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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, 2013

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.)

830 Winter Street, Waltham, MA 02451
(Address of principal executive offices, including zip code)

(781) 895-0600
(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. xYes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x Yes o No

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

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company 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: 84,533,809 shares outstanding as of April 29, 2013.

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IMMUNOGEN, INC.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2013
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ITEM 1. ***Financial Statements***

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

	March 31, 2013	June 30, 2012
ASSETS		
Cash and cash equivalents	$ 206,103	$ 160,938
Accounts receivable	5,446	129
Unbilled revenue	2,105	1,196
Inventory	112	1,288
Restricted cash	319	319
Prepaid and other current assets	1,622	2,400
Total current assets	215,707	166,270
Property and equipment, net of accumulated depreciation	10,561	11,633
Long-term restricted cash	2,231	2,231
Other assets	183	174
Total assets	$ 228,682	$ 180,308
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 2,723	$ 3,395
Accrued compensation	5,063	4,942
Other accrued liabilities	6,337	4,589
Current portion of deferred lease incentive	979	979
Current portion of deferred revenue	1,712	2,349
Total current liabilities	16,814	16,254
Deferred lease incentive, net of current portion	5,871	6,605
Deferred revenue, net of current portion	63,297	69,761
Other long-term liabilities	3,698	3,798
Total liabilities	89,680	96,418
Commitments and contingencies (Note E)		
Shareholders' equity:		
Preferred stock, $.01 par value; authorized 5,000 shares; no shares issued and outstanding	—	—
Common stock, $.01 par value; authorized 150,000 shares; issued and outstanding 84,437 and 77,759 shares as of March 31, 2013 and June 30, 2012, respectively	844	778
Additional paid-in capital	693,050	587,068
Accumulated deficit	(554,892)	(503,956)
Total shareholders' equity	139,002	83,890
Total liabilities and shareholders' equity	$ 228,682	$ 180,308

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

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IMMUNOGEN, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)
In thousands, except per share amounts

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Revenues:				
Research and development support	$ 2,257	$ 1,320	$ 5,670	$ 3,333
License and milestone fees	22,010	999	23,372	8,211
Clinical materials revenue	734	933	2,662	1,861
Total revenues	25,001	3,252	31,704	13,405
Operating Expenses:				
Research and development	21,318	16,933	66,674	49,653
General and administrative	4,995	5,021	16,098	14,696
Total operating expenses	26,313	21,954	82,772	64,349
Loss from operations	(1,312)	(18,702)	(51,068)	(50,944)
Other (expense) income, net	(39)	33	132	39
Net loss	$ (1,351)	$ (18,669)	$ (50,936)	$ (50,905)
Basic and diluted net loss per common share	$ (0.02)	$ (0.24)	$ (0.61)	$ (0.66)
Basic and diluted weighted average common shares outstanding	84,279	76,961	83,923	76,615
Comprehensive loss	$ (1,351)	$ (18,669)	$ (50,936)	$ (50,905)

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

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

	Nine Months ended March 31,	
	2013	2012
Cash flows from operating activities:		
Net loss	$ (50,936)	$ (50,905)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	3,509	3,463
Gain on sale/disposal of fixed assets	(22)	(23)
Amortization of deferred lease incentive obligation	(734)	(733)
(Gain) loss on forward contracts	(150)	47
Stock and deferred share unit compensation	9,839	7,859
Deferred rent	(81)	(81)
Changes in operating assets and liabilities:		
Accounts receivable	(5,317)	3,238
Unbilled revenue	(909)	204
Inventory	1,176	(451)
Prepaid and other current assets	777	64
Restricted cash	—	700
Other assets	(9)	(58)
Accounts payable	(672)	(578)
Accrued compensation	121	(610)
Other accrued liabilities	1,822	529
Deferred revenue	(7,101)	19,220
Net cash used for operating activities	(48,687)	(18,115)
Cash flows from investing activities:		
Purchases of property and equipment, net	(2,415)	(1,782)

Proceeds (payments) from settlement of forward contracts	58	(56)
Net cash used for investing activities	(2,357)	(1,838)
Cash flows from financing activities:		
Proceeds from common stock issuance, net	93,991	—
Proceeds from stock options exercised	2,218	4,007
Net cash provided by financing activities	96,209	4,007
Net change in cash and cash equivalents	45,165	(15,946)
Cash and cash equivalents, beginning balance	160,938	191,206
Cash and cash equivalents, ending balance	$ 206,103	$ 175,260

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

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IMMUNOGEN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2013

A. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements at March 31, 2013 and June 30, 2012 and for the three and nine months ended March 31, 2013 and 2012 include the accounts of ImmunoGen, Inc., or the Company, and its wholly owned subsidiaries, ImmunoGen Securities Corp. and ImmunoGen Europe Limited. The consolidated financial statements 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 periods. 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, 2012.

Subsequent Events

The Company has evaluated all events or transactions that occurred after March 31, 2013 up through the date the Company issued these financial statements. During this period, the Company did not have any material recognizable or unrecognizable subsequent events.

Revenue Recognition

The Company enters into licensing and development agreements with collaborative partners for the development of monoclonal antibody-based anticancer therapeutics. The terms of these agreements contain multiple deliverables which may include (i) licenses, or options to obtain licenses, to the Company's Targeted Antibody Payload, or TAP, technology, (ii) rights to future technological improvements, (iii) research activities to be performed on behalf of the collaborative partner, (iv) delivery of cytotoxic agents and (v) the manufacture of preclinical or clinical materials for the collaborative partner. Payments to the Company under these agreements may include license fees, option fees, exercise fees, payments for research activities, payments for the manufacture of preclinical or clinical materials, payments based upon the achievement of certain milestones and royalties on product sales. The Company follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 605-25, "Revenue Recognition — Multiple-Element Arrangements," and ASC Topic 605-28, "Revenue Recognition — Milestone Method," in accounting for these agreements. In order to account for these agreements, the Company must identify the deliverables included within the agreement and evaluate which deliverables represent separate units of accounting based on if certain criteria are met, including whether the delivered element has stand-alone value to the collaborator. The consideration received is allocated among the separate units of accounting, and the applicable revenue recognition criteria are applied to each of the separate units.

At March 31, 2013, the Company had the following two types of agreements with the parties identified below:

· Exclusive or non-exclusive development and commercialization licenses to use the Company's TAP technology and/or certain other intellectual property to develop compounds to a single target antigen (referred to herein as single-target licenses, as distinguished from the Company's right-to-test agreements described elsewhere):

Amgen (three single-target licenses)

Bayer HealthCare (one single-target license)

Biotest (one single-target license)

Novartis (one license to two related targets)

Roche, through its Genentech unit (five single-target licenses)

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Sanofi (license to multiple individual targets)

· Option/research agreement for a defined period of time to secure development and commercialization licenses to use the Company's TAP technology to develop anticancer compounds to specified targets on established terms (referred to herein as right-to-test agreements):

Amgen

Sanofi

Novartis

Eli Lilly and Company

There are no performance, cancellation, termination or refund provisions in any of the arrangements that contain material financial consequences to the Company.

