agreement.

(b) Due Diligence. GENENTECH will exercise its commercially reasonable efforts and diligence in Developing and commercializing Licensed Products in accordance with its business, legal, medical and scientific judgment, and in undertaking investigations and actions required to obtain appropriate Regulatory Approvals necessary to market Licensed Products in the Field in the Territory, such reasonable efforts and diligence to be in accordance with the efforts and resources GENENTECH would use for a compound owned by it or to which it has rights, which is of similar market potential at a similar stage in development as the applicable Licensed Product, taking into account the competitiveness of the marketplace, the proprietary position of the Licensed Product, the relative potential safety and efficacy of the Licensed Product, the regulatory requirements involved in its Development, commercialization and Regulatory Approval, the cost of goods and availability of capacity to manufacture and supply the Licensed Product at commercial scale, the profitability of the applicable Licensed Product, and other relevant factors including, without limitation, technical, legal, scientific or medical factors. In the event that GENENTECH fails to use due diligence as required hereunder, then on a Licensed Product-by-Licensed Product and country-by-country basis as to the Licensed Product in the country in which GENENTECH has failed to use due diligence as required hereunder, IMMUNOGEN's exclusive remedy shall be, in its sole discretion (i) to terminate the licenses granted under Section 2.1 this Agreement for breach under Section 7.2(a) below

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

(including the notice and cure provisions therein) or (ii) to convert the licenses granted under Section 2.1 of this Agreement from exclusive licenses to non-exclusive licenses, in either case only as such licenses apply to such Licensed Product in such country, which termination or conversion, as the case may be, shall be effective upon expiration of the cure period specified in 7.2(a) below provided that such failure remains uncured upon such expiration.

3.2 **Updates and Reports; Exchanges of Adverse Event Information**.

(a) Updates and Reports. GENENTECH shall keep IMMUNOGEN informed of the progress of GENENTECH's efforts to Develop and commercialize Licensed Products in the Field in the Territory as provided in this Section 3.2(a). GENENTECH (or its Sublicensee) shall provide IMMUNOGEN with brief written reports as provided herein no less frequently than on each anniversary of the Effective Date during the Term (commencing with the first anniversary of the Effective Date). Such reports shall summarize GENENTECH's material efforts to Develop and commercialize all Licensed Products hereunder, identify the Drug Approval Applications with respect to any Licensed Product that GENENTECH and its Sublicensees have filed, sought or obtained in the prior twelve (12)-month period, and any they reasonably expect to make, seek or attempt to obtain in the following twelve (12)-month period. In addition, GENENTECH (or its Sublicensee) shall provide IMMUNOGEN with prompt written notice of the occurrence of any event giving rise to an obligation to make a milestone payment to IMMUNOGEN under Section 4.1, and shall provide IMMUNOGEN with prompt written notice of the occurrence of the First Commercial Sale of any particular Licensed Product. All such reports and notices shall be sent to the attention of IMMUNOGEN's designated representative, who shall be its Chief Executive Officer unless IMMUNOGEN otherwise notifies GENENTECH.

(b) Adverse Events. In addition to such reports, GENENTECH agrees to provide IMMUNOGEN with Adverse Event information and product complaint information relating to Licensed Products (but not relating to any other products of GENENTECH, including any antibody that may be included in a Licensed Product, to the extent that antibody is used in its "naked" form or in connection with a different effector molecule) as compiled and prepared by GENENTECH in the normal course of business in connection with the Development, commercialization or sale of any Licensed Product, within time frames consistent with reporting obligations under applicable laws and regulations. To the extent it could reasonably apply or

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

could reasonably be relevant to a Licensed Product, IMMUNOGEN agrees to provide GENENTECH with Adverse Event and product complaint information relating to any product containing any MAY Compound that is compiled and prepared by IMMUNOGEN or any Third Party in the normal course of business in connection with the development, commercialization or sale of any such product, within time frames consistent with reporting obligations under applicable laws and regulations; provided, however, that the foregoing shall not require IMMUNOGEN to violate any agreements with or confidentiality obligations owed to any Third Party. GENENTECH shall provide its Adverse Event and product complaint information hereunder to IMMUNOGEN's designated representative, who shall be its Chief Regulatory Officer unless IMMUNOGEN otherwise notifies GENENTECH. IMMUNOGEN shall provide its Adverse Event and product complaint information hereunder to GENENTECH's designated representative, who shall be the head of its Drug Safety group in GENENTECH'S Medical Affairs Department unless GENENTECH otherwise notifies IMMUNOGEN.

(c) Confidential Information. All reports, updates, Adverse Event, product complaint and other information provided by one Party to the other Party under this Agreement (including under this Section 3), shall be considered Confidential Information of the disclosing Party, subject to the

terms of Section 5.

3.3 **Reasonable Assistance by IMMUNOGEN**. In connection with the exclusive grant of rights to GENENTECH under Section 2.1 above, and subject to the other terms of this Agreement, IMMUNOGEN shall provide GENENTECH (and any Sublicensee of GENENTECH with respect to all of GENENTECH's license rights hereunder to make or have made all Licensed Products or any particular Licensed Product(s) throughout the Territory or in a particular geographic region of the Territory, and/or all of GENENTECH's license rights hereunder to Develop or commercialize all Licensed Products or any particular Licensed Product(s) throughout the Territory or in a particular geographic region of the Territory (in any case, a "**Material Sublicensee**")) such information and materials comprising the Licensed Technology and/or Licensed Patent Rights as GENENTECH (or its Material Sublicensee) may reasonably request. Without limiting the generality of the foregoing, IMMUNOGEN shall provide all of such technical assistance within IMMUNOGEN's area of expertise (or its subcontractors) concerning the Development and commercialization of Licensed Products as

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may be reasonably requested by GENENTECH (or its Material Sublicensee) from time to time during the Term, provided that such technical assistance and expertise is within the scope of the Licensed Technology and/or Licensed Patent Rights covered under this Agreement. Such technical assistance and expertise shall include, but not be limited to, visits by IMMUNOGEN personnel to GENENTECH and visits by GENENTECH to IMMUNOGEN (or its subcontractors), at GENENTECH's expense, at such times and for such periods of time as may be reasonably acceptable to the Parties. Without limiting the generality of the foregoing, within [***] ([***]) days after GENENTECH's reasonable written request, IMMUNOGEN shall deliver to GENENTECH a list or description of the documents and information that embody the Licensed Technology. GENENTECH will inform IMMUNOGEN which of those identified documents and information GENENTECH believes are reasonably related to its exercise of the license rights under this Agreement and, within [***] days after that identification, IMMUNOGEN shall deliver to GENENTECH a copy of those documents and other information.

3.4 **Collaboration Committee**.

(a) Mandate of Committee. Promptly after the Effective Date, the Parties shall form a **"Collaboration Committee"** to serve as a forum for coordination and communication between the Parties with respect to activities related to Licensed Products for which the Parties agree there is a need for coordination and communication (including, without limitation, all process science and process development work, formulation work, and quality control/ assurance work hereunder), and to assist GENENTECH in its exercise of its rights to make or have made Licensed Products under this Agreement. Within [***] days after the Effective Date, the Parties shall each nominate an equal number of representatives (which shall be no less than two (2) each) for membership on the Collaboration Committee. Each Party may change its representative(s) as it deems appropriate by notice to the other Party. The input of the IMMUNOGEN representatives on the Collaboration Committee shall be fully considered by the Collaboration Committee; provided, however, that all decisions of the Collaboration Committee shall be subject to final approval by GENENTECH.