Development and Commercialization Licenses

The deliverables under a development and commercialization license agreement generally include the license to the Company's TAP technology with respect to a specified antigen target, and may also include deliverables related to rights to future technological improvements, research activities to be performed on behalf of the collaborative partner and the manufacture of preclinical or clinical materials for the collaborative partner.

Generally, license agreements contain non-refundable terms for payments and, depending on the terms of the agreement, provide that the Company will (i) at the collaborator's request, provide research services at negotiated prices which are generally consistent with what other third parties would charge, (ii) at the collaborator's request, manufacture and provide to it preclinical and clinical materials or deliver cytotoxic agents at negotiated prices which are generally consistent with what other third parties would charge, (iii) earn payments upon the achievement of certain milestones and (iv) earn royalty payments, generally until the later of the last applicable patent expiration or 10 to 12 years after product launch. In the case of Kadcyla™ (ado-trastuzumab emtansine or T-DM1), however, the minimum royalty term is 10 years and the maximum royalty term is 12 years on a country-by-country basis. Royalty rates may vary over the royalty term depending on the Company's intellectual property rights. The Company may provide technical assistance and share any technology improvements with its collaborators during the term of the collaboration agreements. The Company does not directly control when any collaborator will request research or manufacturing services, achieve milestones or become liable for royalty payments. As a result, the Company cannot predict when it will recognize revenues in connection with any of the foregoing.

In determining the units of accounting, management evaluates whether the license has stand-alone value from the undelivered elements to the collaborative partner based on the consideration of the relevant facts and circumstances for each arrangement. Factors considered in this determination include the research capabilities of the partner and the availability of TAP technology research expertise in the general marketplace. If the Company concludes that the license has stand alone value and therefore will be accounted for as a separate unit of accounting, the Company then determines the estimated selling prices of the license and all other units of accounting based on market conditions, similar arrangements entered into by third parties, and entity-specific factors such as the terms of the Company's previous collaborative agreements, recent preclinical and clinical testing results of therapeutic products that use the Company's TAP technology, the Company's pricing practices and pricing objectives, the likelihood that technological improvements will be made, the likelihood that technological improvements made will be used by the Company's collaborators and the nature of the research services to be performed on behalf of its collaborators and market rates for similar services.

Upfront payments on single-target licenses are deferred if facts and circumstances dictate that the license does not have stand-alone value. Prior to the adoption of Accounting Standards Update (ASU) No. 2009-13, "Revenue Arrangements with Multiple Deliverables" on July 1, 2010, the Company determined that its licenses lacked stand-alone value and were combined with other elements of the arrangement and any amounts associated with the license were deferred and amortized over a certain period, which the Company refers to as the Company's period of substantial involvement. The determination of the length of the period over which to defer revenue is subject to judgment and estimation and can have an impact on the amount of revenue recognized in a given period. Historically the Company's involvement with the development of a collaborator's product candidate has been significant at the early stages of development, and lessens as it progresses into clinical trials. Also, as a drug candidate gets closer to commencing pivotal testing the Company's collaborators have sought an alternative site to manufacture the product, as the Company's facility does not produce pivotal or commercial drug product. Accordingly, the Company generally estimates this period of substantial involvement to

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begin at the inception of the collaboration agreement and conclude at the end of non-pivotal Phase II testing. The Company believes this period of substantial involvement is, depending on the nature of the license, on average six and one-half years. Quarterly, the Company reassesses its periods of substantial involvement over which the Company amortizes its upfront license fees and makes adjustments as appropriate. 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 preclinical activity on another product candidate and its remaining period of substantial involvement can be estimated. 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.

Subsequent to the adoption of ASU No. 2009-13, the Company determined that its research licenses lack stand-alone value and are considered for aggregation with the other elements of the arrangement and accounted for as one unit of accounting.

Upfront payments on single-target licenses may be recognized upon delivery of the license if facts and circumstances dictate that the license has stand-alone value from the undelivered elements, which generally include rights to future technological improvements, research services, delivery of cytotoxic agents and the manufacture of preclinical and clinical materials.

The Company recognizes revenue related to research services that represent separate units of accounting 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 related to the rights to future technological improvements over the estimated term of the applicable license.

The Company may also provide cytotoxic agents to its collaborators or produce preclinical and clinical materials at negotiated prices which are generally consistent with what other third parties would charge. The Company recognizes revenue on cytotoxic agents and on preclinical and clinical materials when the materials have passed all quality testing required for collaborator acceptance and title and risk of loss have transferred to the collaborator. Arrangement consideration allocated to the manufacture of preclinical and clinical materials in a multiple-deliverable arrangement is below the Company's full cost, and the Company's full cost is not expected to ever be below its contract selling prices for its existing collaborations. During the nine months ended March 31, 2013 and 2012, the difference between the Company's full cost to manufacture preclinical and clinical materials on behalf of its collaborators as compared to total amounts received from collaborators for the manufacture of preclinical and clinical materials was $755,000 and $62,000, respectively. The majority of the Company's costs to produce these preclinical and clinical materials are fixed and then allocated to each batch based on the number of batches produced during the period. Therefore, the Company's costs to produce these materials are significantly impacted by the number of batches produced during the period. The volume of preclinical and clinical materials the Company produces is directly related to the number of clinical trials the Company and its collaborators are preparing for or currently have underway, the speed of enrollment in those trials, the dosage schedule of each clinical trial and the time period such trials last. Accordingly, the volume of preclinical and clinical materials produced, and therefore the Company's per batch costs to manufacture these preclinical and clinical materials, may vary significantly from period to period.

The Company may also produce 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. The Company records amounts received for research materials produced or services performed as a component of research and development support revenue. The Company also develops conjugation processes for materials for later stage testing and commercialization for certain collaborators. The Company is compensated at negotiated rates and may receive milestone payments for developing these processes which are recorded as a component of research and development support revenue.

The Company's license agreements have milestone payments which for reporting purposes are aggregated into three categories: (i) development milestones, (ii) regulatory milestones, and (iii) sales milestones. Development milestones are typically payable when a product candidate initiates or advances into different clinical trial phases. Regulatory milestones are typically payable upon submission for marketing approval with the U.S. Food and Drug Administration, or FDA, or other countries' regulatory authorities or on receipt of actual marketing approvals for the compound or for additional indications. Sales milestones are typically payable when annual sales reach certain levels.

At the inception of each agreement that includes milestone payments, the Company evaluates whether each milestone is substantive and at risk to both parties on the basis of the contingent nature of the milestone. This evaluation includes an assessment of whether (a) the consideration is commensurate with either (1) the entity's performance to achieve the milestone, or (2) the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the entity's performance to achieve the milestone, (b) the consideration relates solely to past performance and (c) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. The Company evaluates factors such as the scientific, regulatory, commercial

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and other risks that must be overcome to achieve the respective milestone, the level of effort and investment required to achieve the respective milestone and whether the milestone consideration is reasonable relative to all deliverables and payment terms in the arrangement in making this assessment.

Non-refundable development and regulatory milestones that are expected to be achieved as a result of the Company's efforts during the period of substantial involvement are considered substantive and are recognized as revenue upon the achievement of the milestone, assuming all other revenue recognition criteria are met. Milestones that are not considered substantive because we do not contribute effort to the achievement of such milestones are generally achieved after the period of substantial involvement and are recognized as revenue upon achievement of the milestone, as there are no undelivered elements remaining and no continuing performance obligations, assuming all other revenue recognition criteria are met.

Under the Company's license agreements, the Company receives royalty payments based upon its licensees' net sales of covered products. Generally, under these agreements the Company is to receive royalty reports and payments from its licensees approximately one quarter in arrears, that is, generally in the second month of the quarter after the licensee has sold the royalty bearing product or products. The Company recognizes royalty revenues when it can reliably estimate such amounts and collectability is reasonably assured. As such, the Company generally recognizes royalty revenues in the quarter reported to the Company by its licensees, or one quarter following the quarter in which sales by the Company's licensees occurred.

Right-to-Test Agreements

The Company's right-to-test agreements provide collaborators the right to (a) test the Company's TAP technology for a defined period of time through a right-to-test, or research, license, (b) take options, for a defined period of time, to specified targets and (c) upon exercise of those options, secure or "take" licenses to develop and commercialize products for the specified targets on established terms. Under these agreements, fees may be due to the Company (i) at the inception of the arrangement (referred to as "upfront" fees or payments), (ii) upon taking an option with respect to a specific target (referred to as option fees or payments earned, if any, when the option is "taken"), (iii) upon the exercise of a previously taken option to acquire a development and commercialization license(s) (referred to as exercise fees or payments earned, if any, when the development and commercialization license is "taken"), or (iv) some combination of all of these fees.

The accounting for right-to-test agreements is dependent on the nature of the options granted to the collaborative partner. Options are considered substantive if, at the inception of a right-to-test agreement, the Company is at risk as to whether the collaborative partner will choose to exercise the options to secure development and commercialization licenses. Factors that are considered in evaluating whether options are substantive include the overall objective of

the arrangement, the benefit the collaborator might obtain from the agreement without exercising the options, the cost to exercise the options relative to the total upfront consideration, and the additional financial commitments or economic penalties imposed on the collaborator as a result of exercising the options.

For right-to-test agreements where the options to secure development and commercialization licenses to the Company's TAP technology are considered substantive, the Company does not consider the development and commercialization licenses to be a deliverable at the inception of the agreement. For those right-to-test agreements entered into prior to the adoption of ASU No. 2009-13 where the options to secure development and commercialization licenses are considered substantive, the Company has deferred the upfront payments received and recognizes this revenue over the period during which the collaborator could elect to take options for development and commercialization licenses. These periods are specific to each collaboration agreement. If a collaborator takes an option to acquire a development and commercialization license under these agreements, any substantive option fee is deferred and recognized over the life of the option, generally 12 to 18 months. If a collaborator exercises an option and takes a development and commercialization license to a specific target, the Company attributes the exercise fee to the development and commercialization license. Upon exercise of an option to acquire a development and commercialization license, the Company would also attribute any remaining deferred option fee to the development and commercialization license and apply the multiple-element revenue recognition criteria to the development and commercialization license and any other deliverables to determine the appropriate revenue recognition, which will be consistent with the Company's accounting policy for upfront payments on single-target licenses. In the event a right-to-test 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. None of the Company's right-to-test agreements entered into subsequent to the adoption of ASU No. 2009-13 has been determined to contain substantive options.

For right-to-test agreements where the options to secure development and commercialization licenses to the Company's TAP technology are not considered substantive, the Company considers the development and commercialization licenses to be a deliverable at the inception of the agreement and applies the multiple-element revenue recognition criteria to determine the appropriate revenue recognition. None of the Company's right-to-test agreements entered into prior to the adoption of ASU No. 2009-13 has been determined to contain non-substantive options.

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The Company does not directly control when any collaborator will exercise its options for development and commercialization licenses. As a result, the Company cannot predict when it will recognize revenues in connection with any of the foregoing.

Fair Value of Financial Instruments

Fair value is defined under ASC Topic 820, "Fair Value Measurements and Disclosures," as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy to measure fair value which is based on three levels of inputs, of which the first two are considered observable and the last unobservable, as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of March 31, 2013, the Company held certain assets that are required to be measured at fair value on a recurring basis. The following table represents the fair value hierarchy for the Company's financial assets measured at fair value on a recurring basis as of March 31, 2013 (in thousands):

	Fair Value Measurements at March 31, 2013 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash, cash equivalents and restricted cash	$ 208,653	$ 208,653	$ —	$ —

As of June 30, 2012, the Company held certain assets that are required to be measured at fair value on a recurring basis. The following table represents the fair value hierarchy for the Company's financial assets measured at fair value on a recurring basis as of June 30, 2012 (in thousands):

	Fair Value Measurements at June 30, 2012 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash, cash equivalents and restricted cash	$ 163,488	$ 163,488	$ —	$ —

The fair value of the Company's cash equivalents is based primarily on quoted prices from active markets.

Unbilled Revenue

The majority of the Company's unbilled revenue at March 31, 2013 and June 30, 2012 represents research funding earned prior to those dates based on actual resources utilized under the Company's agreements with various collaborators.

Inventory

Inventory costs 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, 2013 and June 30, 2012 is summarized below (in thousands):

	March 31, 2013	June 30, 2012
Raw materials	$ 112	$ 129
Work in process	—	1,159
Total	$ 112	$ 1,288

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Raw materials inventory consists entirely of DM1 and DM4, proprietary cell-killing agents the Company developed as part of its TAP technology. The Company considers more than a twelve month supply of raw materials that is not supported by firm, fixed orders and/or projections from its collaborators to be excess and establishes a reserve to reduce to zero the value of any such excess raw material inventory with a corresponding charge to research and development expense. In accordance with this policy, the Company recorded $798,000 of expense related to excess inventory during the nine-month period ended March 31, 2013 compared to $748,000 recorded during the same period last year. There were no expenses recorded for excess inventory during the three-month periods ended March 31, 2013 and 2012.

Work in process inventory consists of bulk drug substance manufactured for sale to the Company's collaborators to be used in preclinical and clinical studies. All bulk drug substance is made to order at the request of the collaborators and subject to the terms and conditions of respective supply agreements. As such, no reserve for work in process inventory is required.

Computation of Net Loss per Common Share

Basic and diluted net loss per share is calculated based upon the weighted average number of common shares outstanding during the period. The Company's common stock equivalents, as calculated in accordance with the treasury-stock method, are shown in the following table (in thousands):

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Options outstanding to purchase common stock	7,945	7,036	7,945	7,036
Common stock equivalents under treasury stock method	2,433	2,670	2,302	2,456

The Company's common stock equivalents have not been included in the net loss per share calculation because their effect is anti-dilutive due to the Company's net loss position.