(b) Chair of Committee; Meetings. The Parties hereby agree that (i) the chair of the Collaboration Committee shall be one of the GENENTECH representatives on the Collaboration Committee, as designated by GENENTECH; provided, however, that [***] the [***] after the Effective Date, the Collaboration Committee shall be [***] by a [***] on the

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Collaboration Committee (as designated by [***]) and an [***] on the Collaboration Committee (as designated by [***]); (ii) all decisions of the Collaboration Committee shall be subject to the approval of the GENENTECH chair (including [***] the [***] there is a [***]); (iii) the Collaboration Committee shall meet on a semi-annual basis or other schedule agreed upon by the Parties, unless at least thirty (30) days in advance of any meeting the chair (or co-chairs during the first twelve (12) months) of the Collaboration Committee determine that there is no need for a meeting (in which instance, the next Collaboration Committee meeting shall also be scheduled as agreed upon by the Parties); (iv) the location of meetings of the Collaboration Committee shall alternate between IMMUNOGEN's offices in Massachusetts and GENENTECH's offices in California, unless otherwise agreed by the Parties and, as agreed upon by the Parties, Collaboration Committee meetings may be face-to-face or may be conducted through teleconferences and/or videoconferences. In addition to its Collaboration Committee representatives, each Party shall be entitled to have other employees attend such meetings to present and participate, though not in a decision-making capacity. Each Party shall bear all costs and expenses, including travel and lodging expense, that may be incurred by its Collaboration Committee representatives or other of its attendees at Collaboration Committee meetings, as a result of such meetings hereunder. Minutes of each Collaboration Committee meeting will be transcribed and issued to members of the Collaboration Committee by the chair (or the GENENTECH co-chair, as the case may be) within thirty (30) days after each meeting, and such minutes shall be reviewed and modified as mutually required to obtain approval of such minutes promptly thereafter.

3.5 **Supply of Preclinical Materials**. During the Term of this Agreement, IMMUNOGEN shall supply to GENENTECH (or its Material Sublicensee) with such quantities of Preclinical Materials as may be reasonably requested by GENENTECH (or its Material Sublicensee) in order to conduct all pre-clinical Development activities relating to Licensed Products. GENENTECH (or its Material Sublicensee) shall order all amounts of Preclinical Materials, and IMMUNOGEN shall deliver all such ordered amounts, in accordance with advance ordering timeframes and delivery timeframes to be agreed upon by the Parties through the Collaboration Committee. IMMUNOGEN shall use its commercially reasonable efforts to deliver such amounts of Preclinical Materials ordered in accordance with the foregoing (including such agreed upon timeframes) in a timely manner. In connection with any ordering of

Preclinical Materials by GENENTECH (or its Material Sublicensee), IMMUNOGEN shall provide GENENTECH (or its Material Sublicensee) promptly with IMMUNOGEN's good faith estimate of the Fully Burdened Manufacturing Cost for manufacture and supply of such Preclinical Materials. IMMUNOGEN's price to supply Preclinical Materials to GENENTECH (or its Material Sublicensee) shall equal [***]% of IMMUNOGEN's Fully Burdened Manufacturing Cost for such Preclinical Materials as approved by GENENTECH (or its Material Sublicensee). Nothing herein shall preclude GENENTECH from making its own arrangements for manufacture and supply of Preclinical Materials on its own or with Third Parties, in exercise of its license rights under Section 2.1. GENENTECH hereby agrees that (a) it shall not use the Preclinical Materials in any human subject, (b) it shall use the Preclinical Materials in compliance with all applicable federal, state and local laws and regulations, and (c) it (as a matter of contract between itself and IMMUNOGEN) shall assume all liability for damages that may arise from the use, storage and disposal of any Preclinical Materials to the extent provided pursuant to Section 9 below. GENENTECH shall be entitled to transfer Preclinical Materials to any Third Party under terms obligating such Third Party not to transfer or use such Preclinical Materials except in compliance with the foregoing clauses (a) and (b) of this Section 3.5.

3.6 **Supply of Clinical Materials.** During the Term of this Agreement, IMMUNOGEN shall supply to GENENTECH (or its Material Sublicensee) with such quantities of Clinical Materials as may be reasonably requested by GENENTECH (or its Material Sublicensee) in order to conduct all human clinical trials of Licensed Products through non-pivotal Phase II Clinical Studies. To the extent GENENTECH requests IMMUNOGEN to manufacture Clinical Materials as provided in the foregoing sentence, IMMUNOGEN and GENENTECH shall enter into separate supply and quality agreements detailing the terms of supply for any Clinical Materials that IMMUNOGEN is so requested to supply to GENENTECH for the purpose of conducting clinical trials. GENENTECH (or its Material Sublicensee) shall order all amounts of Clinical Materials, and IMMUNOGEN shall deliver all such ordered amounts, in accordance with forecasting parameters, advance ordering timeframes and delivery timeframes to be agreed upon by the Parties through the Collaboration Committee. IMMUNOGEN shall use its commercially reasonable efforts to deliver such amounts of Clinical Materials ordered in accordance with the foregoing (including such agreed upon timeframes) in a timely manner. In connection with any ordering of Clinical Materials by GENENTECH (or its

Material Sublicensee), IMMUNOGEN shall provide GENENTECH (or its Material Sublicensee) promptly with IMMUNOGEN's good faith estimate of the Fully Burdened Manufacturing Cost for manufacture and supply of such Clinical Materials. IMMUNOGEN's price to supply Clinical Materials to GENENTECH (or its Material Sublicensee) shall equal [***]% of IMMUNOGEN'S Fully Burdened Manufacturing Cost for such Clinical Materials as approved by GENENTECH (or its Material Sublicensee). Nothing herein shall preclude GENENTECH from making its own arrangements for manufacture and supply of Clinical Materials on its own or with Third Parties, in exercise of its license rights under Section 2.1. GENENTECH hereby agrees that (a) it shall use the Clinical Materials in compliance with all applicable federal, state and local laws, and (b) it (as a matter of contract between itself and IMMUNOGEN) shall [***] all [***] for [***] that may arise from the [***] and [***] of such Clinical Materials to the extent provided pursuant to Section 9 below. GENENTECH shall be entitled to transfer Clinical Materials to any Third Party under terms obligating such Third Party not to transfer or use such Clinical Materials except in compliance with the foregoing clause (a) of this Section 3.6.

3.7 **Purchase of Equipment.** If, during the Term of this Agreement, IMMUNOGEN determines in good faith that it is necessary or advisable to purchase equipment or instruments in order to perform any of its obligations to manufacture Preclinical Materials and Clinical Materials under Sections 3.5 or 3.6 of this Agreement, then IMMUNOGEN shall provide the Collaboration Committee with written notice of such determination, along with the estimated price for such purchase and quality parameters for the equipment or instruments, for the Collaboration Committee's approval of such price and features. Promptly after the consummation of such purchase, assuming that the Collaboration Committee has provided its approval hereunder, IMMUNOGEN shall provide GENENTECH with a copy of the invoice or invoices reflecting such purchase, and GENENTECH shall reimburse IMMUNOGEN for the purchase of all such approved equipment hereunder within [***] days of its receipt of such invoice from IMMUNOGEN; provided, however, that no costs reimbursed by GENENTECH hereunder (or depreciation of such purchased equipment or instruments) shall be includible or included within the calculation of any Fully Burdened Manufacturing Costs under this Agreement.

4. PAYMENTS AND ROYALTIES

4.1 **Milestone Payments for Licensed Products.**

4.1.1 Milestones. In consideration of the grant of the license by IMMUNOGEN hereunder, and subject to the other terms of this Agreement, GENENTECH will make the following nonrefundable, noncreditable (except as expressly provided in Section 4.1.2 below) payments to IMMUNOGEN, on the payment terms in Section 4.5:

[***] Milestones	Milestone Payment
Effective Date	$ 1 Million
[***] for a Licensed Product	$ [***]

[***] of [***] in [***] for a [***]	$ [***]
[***] of [***] of [***] [***] in [***] for a [***] [***] or [***] [***] for a [***]	$ [***]
[***] of [***] by the [***] for a [***] for [***]	$ [***]
[***] of an [***] or other [***] in the [***] for a [***] for [***]	$ [***]
[***] of a [***] for a [***] in [***] for [***]	$ [***]
[***] of [***] by the [***] for a [***] for [***]	$ [***]
[***] of [***] by the [***] for a [***] for a [***]	$ [***]

[***] Milestones	**Milestone Payment**
[***] of [***] greater than $[***]	$ [***]
[***] of [***] greater than $[***]	$ [***]

It is hereby acknowledged and agreed that any milestone payment shall be made only once, with respect to the first achievement of the relevant milestone for the first Licensed Product, regardless of how many times such milestones are achieved by Licensed Products and

regardless of how many times a particular Licensed Product achieves such milestones. GENENTECH shall notify IMMUNOGEN of the achievement of milestones hereunder as provided in Section 3.2(a) above.

4.1.2 **[***] of [***]**. GENENTECH shall be [***] to [***] its [***] (but not any [***]) [***] to IMMUNOGEN only to the extent set forth in this Section 4.1.2. As to the Licensed Product with respect to which [***] are owed to IMMUNOGEN under this Section 4.1, GENENTECH shall be [***] to [***] percent ([***]%) of each such [***] made with respect to such Licensed Product hereunder [***] to IMMUNOGEN hereunder with respect to such Licensed Product, but (a) only if prior to the date of such [***], GENENTECH (or its Sublicensee) has modified such Licensed Product such that it would not (even in the absence of the license under this Agreement) [***] a [***] within the Licensed Patent Rights in the United States (excluding any Patent Rights [***] by [***] and [***]), and (b) only if such modification was undertaken (i) to address a [***] or [***] with respect to such Licensed Product or its Development, manufacture, use or sale, (ii) to obtain a [***] in the toxicity, safety or efficacy profile of such Licensed Product, or (iii) to obtain a [***] in the ability to make or have made such Licensed Product (or any component thereof).

4.2 **Payment of Royalties; Royalty Rates; Accounting for Royalties and Records**.

4.2.1 **Royalty Payments**. In consideration of the grant of the license by IMMUNOGEN hereunder, and subject to the other terms of this Agreement (including the remainder of this Section 4), commencing on the first date of First Commercial Sale of Licensed Products in such country or jurisdiction in the Territory, GENENTECH shall pay to IMMUNOGEN the following royalties based on total Net Sales of all Licensed Products sold by GENENTECH and/or its Sublicensees, on an incremental basis in each calendar year during the Term, at the following rates in [***] of the [***]:

For Net Sales of a Licensed Product [***] in any Calendar Year Duringthe Term:	**Royalty Rate (% of Net Sales)**
Above $[***] and up to $[***]	[***]%
Above $[***]	[***]%

For Net Sales of a Licensed Product [***] in any Calendar Year During the Term:	**Royalty Rate (% of Net Sales)**
Above $[***] and up to $[***]	[***]%

Above $[***]	[***]%

By way of example only, if during the Term a Licensed Product achieved total Net Sales in a given calendar of $[***], the applicable royalty rate would be [***]% of Net Sales for Net Sales up to $[***], and 5.5% of Net Sales for Net Sales over $[***].

4.2.2 **Third Party Royalty Offset**. Subject to the other terms of this Agreement, on a country-by-country basis, the royalties otherwise due and payable by GENENTECH under Section 4.2.1 above (but not the royalties otherwise due and payable by GENENTECH under Section 4.2.3(a) or (b) below) shall be reduced as provided in this Section 4.2.2:

(a) GENENTECH Process Development. Consistent with GENENTECH'S due diligence obligations under this Agreement, GENENTECH agrees to exercise due diligence to attempt to Develop a commercially viable manufacturing process relating to the manufacture and supply of Licensed Products. For purposes of this Agreement, GENENTECH shall determine in good faith the commercial viability of any such manufacturing process that is Developed hereunder, taking into account, without limitation, the following factors relevant thereto: the consistency and reproducibility of the process itself; the consistency, reproducibility, safety and efficacy of the resulting conjugated Licensed Products; any regulatory issues; the availability of capacity; the cost of goods and other components of Fully Burdened Manufacturing Cost as applied to such process and to the overall manufacture and supply of Licensed Products; the overall profitability of the Licensed Products; and the ability to produce at commercial scale quantities.

(b) Partial Offset. If GENENTECH is not able to Develop such a commercially viable manufacturing process after exercising due diligence as required hereunder, GENENTECH may elect to license a manufacturing process from a Third Party, and in that event GENENTECH shall be entitled to offset up to [***] percent ([***]%) of any Third Party Payments it makes in connection with any license providing rights to any such manufacturing

process against the royalties due to IMMUNOGEN pursuant to Section 4.2.1 above, subject to the clause (d) of this Section 4.2.2. GENENTECH shall not be entitled to the offset under this clause (b) if it fails to exercise due diligence as required hereunder.

(c) Full Offset. If GENENTECH determines in good faith that it is necessary, in order to exploit the license granted to it under Section 2.1 of this Agreement in any country, to make royalty payments to any Third Party ("**Third Party Payments**") under any license agreement that GENENTECH determines, in good faith, is necessary in connection with the Development, manufacture, use or sale of any MAY Compound, the linker of any MAY Compound to a [***] Antibody, and/or the conjugation of a [***] Antibody to any MAY Compound (including, without limitation, DM1) as part of any Licensed Product, then in any such case the royalties due to IMMUNOGEN pursuant to Section 4.2.1 above for such Licensed Product shall be reduced by [***] of such Third Party Payments, subject to the limitations set forth in clause (d) of this Section 4.2.2. If GENENTECH elects to take any such license agreement as described herein without having first determined that it is necessary (as determined by GENENTECH in good faith) in order to exploit the license granted to it under Section 2.1 of this Agreement in any country, then GENENTECH shall not be entitled to the offset under this clause (c). If IMMUNOGEN in good faith disputes GENENTECH's determination hereunder, the Parties shall submit the matter promptly to IMMUNOGEN'S Chief Executive Officer and a designated officer of GENENTECH with settlement authority.

(d) Limitations on Offsets. The royalty offset in Section 4.2.2(c) above is separate and cumulative to the royalty offset under Section 4.2.2(b) above, but each is subject to the limitations set forth in this Section 4.2.2(d) as follows. No royalty reductions under this Section 4.2.2, alone or in the aggregate, shall reduce the royalty (if any) for any Licensed Product in any country payable pursuant to Section 4.2.1 above by more than [***] percent ([***]%) of the royalties otherwise owed to IMMUNOGEN thereunder, nor reduce such royalty for such Licensed Product in any such country to less than [***] percent ([***]%) of Net Sales of such Licensed Product in such country.

4.2.3 **[***] and [***].**

(a) Notwithstanding anything set forth in [***] above, the [***] set forth therein shall apply, on a [***] and [***] basis, to [***] of [***] or its [***], [***] or [***] in [***] would, [***] for the [***] under this Agreement, [***] a [***] the [***] (excluding any

[***] by [***] and [***]). Subject to the other terms of this Agreement (except for Section 4.2.2 above, which shall not apply), on a [***] and [***] where and as of when the [***] under Section 4.2.1 [***] as a [***] of this Section 4.2.3, GENENTECH shall [***] to IMMUNOGEN a [***] to [***][***] ([***]%) of [***] of [***] by [***] and/or its [***] in [***].

(b) [***]. Notwithstanding anything set forth in [***] above, the [***] set forth in [***] above shall no longer apply, on a [***] basis, on and after the [***] on which any [***] to [***] and [***] in a [***] any [***]. Subject to the other terms of this Agreement (except for [***], which shall not apply), on a [***] basis where the [***] under [***] do not apply as a result of this [***], [***] on the [***] of such [***] of [***] in such [***] shall [***] and [***] to [***] a [***] equal to [***] percent ([***]%) of [***] of all [***] by [***] and/or its [***] in [***]; provided, however, that if the [***] is [***] from the [***] in [***], then this [***] shall no longer apply and [***] shall [***] the [***] set forth in [***] on a [***] basis [***] on the [***] of [***].

4.2.4 **Combination Products**. In determining Net Sales of any Combination Products under this Agreement, Net Sales shall first be calculated in accordance with the definition of "Net Sales" above, then multiplied by the percentage value of the Licensed Product contained in the Combination Product, such percentage value being the quotient obtained by dividing the current market price of the Licensed Product by the sum of the separate current market price of the Licensed Product and other ingredients which are therapeutically active contained in the Combination Product. The current market price of each therapeutically active ingredient and of the Licensed Product shall be for a quantity comparable to that contained in the Combination Product and of the same class, purity and potency. When no current market price is available for any therapeutically active ingredient or for the Licensed Product, GENENTECH shall calculate in good faith a hypothetical market price with respect to the Combination Product, allocating the same proportions of costs, overhead and profit as are then allocated to all similar substances then being made and marketed by GENENTECH and having an ascertainable market price; provided, however, that if IMMUNOGEN in good faith disputes GENENTECH's calculation, the Parties shall submit the matter promptly to IMMUNOGEN'S Chief Executive Officer and a designated officer of GENENTECH with settlement authority.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

4.3 **One Royalty**. Only one royalty, calculated at the highest applicable royalty rate under this Section 4, shall be payable to IMMUNOGEN hereunder for each sale of a Licensed Product.