Stock-Based Compensation

As of March 31, 2013, the Company is authorized to grant future awards under one employee share-based compensation plan, which is the ImmunoGen, Inc. 2006 Employee, Director and Consultant Equity Incentive Plan, or the 2006 Plan. At the annual meeting of shareholders on November 13, 2012, an amendment to the 2006 Plan was approved and an additional 3,500,000 shares were authorized for issuance under this plan. As amended, the 2006 Plan provides for the issuance of Stock Grants, the grant of Options and the grant of Stock-Based Awards for up to 12,000,000 shares of the Company's common stock, as well as any shares of common stock that are represented by awards granted under the previous stock option plan, the ImmunoGen, Inc. Restated Stock Option Plan, or the Former Plan, that are forfeited, expire or are cancelled without delivery of shares of common stock; 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.

The stock-based awards are accounted for under ASC Topic 718, "Compensation—Stock Compensation." Pursuant to Topic 718, the estimated grant date fair value of awards is charged to the statement of operations and comprehensive loss over the requisite service period, which is the vesting period. Such amounts have been reduced by an 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 with the assumptions noted in the following table. As the Company has not paid dividends since inception, nor does it expect to pay any dividends for the foreseeable future, the expected dividend yield assumption is zero. 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 option recipients. 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

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of the stock options.

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2013	2012	2013	2012
Dividend	None	None	None	None
Volatility	60.44%	58.91%	60.44%	59.76%

Risk-free interest rate	1.13%	1.41%	0.85%	2.19%
Expected life (years)	6.3	7.1	6.3	7.1

Using the Black-Scholes option-pricing model, the weighted average grant date fair values of options and restricted stock awards granted during the three months ended March 31, 2013 and 2012 were $8.28 and $7.31 per share, respectively, and $8.67 and $9.03 per share for options granted during the nine months ended March 31, 2013 and 2012, respectively.

Stock compensation expense related to stock options and restricted stock awards granted under the 2006 Plan was $2.9 million and $9.6 million during the three and nine months ended March 31, 2013, respectively, compared to stock compensation expense of $2.3 million and $7.6 million for the three and nine months ended March 31, 2012, respectively.

As of March 31, 2013, the estimated fair value of unvested employee awards was $19.8 million, net of estimated forfeitures. The weighted-average remaining vesting period for these awards is two years.

During the nine months ended March 31, 2013, holders of options issued under the Company's equity plans exercised their rights to acquire an aggregate of approximately 378,000 shares of common stock at prices ranging from $2.91 to $15.20 per share. The total proceeds to the Company from these option exercises were approximately $2.2 million.

Financial Instruments and Concentration of Credit Risk

The Company's cash equivalents consist principally of money market funds with underlying investments primarily being U.S. Government-issued securities and high quality, short-term commercial paper. All of the Company's cash and cash equivalents are maintained with three financial institutions in the U.S.

Derivative instruments include a portfolio of short duration foreign currency forward contracts intended to mitigate the risk of exchange fluctuations for existing or anticipated receivable and payable balances denominated in foreign currency. Derivatives are estimated at fair value and classified as other current assets or liabilities. The fair values 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.

The Company does 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 the Company enters into forward contracts only as an economic hedge, any gain or loss on the underlying foreign-denominated existing or anticipated receivable or payable balance would be offset by the loss or gain on the forward contract. For the three and nine months ended March 31, 2013, net (losses) gains recognized on forward contracts were $(13,000) and $150,000, respectively, and are included in the accompanying consolidated statements of operations and comprehensive loss as other (expense) income, net. For the three and nine months ended March 31, 2012, net gains (losses) recognized on forward contracts were $9,000 and $(47,000), respectively. As of March 31, 2013, the Company had outstanding forward contracts with notional amounts equivalent to approximately $1.9 million (€1.4 million), all maturing on or before October 7, 2013. As of June 30, 2012, the Company had outstanding forward contracts with notional amounts equivalent to approximately $3.3 million (€2.5 million). The Company does not anticipate using derivative instruments for any purpose other than hedging exchange rate exposure.

Segment Information

During the nine months ended March 31, 2013, the Company continued to operate in one reportable business segment which is the business of discovery of monoclonal antibody-based anticancer therapeutics.

The percentages of revenues recognized from significant customers of the Company in the three and nine months ended March 31, 2013 and 2012 are included in the following table:

	Three Months Ended March 31,		Nine Months Ended March 31,	
Collaborative Partner:	**2013**	**2012**	**2013**	**2012**
Amgen	2%	38%	6%	33%
Bayer HealthCare	3%	24%	5%	14%
Novartis	51%	22%	48%	14%
Sanofi	1%	5%	2%	27%
Roche	42%	—%	33%	—%

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There were no other customers of the Company with significant revenues in the three and nine months ended March 31, 2013 and 2012.

B. Collaborative Agreements

Roche

In May 2000, the Company granted Roche, through its Genentech unit, an exclusive license to use the Company's maytansinoid TAP technology with antibodies or other proteins that target HER2, such as trastuzumab. Under the terms of this agreement, Roche has exclusive worldwide rights to develop and commercialize maytansinoid TAP compounds targeting HER2. In February 2013, the US FDA granted marketing approval to Kadcyla. Roche is responsible for the manufacturing, product development and marketing of Kadcyla or any other products resulting from the agreement. The Company is compensated for any preclinical and clinical materials that the Company manufactures under the agreement. The Company received a $2 million non-refundable upfront payment from Roche upon execution of the agreement. The Company is also entitled to receive up to a total of $44 million in milestone payments, plus royalties on the commercial sales of Kadcyla or any other resulting products. Total milestones are categorized as follows: development milestones—$13.5 million; and regulatory milestones—$30.5 million. The marketing approval of Kadcyla in February 2013 triggered a $10.5 million regulatory milestone payment to the Company. Based on an evaluation of the effort contributed to the achievement of this milestone, the Company

determined this milestone was not substantive. In consideration that there are no undelivered elements remaining, no continuing performance obligations and all other revenue recognition criteria have been met, the Company recognized the $10.5 million non-refundable payment as revenue upon achievement of the milestone, which is included in license and milestone fees for the three and nine months ended March 31, 2013. The next potential milestone the Company will be entitled to receive will be either a $5 million regulatory milestone for marketing approval of Kadcyla in Europe or a $5 million regulatory milestone for marketing approval of Kadcyla in Japan depending on which occurs first. Based on an evaluation of the effort contributed to the achievement of these milestones, the Company has determined these milestones are not substantive. The Company will receive royalty reports and payments related to sales of Kadcyla from Roche one quarter in arrears. In accordance with the Company's revenue recognition policy, royalties on sales of Kadcyla for the period ended March 31, 2013 will be recorded in the Company's fourth quarter of fiscal 2013.