4.4 **Royalty Term**. GENENTECH shall pay royalties with respect to each Licensed Product on a country-by-country and Licensed Product-by-Licensed Product basis until the later of (a) ten (10) years from the First Commercial Sale of such Licensed Product in such country and (b) the expiration of the last to expire Valid Claim of the Licensed Patent Rights covering the Licensed Product in such country. Following such royalty term, GENENTECH shall have a fully paid-up, irrevocable, freely transferable and sublicensable license in such country under the relevant Licensed Patent Rights and Licensed Technology, to Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import and have imported such Licensed Product in such country.

4.5 **Payment Terms**.

(a) Payment of Milestones; Payment of Royalties; Royalty Reports. All [***] Milestone payments shall be made within [***] days after the first achievement of each of the [***] Milestones described above. All [***] Milestones payments shall be paid no later than the [***] of the [***] of the [***] following the [***] in which the applicable [***] Milestone is achieved, including in any circumstance in which [***] Milestones are achieved in the [***]. Subject to the other terms of this Agreement (including Section 4.1 above), GENENTECH shall make any milestone payments owed to IMMUNOGEN hereunder in United States Dollars, using the wire transfer provisions of this Section 4.4. Subject to the other terms of this Agreement (including Sections 4.2, 4.3 and 4.4 above), GENENTECH shall make any royalty payments owed to IMMUNOGEN in United States Dollars, quarterly within [***] days following the end of each calendar quarter for which such royalties are deemed to occur (as provided in the next sentence), using the wire transfer provisions of this Section 4.5. For purposes of determining when a sale of any Licensed Product occurs under this Agreement, the sale shall be deemed to occur on the earlier of (i) the date the Licensed Product is [***] or (ii) the date of the [***] the [***] of the Licensed Product. Each royalty payment shall be accompanied by a report for each country in the Territory in which sales of Licensed Products occurred in the calendar quarter covered by such statement, specifying: the gross sales (if available) and Net Sales in each country's currency; the applicable royalty rate under this Agreement; the royalties payable in

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

each country's currency, including an accounting of deductions taken in the calculation of Net Sales; the applicable exchange rate to convert from each country's currency to United States Dollars under this Section 4.5; and the royalties payable in United States Dollars.

(b) Foreign Currency Exchange. All royalties shall be payable in full in the United States in United States Dollars, regardless of the countries in which sales are made. For the purpose of computing Net Sales for Licensed Products sold in any currency other than United States Dollars, the quarterly royalty payment will be calculated as follows:

(A/B) x C = United States Dollars royalty payment on foreign current sales, where

A = foreign current "Net Sales" (as defined above) per quarter;

B = foreign exchange conversion rate, expressed in local currency per United States Dollar (using as the applicable foreign exchange rate the average of the rate published in the [***] of the [***], for the [***] of the calendar quarter); and

C = the royalty rate applicable to such Net Sales under this Agreement.

(c) Tax Withholding; Restrictions on Payment**.** All payments hereunder shall be made free and clear of any taxes, duties, levies, fees or charges, except for withholding taxes (to the extent applicable). GENENTECH shall make any applicable withholding payments due on behalf of IMMUNOGEN and shall promptly provide IMMUNOGEN with written documentation of any such payment sufficient to satisfy the requirements of the United States Internal Revenue Service relating to an application by IMMUNOGEN for a foreign tax credit for such payment. If by law, regulations or fiscal policy of a particular country in the Territory, remittance of royalties in United States Dollars is restricted or forbidden, written notice thereof shall promptly be given to IMMUNOGEN, and payment of the royalty shall be made by the deposit thereof in local currency to the credit of IMMUNOGEN in a recognized banking institution designated by IMMUNOGEN by written notice to GENENTECH. When in any country in the Territory the law or regulations prohibit

both the transmittal and the deposit of royalties on sales in such country, royalty payments shall be suspended for as long a such prohibition is in effect and as soon as such prohibition ceases to be in effect, all royalties that GENENTECH would have been under an obligation to transmit or deposit but for the prohibition shall forthwith be deposited or transmitted, to the extent allowable.

(d) Wire Transfers. All payments hereunder shall be made to IMMUNOGEN by bank wire transfer in immediately available funds to the account designated by IMMUNOGEN by written notice to GENENTECH from time to time.

4.6 **Overdue Royalties**. Subject to the other terms of this Agreement, royalties not paid within the time period set forth in this Section 4 shall bear interest at a rate of [***] percent ([***]%) per month from the due date until paid in full.

4.7 **Records Retention; Review.**

(a) Royalties. Commencing as of the date of First Commercial Sale of the first Licensed Product, GENENTECH and its Sublicensees shall keep for at least [***] years from the end of the calendar year to which they pertain complete and accurate records of sales by GENENTECH or its Sublicensees, as the case may be, of each Licensed Product, in sufficient detail to allow the accuracy of the royalties to be confirmed.

(b) Fully Burdened Manufacturing Costs. Commencing as of the Effective Date, IMMUNOGEN shall keep for at least [***] years following the end of the calendar year to which they pertain complete and accurate records of all of IMMUNOGEN's Fully Burdened Manufacturing Costs for Preclinical Materials and Clinical Materials supplied to GENENTECH (or its Sublicensee) hereunder, in sufficient detail to allow the accuracy of the Fully Burdened Manufacturing Costs to be confirmed.

(c) Review. Subject to the other terms of this Section 4.7(c), at the request of either Party, upon at least [***] business days' prior written notice from the requesting Party, and at the expense of the requesting Party (except as otherwise provided herein), the other Party shall permit an independent certified public accountant reasonably selected by the requesting Party and reasonably acceptable to the other Party to inspect (during regular business hours) the relevant records required to be maintained by the other Party under this Section 4.7. At IMMUNOGEN's request (which shall not be made more frequently than once per year during the Term), the accountant shall be entitled to review the then-preceding [***] years of GENENTECH's records under this Section 4.7 for purposes of verifying GENENTECH's royalty calculations. At GENENTECH's request (which shall not be made more frequently than once per year during the Term), the accountant shall be entitled to review the then-preceding [***] years of IMMUNOGEN's records under this Section 4.7 for purposes of verifying IMMUNOGEN's Fully Burdened Manufacturing Cost calculations. In every case the accountant

must have previously entered into a confidentiality agreement with both Parties substantially similar to the provisions of Section 4 and limiting the disclosure and use of such information by such accountant to authorized representatives of the Parties and the purposes germane to this Section 4.7. Results of any such review shall be made available to both Parties and shall be binding on both Parties. Each Party agrees to treat the results of any such accountant's review of the other Party's records under this Section 4.7 as Confidential Information of the other Party subject to the terms of Section 5. If any review reveals a deficiency in the calculation of royalties resulting from any underpayment by GENENTECH, GENENTECH shall promptly pay IMMUNOGEN the amount remaining to be paid (plus interest thereon at the rate provided in Section 4.6 above), and if such underpayment is by [***] percent ([***]%) or more, GENENTECH shall pay all costs and expenses of the review. If any review reveals a deficiency in the calculation of Fully Burdened Manufacturing Costs resulting from any overpayment by GENENTECH, IMMUNOGEN shall promptly refund GENENTECH the amount of any such overpayment (plus interest thereon at the rate provided in Section 4.6 above), and if such overpayment is by [***] percent ([***]%) or more, IMMUNOGEN shall pay all costs and expenses of the review.

5. TREATMENT OF CONFIDENTIAL INFORMATION

5.1 **Confidential Information.** During the Term, in the course of performance of this Agreement, each Party may disclose to the other Party proprietary technical and business information of the disclosing Party, including techniques, data, inventions, practices, methods, knowledge, know-how, test data and results (including from pre-clinical and/or human clinical testing), analytical and quality control data, cost, sales, manufacturing, patent data and any other information disclosed hereunder. Such information of the disclosing Party hereunder, if so identified in writing by the disclosing Party to the receiving Party either pursuant to this Section 5.1 or otherwise upon disclosure to the receiving Party, shall be considered "Confidential Information" of the disclosing Party. Each Party agrees that it will take the same commercially reasonable steps to protect the confidentiality of other Party's Confidential Information as it takes to protect its own proprietary and confidential information. For a period of [***] years after the receipt of any such Confidential Information from the disclosing Party hereunder, subject to the terms of this Section 5, the receiving Party shall keep confidential and not disclose (by publication or otherwise) such Confidential Information of the other Party, and shall not use,

publish or otherwise disclose Confidential Information of the other Party for any purpose other than those contemplated by this Agreement (including as reasonably necessary to exercise any rights or perform any obligations under this Agreement). Notwithstanding the foregoing, it is understood and agreed that the receiving Party's obligations of confidentiality and non-use herein shall not apply to the extent that it can be established by competent written records that any such information:

(a) is, at the time of disclosure by the disclosing Party hereunder, or thereafter becomes, a part of the public domain or publicly known or available, other than through any act or omission of the receiving Party in breach of its obligations under this Section 5; or

(b) was known to the receiving Party at the time of disclosure to it by the disclosing Party; or

(c) is, at the time of disclosure by the disclosing Party hereunder, or thereafter becomes, known to the receiving Party from a source that had a lawful right to disclose such information to others; or

(d) was independently developed by the receiving Party without use or reference to any Confidential Information of the disclosing Party.

5.2 **Permitted Disclosures; Publications**.

(a) Permitted Disclosures. Each Party shall be entitled to disclose Confidential Information of the other Party to employees of the receiving Party, provided that such employees are already bound by obligations of confidentiality to their employer, and also to Affiliates, consultants, agents and Third Parties for any purpose provided for in this Agreement, provided that any such Affiliate, consultant, agent or other Third Party has first agreed in writing to confidentiality restrictions and obligations at least as protective as this Section 5, in each case for any purpose contemplated by this Agreement (including as reasonably necessary to exercise any rights or perform any obligations under this Agreement).

(b) Review of Publications. Each Party shall consult with the other Party prior to the submission of any manuscript for publication if the publication will contain any Confidential Information of the other Party, unless the applicable laws and regulations prohibit such consultation. Such consultation shall include providing a copy of the proposed manuscript to the other Party at least [***] days prior to the proposed date of submission to a publisher,

incorporating appropriate changes proposed by the other Party regarding its Confidential Information into the manuscript submission and deleting all Confidential Information of the other Party as it may request; provided, however, that the other Party's review hereunder shall be deemed completed at the end of such [***]-day period.

(c) Other Permitted Disclosures. Notwithstanding the foregoing, Confidential Information of either Party may be disclosed by the other Party to the extent such disclosure is reasonably necessary for filing or prosecuting patent applications or maintaining patents, prosecuting or defending litigation, enforcing rights and/or obligations under this Agreement, complying with applicable laws, regulations or court order or conducting pre-clinical or human clinical testing of Licensed Products; provided, that, if a Party is required by applicable law, regulation or court order to make such disclosure of the other Party's Confidential Information, [***] of such other Party's Confidential Information required to be disclosed.

5.3 **Use of Names; Press Releases**.

(a) Use of Names. A Party may not use the name of the other Party (or any trademarks or tradenames of the other Party) in any press release or any other publicity or advertising without the prior written consent of the other Party.

(b) Press Releases. Except as provided in Sections 5.1 and 5.2 above, a Party may not issue a press release or otherwise publicize or disclose any information related to this Agreement or the terms or conditions hereof, without the prior written consent of the other Party. Once any written text is approved for disclosure by both Parties as provided herein, either Party may make subsequent or repeated public disclosures of the contents thereof [***] the [***] of the other Party, so long as such subsequent disclosures continue to be correct and presented in appropriate context. Nothing in the foregoing, however, shall prohibit a Party from making such disclosures regarding this Agreement or the terms thereof to the extent deemed necessary under applicable federal or state securities laws or any rule or regulation of any nationally recognized securities exchange, subject to the terms of Section 5.2 above regarding disclosures required to comply with applicable laws, regulations or court order.

5.4 **Integration; Survival**. As to the subject matter of this Agreement, this Section 5 supersedes any confidential disclosure agreements between the Parties. Section 5 shall survive termination or expiration of this Agreement.

6. PROVISIONS CONCERNING THE FILING, PROSECUTION AND MAINTENANCE OF PATENT RIGHTS

6.1 **Ownership of Intellectual Property**.

(a) Sole Inventions. IMMUNOGEN shall own all inventions (whether or not patentable) made during the course of and pursuant to activities carried out under this Agreement solely by employees of or agents or others obligated to assign inventions to IMMUNOGEN. GENENTECH shall own all inventions (whether or not patentable) made during the course of and pursuant to activities carried out under this Agreement solely by employees of or agents or others obligated to assign inventions to GENENTECH. The Party solely owning any inventions hereunder shall be the sole owner of any inventorship certificate(s), patent application(s) and patent(s) thereon. All determinations of inventive contribution shall be as determined by United States laws of inventorship. Subject to the terms of Section 6.2 below relating to IMMUNOGEN sole inventions, the Party solely owning an invention hereunder will be solely responsible, at its own cost and expense and in its sole discretion, for the filing, prosecution and maintenance of any inventorship certificate(s), patent application(s) and patent(s) thereon.

(b) Joint Inventions. Inventions made during the course of and pursuant to activities carried out under this Agreement jointly by employees of or agents of or others obligated to assign inventions to IMMUNOGEN and GENENTECH shall be jointly owned by IMMUNOGEN and GENENTECH. All determinations of inventive contribution shall be as determined by United States laws of inventorship. The Parties shall also jointly own any inventorship certificate(s), patent application(s) and patent(s) on any joint inventions hereunder. The terms of Section 6.2 below relating to joint inventions shall apply to any inventorship certificate(s), patent application(s) and patent(s) thereon.

(c) Disclosure. As regards any IMMUNOGEN sole or joint invention hereunder or any GENENTECH joint inventions hereunder, each Party shall provide to the other Party any invention disclosure made during the course of performance of this Agreement and relating to activities carried out hereunder within [***] days after such Party receives such disclosure from its employees, agents or others obligated to assign inventions to such Party.

(d) Other Agreements. An invention made during the course of and pursuant to other agreements between the Parties, including agreements related to process development or

manufacturing, will be considered to be made under that separate agreement and not under this Agreement.

6.2 **Patent Filing, Prosecution and Maintenance**.

(a) Sole IMMUNOGEN Inventions. Subject to the other terms of this Section 6.2(a) and Section 6.2(b), IMMUNOGEN shall have the right to prepare, file, prosecute, obtain and maintain, at its sole cost and expense, all Licensed Patent Rights. IMMUNOGEN agrees that with respect to such Licensed Patent Rights licensed exclusively to GENENTECH hereunder, (i) any such preparation, filing, prosecution and maintenance shall be conducted with commercially reasonable diligence by IMMUNOGEN, using patent counsel selected by IMMUNOGEN and reasonably acceptable to GENENTECH. In any case IMMUNOGEN (i) will provide GENENTECH with a copy of any proposed patent application covering any such Licensed Patent Rights for review and comment reasonably in advance of filing (which shall under no circumstances be in excess of [***] days), and (ii) will keep GENENTECH reasonably informed of the status of such filing, prosecution and maintenance, including, without limitation, (A) by providing GENENTECH with copies of all communications received from or filed in patent office(s) with respect to such filing, and (B) by providing GENENTECH, a reasonable time prior to taking or failing to take any action that would affect the scope or validity of any such of any such filing (including the substantially narrowing, cancellation or abandonment of any claim(s) without retaining the right to pursue such subject matter in a separate application, or the failure to file or perfect the filing of any claim(s) in any country), with prior written notice of such proposed action or inaction so that GENENTECH has a reasonable opportunity to review and comment. Any application for extension of Licensed Patent Rights in the Territory due to delays in regulatory review with respect to any Licensed Product shall be filed only upon mutual written agreement of the Parties. If IMMUNOGEN fails to undertake the filing(s) of any patent application with respect to any invention under such Licensed Patent Rights within [***] days after receipt of written notice from GENENTECH that GENENTECH believes filing of such an application by IMMUNOGEN is appropriate, GENENTECH may undertake such filing(s) at its own expense, in which case IMMUNOGEN will assign all of its rights to such invention to GENENTECH and any subsequently issued patent thereon will be owned solely by GENENTECH.