Novartis

In October 2010, the Company entered into a three-year right-to-test agreement with Novartis. The agreement provides Novartis with the right to (a) test the Company's TAP technology with individual antibodies selected by Novartis under a right-to-test, or research, license, (b) take exclusive options, with certain restrictions, to individual targets selected by Novartis for specified option periods and (c) upon exercise of those options, take exclusive licenses to use the Company's TAP technology to develop and commercialize products for a specified number of individual targets on terms agreed upon at the inception of the right-to-test agreement. The Company received a $45 million upfront payment in connection with the execution of the right-to-test agreement, and for each development and commercialization license for a specific target, the Company is entitled to receive an exercise fee of $1 million and up to a total of $199.5 million in milestone payments, plus royalties on the commercial sales of any resulting products. The total milestones are categorized as follows: development milestones—$22.5 million; regulatory milestones—$77 million; and sales milestones—$100 million.

Effective March 29, 2013, the Company and Novartis amended the right-to-test agreement so that Novartis can take a license to develop and commercialize products directed at two pre-defined and related undisclosed targets, one target licensed on an exclusive basis and the other target initially licensed on a non-exclusive basis. The Company was entitled to a $3.5 million fee in connection with the execution of the amendment to the agreement. The Company may be required to credit this fee against future milestone payments if Novartis discontinues the development of a specified product under certain circumstances.

In connection with the amendment, on March 29, 2013, Novartis took the license referenced above under the right-to-test agreement, as amended, enabling it to develop and commercialize products directed at the two targets. The Company was entitled to a $1 million upfront fee with the execution of this license. Additionally, the execution of this license provides the Company the opportunity to receive milestone payments totaling $199.5 million (development milestones—$22.5 million; regulatory milestones—$77 million; and sales milestones—$100 million) or $238 million (development milestones—$22.5 million; regulatory milestones—$115.5 million; and sales milestones—$100 million), depending on the composition of any resulting products. The first potential milestone the Company will be entitled to receive will be a $5.0 million development milestone for commencement of a Phase I

clinical trial. At the time of execution of this agreement, there was significant uncertainty as to whether this milestone would be achieved. In consideration of this, as well as the Company's past involvement in the research and manufacturing of this product candidate, this milestone was deemed substantive. Additionally, the Company is entitled to receive royalties on product sales, if any. Novartis also has the right to convert the noted non-exclusive license to an exclusive license, in which case the Company would be entitled to receive a conversion fee and, depending on the composition of resultant products, an upward adjustment on milestone payments. The Company also is entitled to receive payments for research and development activities performed on behalf of Novartis. Novartis is responsible for the manufacturing, product development and marketing of any products resulting from this agreement.

In accordance with ACS 605-25 (as amended by ASU No. 2009-13), the Company identified all of the deliverables at the inception of the right-to-test agreement and subsequently when amended. The significant deliverables were determined to be the right-to-test, or research, license, the development and commercialization licenses, rights to future technological improvements, and the research services. The options to obtain development and commercialization licenses in the right-to-test agreement were determined not to be substantive and, as a result, the exclusive development and commercialization licenses were considered deliverables at the inception of the right-to-test agreement. Factors that were considered in determining the options were not substantive included (i) the overall objective of the agreement was for Novartis to obtain development and commercialization licenses, (ii) the size of the exercise fee of $1 million for each development and commercialization license obtained is not significant relative to the $45 million upfront payment that was due at the inception of the right-to-test agreement, (iii) the limited economic benefit that Novartis could obtain from the right-to-test agreement unless it exercised its options to obtain development and commercialization licenses, and (iv) the lack of economic penalties as a result of exercising the options.

The Company has determined that the research license together with the development and commercialization licenses represent one unit of accounting as the research license does not have stand-alone value from the development and commercialization licenses due to the lack of transferability of the research license and the limited economic benefit Novartis would derive if they did not obtain any development and commercialization licenses. The Company has also determined that this unit of accounting does have stand-alone value from the rights to future technological improvements and the research services. The rights to future technological improvements and the research services are considered separate units of accounting as each of these was determined to have stand-alone value. The rights to future technological improvements have stand-alone value as Novartis would be able to use those items for their intended purpose without the undelivered elements. The research services have stand-alone value as similar services are sold separately by other vendors.

The estimated selling prices for the development and commercialization licenses are the Company's best estimate of selling price and were determined based on market conditions, similar arrangements entered into by third parties, including pricing terms offered by our competitors for single-target development and commercialization licenses that utilize antibody-drug conjugate technology, and entity-specific factors such as the pricing terms of the Company's previous single-target development and commercialization licenses, recent preclinical and clinical testing results of therapeutic products that use the Company's TAP technology, and the Company's pricing practices and pricing objectives. The estimated selling price of the right to technological improvements is the Company's best estimate of selling price and was determined by estimating the probability that technological improvements will be made and the probability that such technological improvements made will be used by Novartis. In estimating these probabilities, we considered factors such as the technology that is the subject of the development and commercialization licenses, our history of making technological improvements, and when such improvements, if any, were likely to occur relative to the stage of development of any product candidates pursuant to the development and commercialization licenses. The Company's estimate of probability considered the likely period of time that any improvements would be utilized, which was estimated to be ten years following delivery of a commercialization and development license. The value of any technological improvements made available after this ten year

period was considered to be *de minimis* due to the significant additional costs that would be incurred to incorporate such technology into any existing product candidates. The estimate of probability was multiplied by the estimated selling price of the development and commercialization licenses and the resulting cash flow was discounted at a rate of 16%, representing the Company's estimate of its cost of capital. The estimated selling price of the research services was based on third-party evidence given the nature of the research services to be performed for Novartis and market rates for similar services.

The total arrangement consideration of $55.2 million (which comprises the $45 million upfront payment, the amendment fee of $3.5 million, the exercise fee for each license, and the expected fees for the research services to be provided under the remainder of the arrangement) was allocated to the deliverables based on the relative selling price method as follows: $50.4 million to the development and commercialization licenses; $4.1 million to the rights to future technological improvements; and $710,000 to the research services. Upon execution of the development and commercialization license taken by Novartis in March 2013, the Company recorded $11.1 million of the $50.4 million of the arrangement consideration outlined above, which is included in license and milestone fee revenue for the three and nine months ended March 31, 2013. With this first development and commercialization license taken, the amount of the total arrangement consideration allocated to future technological improvements will commence to be recognized as revenue ratably over the period the Company is obligated to make available any technological improvements, which is equivalent to the estimated term of the agreement. The Company estimates the term of a development and commercialization license to be approximately 25 years, which reflects management's estimate of the time necessary to develop and commercialize products pursuant to the license plus the estimated royalty term. The Company reassesses the estimated term at the end of each reporting

period. The Company will recognize as license revenue an equal amount of the total remaining $39.3 million of arrangement consideration allocated to the development and commercialization licenses as each individual license is delivered to Novartis upon Novartis' exercise of its remaining options to such licenses. The Company does not control when Novartis will exercise its options for development and commercialization licenses. As a result, the Company cannot predict when it will recognize the related license revenue except that it will be within the term of the research license. The Company will recognize research services revenue as the related services are delivered.

Amgen

In September 2000, the Company entered into a ten-year right-to-test agreement with Abgenix, Inc. which was later acquired by Amgen. The agreement provides Amgen with the right to (a) test the Company's maytansinoid TAP technology with Amgen's antibodies under a right-to-test, or research, license, (b) take options, with certain restrictions, to individual targets selected by Amgen on either an exclusive and non-exclusive basis for specified option periods and (c) upon exercise of those options, take exclusive or non-exclusive licenses to use the Company's maytansinoid TAP technology to develop and commercialize products for the specified targets on previously agreed-upon terms. For each exclusive development and commercialization license taken, the Company is entitled to receive an exercise fee of $1 million and up to a total of $34 million in milestone payments, plus royalties on the commercial sales of any resulting products. The total milestones per development and commercialization license are categorized as follows: development milestones — $9 million; regulatory milestones — $20 million; and sales milestones — $5 million.

Under the right-to-test agreement, in September 2009, November 2009 and December 2012, Amgen took three development and commercialization licenses and the Company received an exercise fee of $1 million for each license taken. The Company has deferred each $1 million exercise fee and is recognizing these amounts as revenue ratably over the respective estimated periods of its substantial involvement. In November 2011, the IND applications to the FDA for two compounds developed under the September 2009 and November 2009 development and commercialization licenses became effective, which triggered two $1 million milestone payments to the Company. These payments are included in license and milestone fees for the nine months ended March 31, 2012. At the time of execution of each of these development and commercialization licenses, there was significant uncertainty as to whether these milestones would be achieved. In consideration of this, as well as the Company's past involvement in the research and manufacturing of these product candidates, these milestones were deemed substantive. The next potential milestone the Company will be entitled to receive under either of these two development and commercialization licenses will be a development milestone for the first dosing of a patient in a Phase II clinical trial, which will result in a $3 million payment being due. The next potential milestone the Company will be entitled to receive under the December 2012 development and commercialization license will be a development milestone for IND approval which will result in a $1 million payment being due to the Company.

Sanofi

In July 2003, the Company entered into a broad collaboration agreement with Sanofi (formerly Aventis) to discover, develop and commercialize antibody-based products. The product candidates (targets) currently in the collaboration include SAR3419 (CD19), SAR650984 (CD38), SAR566658 (DS6, also known as CA6) and at least one earlier-stage compound that has yet to be disclosed. For each of the targets included in the collaboration at this time, the Company is entitled to receive up to a total of $21.5 million in milestone payments, plus royalties on the commercial sales of any resulting products. The total milestones are categorized as follows: development milestones — $7.5 million; and regulatory milestones — $14 million. Through March 31, 2013, the Company has received and recognized an aggregate of $16 million in milestone payments for compounds covered under this agreement now or in the past, including a $3 million milestone payment related to the initiation of a Phase IIb clinical trial (as defined in the agreement) for SAR3419, which is included in license and milestone fee revenue for the nine months ended March 31, 2012. At the time of execution of this agreement, there was significant uncertainty as to whether this milestone would be achieved. In consideration of this, as well as the Company's past involvement in the research and manufacturing of these product candidates, the milestone was deemed substantive. The next potential milestone the Company will be entitled to receive with respect to SAR3419 will be a development milestone for initiation of a Phase III clinical trial, which will result in a $3 million payment being due to the Company.

For additional information related to these agreements, as well as the Company's other significant collaborative agreements, please read Note C, *Agreements* to our consolidated financial statements included within the Company's 2012 Form 10-K.

Kadcyla™ is a trademark of Genentech.

C. Capital Stock

2001 Non-Employee Director Stock Plan

During the three and nine months ended March 31, 2013, the Company recorded approximately $21,000 and $(4,000) in expense and expense reduction, respectively, related to stock units outstanding under the Company's 2001 Non-Employee Director Stock Plan, or the 2001 Plan, compared to

$18,000 and $22,000 in expense recorded during the three and nine months ended March

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31, 2012, respectively. The value of the stock units is adjusted to market value at each reporting period as the redemption amount of stock units for this plan will be paid in cash. No stock units have been issued under the 2001 Plan subsequent to June 30, 2004.

Compensation Policy for Non-Employee Directors

During the three and nine months ended March 31, 2013 and 2012, the Company recorded approximately $98,000 and $253,000 in compensation expense, respectively, related to deferred share units issued and outstanding under the Company's Compensation Policy for Non-Employee Directors, compared to $67,000 and $236,000 in compensation expense recorded during the three and nine months ended March 31, 2012, respectively. Pursuant to the Compensation Policy for Non-Employee Directors, the redemption amount of deferred share units issued will be paid in shares of common stock of the Company on the date a director ceases to be a member of the Board. Annual retainers vest quarterly over approximately one year from the date of grant, contingent upon the individual remaining a director of ImmunoGen as of each vesting date, and the number of deferred share units awarded is based on the market value of the Company's common stock on the date of the award. All unvested deferred stock awards will automatically vest immediately prior to the occurrence of a change of control.

In addition to the deferred share units, the Non-Employee Directors are also entitled to receive stock option awards having a grant date fair value of $30,000, determined using the Black-Scholes option pricing model measured on the date of grant, which would be the date of the annual meeting of shareholders. These options vest quarterly over approximately one year from the date of grant. Any new directors will receive a pro-rated award, depending on their date of election to the Board. The directors received a total of 41,805, 33,187 and 49,688 options in fiscal 2013, 2012 and 2011, respectively, and the related compensation expense for the three and nine months ended March 31, 2013 and 2012 is included in the amounts discussed in the "Stock-Based Compensation" section of footnote A above.

D. Cash and Cash Equivalents

As of March 31, 2013 and June 30, 2012, the Company held $206.1 million and $160.9 million, respectively, in cash, and money market funds consisting principally of U.S. Government-issued securities and high quality, short-term commercial paper which were classified as cash and cash equivalents.

E. Commitments and Contingencies

Leases

Effective July 27, 2007, the Company entered into a lease agreement with Intercontinental Fund III for the rental of approximately 89,000 square feet of laboratory and office space at 830 Winter Street, Waltham, MA. The Company uses this space for its corporate headquarters, research and other operations. The initial term of the lease is for twelve years with an option for the Company to extend the lease for two additional terms of five years. The Company is required to pay certain operating expenses for the leased premises subject to escalation charges for certain expense increases over a base amount. The Company entered into a sublease in December 2009 for 14,100 square feet of this space in Waltham through January 2015, with the sublessee having a conditional option to extend the term for an additional two years.

Effective April 2012, the Company entered into a sublease agreement for the rental of 7,310 square feet of laboratory and office space at 830 Winter Street, Waltham, MA from Histogenics Corporation. The initial term of the sublease is for three years with a conditional option for the Company to extend the lease through October 2017. The Company is required to pay certain operating expenses for the leased premises subject to escalation charges for certain expense increases over a base amount.

At March 31, 2013, the Company also leases a facility consisting of 43,850 square feet in Norwood, MA under an agreement through 2018 with an option to extend the lease for an additional term of five years. The Company is required to pay certain operating expenses for the leased premises subject to escalation charges for certain expense increases over a base amount.