(b) Joint Inventions. As regards any joint invention by the Parties hereunder, the Party from whom the majority of the data underlying any such joint invention arose (the "controlling Party") will have the first right, but not the obligation, to undertake filing(s), prosecution and maintenance of inventorship certificate(s), patent application(s) and patent(s) thereon. In connection with any such filing(s), the filing Party will use patent counsel mutually acceptable to each Party (in its reasonable determination) and the Parties will, prior to filing of the patent application, agree on mutually acceptable sharing of the costs and expenses of such filing(s), prosecution and maintenance. In any case the filing Party (i) will provide the non-controlling Party with a copy of any such proposed patent application for review and comment reasonably in advance of filing, and (ii) will keep the non-controlling Party reasonably informed of the status of such filing, prosecution and maintenance, including, without limitation, (A) by providing the non-controlling Party with copies of all communications received from or filed in patent office(s) with respect to such filing, and (B) by providing the non-controlling Party, a reasonable time prior to taking or failing to take any action that would affect the scope or validity of any such filing (including the substantially narrowing, cancellation or abandonment of any claim(s) without retaining the right to pursue such subject matter in a separate application, or the failure to file or perfect the filing of any claim(s) in any country), with prior written notice of such proposed action or inaction so that the non-controlling Party has a reasonable opportunity to review and comment. If the Party from whom the majority of the data underlying any such joint invention fails to undertake the filing(s) of any such patent application with respect to any such invention within [***] days after receipt of written notice from the other Party that the other Party believes filing(s) of such an application by such Party is appropriate, such other Party may undertake such filing(s) at its own expense, in which case the non-filing Party will

assign all of its rights to such joint invention to the filing Party and any subsequently issued patent thereon will be owned solely by the filing Party. Either Party may assign its rights hereunder to any jointly owned invention, inventorship certificate, patent application or patent to the other Party, who will then have the right, in its discretion, to assume the filing, prosecution and/or maintenance thereof as the sole owner thereof and at its sole cost and expense.

6.3 **Notice of Infringement**. If, during the Term of this Agreement, either Party learns of any actual, alleged or threatened infringement by a Third Party of any Licensed Patent

Rights under this Agreement, such Party shall promptly notify the other Party and shall provide such other Party with available evidence of such infringement.

6.4 **Infringement of Patent Rights**.

(a) Sole IMMUNOGEN Inventions. IMMUNOGEN shall have the first right (but not the obligation), at its own expense, to bring suit (or take other appropriate legal action) against any actual, alleged or threatened infringement of the Licensed Patent Rights solely owned by IMMUNOGEN under this Agreement, with legal counsel of its own choice. GENENTECH shall have the right, at its own expense, to be represented in any such action by IMMUNOGEN by counsel of GENENTECH's own choice; provided, however, that under no circumstances shall the foregoing affect the right of IMMUNOGEN to control the suit as described in the first sentence of this Section 6.4(a). If IMMUNOGEN does not file any action or proceeding against such infringement within [***] days after the later of (i) IMMUNOGEN's notice to GENENTECH under Section 6.3 above, (ii) GENENTECH's notice to IMMUNOGEN under Section 6.3 above, or (iii) a written request from GENENTECH to take action with respect to such infringement, then GENENTECH shall have the right (but not the obligation), at its own expense, to bring suit (or take other appropriate legal action) against such actual, alleged or threatened infringement, with legal counsel of its own choice. IMMUNOGEN shall have the right, at its own expense, to be represented in any such action by GENENTECH by counsel of IMMUNOGEN's own choice. Any damages, monetary awards or other amounts recovered, whether by judgment or settlement, pursuant to any suit, proceeding or other legal action taken under this Section 6.4(a), shall first be applied to reimburse the costs and expenses (including attorneys' fees) of the Party bringing such suit or proceeding or taking such other legal action, then to the costs and expenses (including attorneys' fees), if any, of the other Party. Any amounts remaining shall be allocated as follows: (A) if GENENTECH is the Party bringing such suit or proceeding or taking such other legal action, [***] percent ([***]%) to GENENTECH and [***] percent ([***]%) to IMMUNOGEN, (B) if IMMUNOGEN is the Party bringing such suit or proceeding or taking such other legal action, [***] percent ([***]%) to IMMUNOGEN and (C) if the suit is brought jointly, [***] percent ([***]%) to each Party. If a Party brings any such action or proceeding hereunder, the other Party agrees to be joined as party plaintiff if necessary to prosecute such action or proceeding, and to give the Party bringing such action or proceeding reasonable assistance and authority to file and prosecute the suit; provided, however,

that neither Party shall be required to transfer any right, title or interest in or to any property to the other Party or any Third Party to confer standing on a Party hereunder.

(b) Infringement of Joint Inventions. As to the any actual, alleged or threatened infringement of any Patent Rights jointly owned by IMMUNOGEN and GENENTECH under this Agreement, including actions against any alleged infringer, the Parties hereto will consult with each other in good faith regarding the best manner in which to proceed. The Parties agree as a basic principle that in the case of such actions against infringers, the expenses incurred and damages awarded shall be for the account of the Party or Parties who take such actions to the extent of their financial participation therein.

6.5 **Third Party Patents**. If any Third Party claims that a patent it owns or controls claims any aspect of a Licensed Product or its manufacture, use or sale, the Party with notice of such claim shall notify the other Party promptly, and the Parties shall as soon as practicable thereafter discuss in good faith regarding the best response.

6.6 **Trademarks**. All Licensed Products shall be sold under one (1) or more trademarks and tradenames selected and owned by GENENTECH (or its Sublicensee) in the Territory. GENENTECH (or its Sublicensee) shall control the preparation, prosecution and maintenance of applications related to all such trademarks and tradenames in the Territory, at its sole cost and expense and at its sole discretion. IMMUNOGEN shall notify GENENTECH promptly upon learning of any actual, alleged or threatened infringement of a trademark or tradename applicable to a Licensed Product in the Territory, or of any unfair trade practices, trade dress imitation, passing off of counterfeit goods, or like offenses in the Territory. All of the costs, expenses and legal fees in bringing, maintaining and prosecuting any action to maintain, protect or defend any owned by GENENTECH (or its Sublicensee) hereunder, and any damages or other recovery, shall be GENENTECH's (or its Sublicensee's) sole responsibility, and taken in its sole discretion.

6.7 **Integration; Survival**. This Section 6 supersedes any provisions to the contrary in the HER2 License Agreement and that certain [***] Process Development Agreement by and between the Parties dated as of [***]. This Section 6 shall survive termination or expiration of this Agreement.

7. TERM AND TERMINATION

7.1 **Term; Expiration**. The term of this Agreement ("**Term**") shall expire upon the expiration of the final royalty payment obligation under Section 4.4 above. Upon such expiration of the Term of this Agreement, GENENTECH shall have a fully paid-up, irrevocable, freely transferable and sublicensable license in the Territory under the Licensed Patent Rights and Licensed Technology, to Develop, have Developed, make, have made, use, have used, sell, have sold, offer for sale, import and have imported any and all Licensed Products in the Territory.

7.2. **Termination**. Subject to the other terms of this Agreement:

(a) Breach. A Party may terminate this Agreement and the licenses granted herein, effective upon written notice to the other Party, upon any breach by the other Party of any material obligation or condition of this Agreement, which material breach remains uncured [***] ([***]) days after the non-breaching Party gives a first written notice to the other Party describing such breach in reasonable detail; provided, however, that in the event of a [***] by [***] under this Agreement, the [***] shall be [***] (in lieu of [***]) but the other terms of this Section 7.2(a) shall apply to termination in connection with any such payment breach. Notwithstanding anything set forth herein, if the asserted material breach is cured or shown to be non-existent within the applicable cure period, the first notice of breach hereunder shall be deemed automatically withdrawn and of no effect.

(b) Bankruptcy. A Party may terminate this Agreement, effective on written notice to the other Party, in the event the other Party shall have become insolvent or bankrupt, or shall have made an assignment for the benefit of its creditors, or there shall have been appointed a trustee or receiver of the other Party or for all or a substantial part of its property, or any case or proceeding shall have been commenced or other action taken by or against the other Party in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts or any other relief under any bankruptcy, insolvency, reorganization or other similar act or law of any jurisdiction now or hereafter in effect, or there shall have been issued a warrant of attachment, execution, distraint or similar process against any substantial part of the property of the other Party, and any such foregoing events shall have continued for [***] days undismissed, unbonded and undischarged. Furthermore, all rights and licenses granted under this Agreement are, and shall be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code, licenses of rights to "intellectual property" as

defined under Section 101(56) of the United States Bankruptcy Code. The Parties agree that in the event of the commencement of a bankruptcy proceeding by or against one Party hereunder under the United States Bankruptcy Code, the other Party shall be entitled to complete access to any such intellectual property, and all embodiments of such intellectual property, pertaining to the rights granted in the licenses hereunder of the Party by or against whom a bankruptcy proceeding has been commenced, subject, however, to payment of the milestone amounts and royalties set forth in this Agreement through the effective date of any termination hereunder.

(c) Unilateral Termination by GENENTECH. GENENTECH, in its sole discretion, at any time may terminate this Agreement, and the rights and obligations hereunder, or may remove any Licensed Product and the licenses related thereto from operation of this Agreement, in any case effective [***] days after written notice thereof to IMMUNOGEN. In the event of any termination under this Section 7.2(c) only as to a Licensed Product, the consequences set forth in Section 7.3 below relating to termination of the Agreement under this Section 7.2(c) shall apply only with respect to such terminated Licensed Product, and this Agreement and the rights and obligations hereunder shall continue in full force and effect as to any and all other Licensed Products.

7.3 **Effects of Termination**. Upon any termination of this Agreement by IMMUNOGEN under Section 7.2(a) or by GENENTECH under Section 7.2(c), as of the effective date of such termination, all relevant licenses and sublicenses granted by IMMUNOGEN to GENENTECH hereunder shall terminate automatically. Notwithstanding the foregoing, (a) no such termination of this Agreement shall be construed as a termination of any valid sublicense of any Sublicensee hereunder, and thereafter each such Sublicensee shall be considered a direct licensee of IMMUNOGEN, provided that (i) such Sublicensee is then in full compliance with all terms and conditions of its sublicense, (ii) all accrued payments obligations to IMMUNOGEN have been paid, and (iii) such sublicensee agrees at least ten (10) days prior to the effective date of such termination to assume all obligations of GENENTECH under this Agreement, and (b) GENENTECH and its Sublicensees shall have the right, for [***] months or such longer time period (if any) on which the Parties mutually agree in writing, to sell or otherwise dispose of all Licensed Products then on hand, with royalties to be paid to IMMUNOGEN on all Net Sales of such Licensed Products as provided for in this Agreement. Nothing set forth in this Section 7 or any other provision of this Agreement shall entitle

IMMUNOGEN to any ownership interest in, or to any license under or other rights with respect to (including any rights to use or request any transfer to IMMUNOGEN or any Third Party), any Confidential Information of GENENTECH or any Technology or Patent Rights solely owned by GENENTECH under this Agreement.

7.4 **Effects of Termination For IMMUNOGEN Breach**. Upon any termination of this Agreement by GENENTECH under Section 7.2(a), as of the effective date of such termination, GENENTECH thereafter automatically shall have a fully sublicensable and transferable, fully paid up (subject to the remainder of this Section 7.4), exclusive license in the Territory under the Licensed Patent Rights and Licensed Technology, to Develop, have Developed,

make, have made, use, have used, sell, have sold, offer for sale, import and have imported any and all Licensed Products in the Territory, provided that GENENTECH shall pay, for the remainder of the royalty term under Section 4.4 above, [***] of any payments including milestones or royalties it would [***] to IMMUNOGEN under this Agreement, a [***] equal to [***] of the [***] that would [***] with respect to the Licensed Product under Sections 4.2.1, 4.2.2, 4.2.3 and 4.2.4 of this Agreement.

7.5 **Remedies.** Except as otherwise expressly set forth in this Agreement, the termination provisions of this Section 7 are in addition to any other relief and remedies available to either Party at law.

7.6 **Surviving Provisions.** Notwithstanding any provision herein to the contrary, the rights and obligations of the Parties set forth in Sections 4.7, 5, 6, 7.3, 7.4, 7.5, 8, 9, 10 and this Section 7.6, as well as any rights or obligations otherwise accrued hereunder (including any accrued payment obligations), shall survive the expiration or termination of the Term of this Agreement. Without limiting the generality of the foregoing, GENENTECH shall have no obligation to make any milestone or royalty payment to IMMUNOGEN that has not accrued prior to the effective date of any termination of this Agreement, but shall remain liable for all such payment obligations accruing prior to the effective date of such termination.

8. REPRESENTATIONS AND WARRANTIES

8.1 **IMMUNOGEN Representations**. IMMUNOGEN represents and warrants to GENENTECH that: (a) the execution and delivery of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by all appropriate IMMUNOGEN

corporate action; (b) this Agreement is a legal and valid obligation binding upon IMMUNOGEN and enforceable in accordance with its terms, and the execution, delivery and performance of this Agreement by the Parties does not conflict with any agreement, instrument or understanding to which IMMUNOGEN is a party or by which it is bound; (c) IMMUNOGEN has the full right and legal capacity to grant the licenses and rights to GENENTECH pursuant to Section 2 above without violating the rights of any Third Party; and (d) to IMMUNOGEN's knowledge, no Patent Rights within the Licensed Patent Rights are invalid or unenforceable or would infringe Patent Rights of Third Parties, and as of the Effective Date no patents within the Licensed Patent Rights are expired.

8.2 **GENENTECH Representations**. GENENTECH represents and warrants to IMMUNOGEN that: (a) the execution and delivery of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by all appropriate GENENTECH corporate action; and (b) this Agreement is a legal and valid obligation binding upon GENENTECH and enforceable in accordance with its terms, and the execution, delivery and performance of this Agreement by the Parties does not conflict with any agreement, instrument or understanding to which GENENTECH is a party or by which it is bound.

8.3 **No Warranties**.

(a) Nothing in this Agreement is or shall be construed as:

(i) a warranty or representation by IMMUNOGEN as to the validity or scope of any patent application or patent within the Licensed Patent Rights;

(ii) a warranty or representation that anything made, used, sold or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of patents, copyrights, and other rights of third parties.

(b) Except as expressly set forth in this Agreement, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, THAT ANY LICENSED PRODUCT WILL BE SUCCESSFULLY DEVELOPED OR MARKETED, OR THAT THE DEVELOPMENT, MANUFACTURE, SALE, IMPORTATION OR USE OF THE LICENSED PRODUCT(S) WILL NOT INFRINGE ANY PATENT,

COPYRIGHT, TRADEMARK, OR OTHER RIGHTS, OR ANY OTHER EXPRESS OR IMPLIED WARRANTIES.

8.4 **Survival**. Section 8 shall survive termination or expiration of this Agreement.

9. INDEMNIFICATION; LIABILITY

9.1 **Indemnification**.

(a) GENENTECH Indemnity. Subject to Section 9.1(b) below and the remainder of this Section 9, GENENTECH shall indemnify, defend and hold harmless IMMUNOGEN, its Affiliates and their respective directors, officers, employees, and agents and their respective successors, heirs and assigns (the "**Indemnitees**"), from and against any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation)

incurred by or imposed upon such Indemnitees, or any of them, in connection with any Third Party claims, suits, actions, demands or judgments, including, without limitation, personal injury and product liability matters (but excluding any patent, trademark or tradename infringement matters, which are governed by Section 6 above), that arise out of or relate to (i) any actions or omissions of GENENTECH or any Sublicensee in the development, testing, production, manufacture, supply, promotion, import, sale or use by any person of any Licensed Product (or any component thereof) manufactured or sold by GENENTECH or any Sublicensee under this Agreement, (ii) any material breach of this Agreement by GENENTECH, or (iii) negligence or willful misconduct on the part of GENENTECH, in any such case under this Section 9.1(a) except to the extent of IMMUNOGEN's responsibility therefor under Section 9.1(b) below.