Effective April 2013, the Company entered into a lease agreement with River Ridge Limited Partnership for the rental of 7,507 square feet of additional office space at 100 River Ridge Drive, Norwood, MA. The initial term of the lease is for five years and two months commencing on June 1, 2013 with an option for the Company to extend the lease through May 2023. The Company is required to pay certain operating expenses for the leased premises subject to escalation charges for certain expense increases over a base amount.

The minimum rental commitments for the Company's facilities, including real estate taxes and other expenses, for the next five fiscal years and thereafter under the non-cancelable operating lease agreements discussed above are as follows (in thousands):

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2013 (three months remaining)	$	1,596
2014		6,607
2015		6,741
2016		6,512
2017		6,586
Thereafter		16,727
Total minimum lease payments	$	44,769
Total minimum rental payments from sublease		(1,249)
Total minimum lease payments, net		

	$ 43,520

Collaborative Agreements

The Company is contractually obligated to make potential future success-based regulatory milestone payments in conjunction with certain collaborative agreements. These payments are contingent upon the occurrence of certain future events and, given the nature of these events, it is unclear when, if ever, the Company may be required to pay such amounts. Further, the timing of any future payment is not reasonably estimable. During the first quarter of fiscal 2013, the Company's license agreement with Janssen Biotech was terminated and, accordingly, the Company is no longer obligated to make $41.0 million of potential future success-based milestone and third-party payments under such agreement. As of March 31, 2013, the maximum amount that may be payable in the future under the Company's current collaborative agreements is $2.0 million, $1.4 million of which is reimbursable by a third party under a separate agreement.

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 novel, antibody-drug conjugates (ADC's) for the treatment of cancer using our expertise in cancer biology, monoclonal antibodies, highly potent cytotoxic, or cell-killing, agents, and the design of linkers that enable these agents to remain stably attached to the antibodies while in the blood stream and released in their fully active form after delivery to a cancer cell. An anticancer compound made using our Targeted Antibody Payload, or TAP, technology consists of a monoclonal antibody that binds specifically to an antigen target found on cancer cells with multiple copies of one of our proprietary cell-killing agents attached to the antibody using one of our engineered linkers. Its antibody component enables a TAP compound to bind specifically to cancer cells that express its target antigen, the highly potent cytotoxic agent serves to kill the cancer cell, and the engineered linker controls the release and activation of the cytotoxic agent inside the cancer cell. With some TAP compounds, the antibody component also has anticancer activity of its own. Our TAP technology is designed to enable the creation of highly effective, well-tolerated anticancer products. All of the TAP compounds currently in clinical testing contain either DM1 or DM4 as the cytotoxic agent. Both DM1 and DM4, collectively DMx, are our proprietary derivatives of a cytotoxic agent called maytansine. We also have expertise in antibodies and cancer biology to develop "naked," or non-conjugated, antibody anticancer product candidates.

We have used our proprietary TAP technology in conjunction with our in-house antibody expertise to develop our own anticancer product candidates. We have also entered into collaborative agreements that enable companies to use our TAP technology to develop and commercialize product candidates to specified targets. Under the terms of our collaborative agreements, we are generally entitled to upfront fees, milestone payments and royalties on any commercial product sales. In addition, under certain agreements we are compensated for research and development activities performed at our collaborative partner's request at negotiated prices which are generally consistent with what other third parties would charge. We are compensated to manufacture preclinical and clinical materials and deliver cytotoxic agent at negotiated prices which are generally consistent with what other third parties would charge. Currently, our collaborative partners are Amgen, Bayer HealthCare, Biotest, Lilly, Novartis, Roche and Sanofi. We expect that substantially all of our revenue for the foreseeable future will result from payments under our collaborative arrangements. Details for some of our collaborative agreements with recent activity follow. Details for our other significant agreements can be found in our 2012 Annual Report on Form 10-K

Roche—In May 2000, we granted Roche, through its Genentech unit, an exclusive license to our maytansinoid TAP technology for use with antibodies or other proteins that target HER2, such as trastuzumab. Under the terms of this agreement, Roche has exclusive worldwide rights to develop and commercialize maytansinoid TAP compounds that target HER2. In February 2013, the U.S. Food and Drug Administration, or FDA, granted marketing approval to Kadcyla. Roche is responsible for the manufacturing, product development and marketing of Kadcyla and any other products resulting from the agreement. We are compensated for any preclinical and clinical materials that we manufacture under the agreement. We received a $2 million non-refundable upfront payment from Roche upon execution of the agreement. We are also entitled to receive up to a total of $44 million in milestone payments, plus royalties on the commercial sales of Kadcyla and any other resulting products. Total milestones are categorized as follows:

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development milestones—$13.5 million; and regulatory milestones—$30.5 million. The marketing approval of Kadcyla in February 2013 triggered a $10.5 million regulatory milestone payment to us, which is included in license and milestone fees for the three and nine months ended March 31, 2013. We will receive royalty reports and payments related to sales of Kadcyla from Roche one quarter in arrears. In accordance with our revenue recognition policy, royalties on sales of Kadcyla for the period ended March 31, 2013 will be recorded in our fourth quarter of fiscal 2013.

Novartis— In October 2010, we entered into a three-year right-to-test agreement with Novartis. The agreement provides Novartis with the right to (a) test our TAP technology with individual antibodies selected by Novartis under a right-to-test, or research, license, (b) take exclusive options, with certain restrictions, to individual targets selected by Novartis for specified option periods and (c) upon exercise of those options, take exclusive licenses to use our TAP technology to develop and commercialize products for a specified number of individual targets on terms agreed upon at the inception of the right-to-test agreement. The Company received a $45 million upfront payment in connection with the execution of the right-to-test agreement, and for each development and commercialization license for a specific target, the Company is entitled to receive an exercise fee of $1 million and up to a total of $199.5 million in milestone payments, plus royalties on the commercial sales of any resulting products. The total milestones are categorized as follows: development milestones—$22.5 million; regulatory milestones—$77 million; and sales milestones—$100 million.

Effective March 29, 2013, we and Novartis amended the right-to-test agreement so that Novartis can take a license to develop and commercialize products directed at two pre-defined and related undisclosed targets, one target licensed on an exclusive basis and the other target initially licensed on a non-exclusive basis. We are entitled to a $3.5 million fee in connection with the execution of the amendment to the agreement. We may be required to credit this fee against future milestone payments if Novartis discontinues the development of a specified product under certain circumstances.

On March 29, 2013, Novartis also took the license referenced above under the right-to-test agreement, as amended, enabling it to develop and commercialize products directed at the two targets. We are entitled to a $1 million upfront fee with the execution of this license. Additionally, the execution of this license provides us the opportunity to receive milestone payments totaling $199.5 million (development milestones—$22.5 million; regulatory milestones—$77 million; and sales milestones—$100 million) or $238 million (development milestones—$22.5 million; regulatory milestones—$115.5 million; and sales milestones—$100 million), depending on the composition of any resulting products. Additionally, we are entitled to receive royalties on product sales, if any. Novartis also has the right to convert the noted non-exclusive license to an exclusive license, in which case we would be

entitled to receive a conversion fee and, depending on the composition of resultant products, an upward adjustment on milestone payments. In accordance with our revenue recognition policy, upon execution of the development and commercialization license taken by Novartis, we recorded $11.1 million of revenue, which is included in license and milestone fee revenue for the three and nine months ended March 31, 2013.