(b) IMMUNOGEN Indemnity. Subject to Section 9.1(a) above and the remainder of this Section 9, IMMUNOGEN shall indemnify, defend and hold harmless GENENTECH, its Affiliates and their respective directors, officers, employees, and agents, and their respective successors, heirs and assigns (also the "**Indemnitees**"), from and against any liability, damage, loss or expense (including reasonable attorneys' fees and expenses of litigation) incurred by or imposed upon such Indemnitees, or any of them, in connection with any Third Party claims, suits, actions, demands or judgments, including, without limitation, personal injury and product liability matters (but excluding any patent, trademark or tradename infringement matters, which are governed by Section 6 above), that arise out of or relate to (i) any actions or omissions of IMMUNOGEN or subcontractor of IMMUNOGEN in the

development, testing, production, manufacture or supply of any Licensed Product (or any component thereof) manufactured and supplied by IMMUNOGEN or any subcontractor of IMMUNOGEN under this Agreement, (ii) any material breach of this Agreement by IMMUNOGEN, or (iii) negligence or willful misconduct on the part of IMMUNOGEN, in any such case under this Section 9.1(b) except to the extent of GENENTECH's responsibility therefor under Section 9.1(a) above.

9.2 **Indemnification Procedures**. In the event that any Indemnitee is seeking indemnification under Section 9.1 above from a Party (the **"Indemnifying Party"**), the other Party shall notify the Indemnifying Party of such claim with respect to such Indemnitee as soon as reasonably practicable after the Indemnitee receives notice of the claim, and the Party (on behalf of itself and such Indemnitee) shall permit the Indemnifying Party to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration) and shall cooperate as requested (at the expense of the Indemnifying Party) in the defense of the claim.

9.3 **Liability**. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT OR OTHERWISE, NEITHER PARTY WILL BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR (a) ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS OR (b) COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES.

9.4 **Survival**. Section 9 shall survive termination or expiration of this Agreement.

10. MISCELLANEOUS

10.1 **Entire Agreement; Amendments**. This is the entire Agreement between the Parties with respect to the subject matter herein, and supersedes any prior agreements, understandings, negotiations or correspondence between the Parties respecting the subject matter hereof, whether written or verbal. No modification or other amendment of this Agreement shall be effective unless in writing and signed by a fully authorized representative of each Party.

10.2 **Waiver**. The terms or conditions of this Agreement may be waived only by a written instrument executed by a duly authorized representative of the Party waiving compliance.

The failure of either Party at any time or times to require performance of any provision hereof shall in no manner affect its rights at a later time to enforce the same. No waiver by either Party of any condition or term shall be deemed as a continuing waiver of such condition or term or of another condition or term.

10.3 **Governing Law**. This Agreement will be construed, interpreted and applied in accordance with the laws of the State of California applicable to contracts entered into and to be performed entirely within the State of California.

10.4 **Notices**. Any notices, requests, deliveries, approvals or consents required or permitted to be given under this Agreement to GENENTECH or IMMUNOGEN shall be in writing and shall be personally delivered or sent by telecopy (with machine confirmation of transmission) or by overnight courier providing evidence of receipt or certified mail, return receipt requested, postage prepaid, in each case to the respective address specified below (or to such address as may be specified in writing to the other Party hereto):

If to IMMUNOGEN:
ImmunoGen, Inc.
128 Sidney Street
Cambridge, MA 02139-4239
Attn: Chief Executive Officer
Fax: (617) 995-2510

with a copy to	Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. One Financial Center Boston, MA 02111 Attn: [***], Esq. (617) 542-2241
If to GENENTECH:	Genentech, Inc. 1 DNA Way 94080 South San Francisco, CA 94080 Attn: Corporate Secretary Fax: (650) 467-9146

Such notices shall be deemed to have been sufficiently given on: (a) the date sent if delivered in person or transmitted by telecopy, (b) the next business day after dispatch in the case of overnight courier or (c) five (5) business days after deposit in the U.S. mail in the case of certified mail.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

10.5 **No Implied Licenses**. Except as expressly set forth elsewhere in this Agreement, neither Party grants to the other Party any right or license to any of its intellectual property.

10.6 **Headings**. Section and subsection headings are inserted for convenience of reference only and do not form part of this Agreement.

10.7 **Assignment**. This Agreement may not be assigned by either Party without the consent of the other, except that each Party may, without such consent, assign this Agreement and the rights, obligations and interests of such Party, in whole or in part, to any of its Affiliates, to any purchaser of all or substantially all of its assets in the line of business to which this Agreement pertains or to any successor corporation resulting from any merger or consolidation of such Party with or into such corporations.

10.8 **Force Majeure**. Neither Party shall be liable for failure of or delay in performing obligations set forth in this Agreement, and neither shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of such Party. In event of such force majeure, the Party affected thereby shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

10.9 **Construction**. The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to each Party hereto and not in a favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

10.10 **Severability**. If any provision(s) of this Agreement are or become invalid, are ruled illegal by any court of competent jurisdiction or are deemed unenforceable under then current applicable law from time to time in effect during the term hereof, it is the intention of the Parties that the remainder of this Agreement shall not be affected thereby provided that a Party's rights under this Agreement are not materially affected. The Parties hereto covenant and agree to renegotiate any such term, covenant or application thereof in good faith in order to provide a reasonably acceptable alternative to the term, covenant or condition of this Agreement or the application thereof that is invalid, illegal or unenforceable, it being the intent of the Parties that the basic purposes of this Agreement are to be effectuated.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

10.11 **Status**. Nothing in this Agreement is intended or shall be deemed to constitute a partner, agency, employer-employee, or joint venture relationship between the Parties.

10.12 **Dispute Resolution.** The Parties recognize that a bona fide dispute as to certain matters may from time to time arise during the term of this Agreement relating to either Party's rights and/or obligations hereunder or otherwise relating to the validity, enforceability or performance of this Agreement, including disputes relating to alleged breach or termination of this Agreement but excluding any determination of the validity of the Parties' patents (hereinafter, a "Dispute"). In the event of the occurrence of any such Dispute, the Parties pledge to attempt to resolve it amicably. Accordingly, if any Dispute should arise, either Party may, by written notice to the other Party, have such dispute referred to their respective senior officers designated below (and to any designated officer of a GENENTECH Sublicensee, if such Dispute involves such Sublicensee), for attempted resolution by good faith negotiations commencing promptly after such notice is received; provided, however, that if the subject matter of such Dispute is within the purview of the Collaboration Committee, the Parties' representatives on the Collaboration Committee shall first attempt to resolve such Dispute before referring it to the Parties' senior officers hereunder. Said designated senior officials of the Parties are as follows:

For GENENTECH: Designated officer with settlement authority; and

For IMMUNOGEN: Chief Executive Officer.

In the event the designated senior officials are not able to resolve such Dispute, the Parties may seek to mediate their Dispute, on terms and with a mediator mutually agreeable to the Parties, or may seek to arbitrate their Dispute, on mutually agreed upon terms and conditions, but neither Party shall be required or obligated to mediate or arbitrate and the dispute resolution provisions of this Section 10.12 are in addition to any other relief and remedies available to either Party at law or in equity.

10.13 **Further Assurances**. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all other such acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

10.14 **Counterparts**. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the Effective Date set forth on the first page hereof.

GENENTECH, INC.	IMMUNOGEN, INC.
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Portions of this Exhibit were omitted and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

EXHIBIT 31.1

CERTIFICATIONS

I, Mitchel Sayare, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ImmunoGen, 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 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.

Date: May 9, 2007

/s/ Mitchel Sayare

Mitchel Sayare
Chairman of the Board of Directors,
Chief Executive Officer and President

EXHIBIT 31.2

CERTIFICATIONS

I, Daniel M. Junius, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ImmunoGen, 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 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.

Date: May 9, 2007

/s/ Daniel M. Junius

Daniel M. Junius
Executive Vice President and Chief Financial Officer

EXHIBIT 32

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of ImmunoGen, Inc., a Massachusetts corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report for the period ended March 31, 2007 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2007

/s/ MITCHEL SAYARE

Mitchel Sayare
Chairman of the Board of Directors,
Chief Executive Officer and President

Dated: May 9, 2007

/s/ DANIEL M. JUNIUS

Daniel M. Junius
Executive Vice President and Chief Financial Officer