Amgen—In September 2000, we entered into a ten-year right-to-test agreement with Abgenix, Inc. which was later acquired by Amgen. The agreement provides Amgen with the right to (a) test our maytansinoid TAP technology with Amgen's antibodies under a right-to-test, or research, license, (b) take options, with certain restrictions, to individual targets selected by Amgen on either an exclusive or non-exclusive basis for specified option periods and (c) upon exercise of those options, take exclusive or non-exclusive licenses to use our maytansinoid TAP technology to develop and commercialize products for the specified targets on previously agreed-upon terms. Under the right-to-test agreement, in September 2009, November 2009 and December 2012, Amgen took three development and commercialization licenses and we received an exercise fee of $1 million for each license taken. We have deferred each $1 million exercise fee and are recognizing these amounts as revenue ratably over the respective estimated periods of our substantial involvement. For each development and commercialization license taken, we are entitled to receive an exercise fee of $1 million and up to a total of $34 million in milestone payments, plus royalties on the commercial sales of any resulting products. The total milestones per development and commercialization license are categorized as follows: development milestones — $9 million; regulatory milestones — $20 million; and sales milestones — $5 million. In November 2011, the Investigational New Drug (IND) applications for two compounds developed under the September 2009 and November 2009 development and commercialization licenses became active, which triggered two $1 million milestone payments to us. These payments are included in license and milestone fees for the nine months ended March 31, 2012.

Sanofi—In July 2003, we entered into a broad collaboration agreement with Sanofi (formerly Aventis) to discover, develop and commercialize antibody-based products. The product candidates (targets) currently in the collaboration include SAR3419 (CD19), SAR650984 (CD38), SAR566658 (DS6, also known as CA6) and at least one earlier-stage compound that has yet to be disclosed. For each of the targets included in the collaboration at this time, we are entitled to receive up to a total of $21.5 million in milestone payments, plus royalties on the commercial sales of any resulting products. The total milestones are categorized as follows: development milestones — $7.5 million; and regulatory milestones — $14 million. Through March 31, 2013, we have received and recognized an aggregate of $16 million in milestone payments under this agreement for compounds covered under this agreement now or in the past, including a $3 million milestone payment earned related to the initiation of a Phase IIb clinical trial (as defined in the agreement) for SAR3419, which is included in license and milestone fee revenue for the nine months ended March 31, 2012.

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To date, we have not generated revenues from our proprietary commercial product sales and we expect to incur significant operating losses for the foreseeable future. As of March 31, 2013, we had approximately $206.1 million in cash and cash equivalents compared to $160.9 million in cash and cash equivalents as of June 30, 2012.

We anticipate that future cash expenditures will be partially offset by collaboration-derived proceeds, including milestone payments, royalties and upfront fees. Accordingly, period-to-period operating results may fluctuate dramatically based upon the timing of receipt of the proceeds. We believe that our established collaboration agreements, while subject to specified milestone achievements, will provide funding to assist us in meeting obligations under our collaborative agreements while also 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. However, we cannot provide assurance that any such opportunities presented by additional strategic partners or alternative financing arrangements will be entirely available to us, if at all.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the U.S. 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, inventory and stock-based compensation. 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.

Royalty Revenue Recognition—Under our development and commercialization license agreements, we receive royalty payments based upon our licensees' net sales of covered products. Generally, under these agreements we are to receive royalty reports and payments from our licensees approximately one quarter in arrears, that is, generally in the second month of the quarter after the licensee has sold the royalty bearing product or products. We recognize royalty revenues when we can reliably estimate such amounts and collectability is reasonably assured. As such, we generally recognize royalty revenues in the quarter reported to us by our licensees, or one quarter following the quarter in which sales by our licensees occurred.

There were no other updates or significant changes to our critical accounting policies from those disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2012.

RESULTS OF OPERATIONS

Comparison of Three Months ended March 31, 2013 and 2012

Revenues

Our total revenues for the three months ended March 31, 2013 and 2012 were $25.0 million and $3.3 million, respectively. The $21.7 million increase in revenues in the three months ended March 31, 2013 from the same period in the prior year is attributable to an increase in research and development support revenue and license and milestone fees, partially offset by a decrease in clinical materials revenue, all of which are discussed below.

Research and development support revenue was $2.3 million for the three months ended March 31, 2013 compared with $1.3 million for the three months ended March 31, 2012. These amounts primarily represent research funding earned based on actual resources utilized under our agreements with our collaborators shown in the table below. Also included in research and development support revenue are fees for 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 research and development support revenue we earn is directly related to the number of our collaborators and potential collaborators, the stage of development of our collaborators' product candidates and the resources our collaborators allocate to the development effort. As such, the amount of research and development support revenue may vary widely from quarter to quarter and year to year. Total revenue recognized from research and development support from each of our collaborative partners in the three-month periods ended March 31, 2013 and 2012 is included in the following table (in thousands):

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Research and Development Support	Three Months Ended March 31, 2013	2012
Collaborative Partner:		
Amgen	$ 127	$ 277
Biotest	252	132
Lilly	160	164
Novartis	1,616	723
Other	102	24
Total	$ 2,257	$ 1,320

Revenues from license and milestone fees for the three months ended March 31, 2013 increased $21.0 million to $22.0 million from $999,000 in the same period ended March 31, 2012. Included in license and milestone fees for the three months ended March 31, 2013 was a $10.5 million regulatory milestone achieved under our collaboration agreement with Roche and $11.1 million of license revenue earned upon the execution of a development and commercialization license by Novartis. The amount of license and milestone fees we earn is directly related to the number of our collaborators and potential collaborators, the collaborators' advancement of the product candidates, and the overall success in the clinical trials of the product candidates. As such, the amount of license and milestone fees may vary widely from quarter to quarter and year to year. Total revenue from license and milestone fees recognized from each of our collaborative partners in the three-month periods ended March 31, 2013 and 2012 is included in the following table (in thousands):

License and Milestone Fees	Three Months Ended March 31, 2013	2012
Collaborative Partner:		
Amgen	$ 247	$ 279
Bayer HealthCare	—	521
Biotest	6	32
Novartis	11,090	—
Sanofi	167	167
Roche	10,500	—
Total	$ 22,010	$ 999

Deferred revenue of $65.0 million as of March 31, 2013 primarily represents payments received from our collaborators pursuant to our license agreements, including a $20 million upfront payment received from Lilly during fiscal 2012 and $38.4 million remaining of a $45 million upfront payment received from Novartis during fiscal 2011, both of which we have yet to earn pursuant to our revenue recognition policy.

Clinical materials revenue decreased $199,000 in the three months ended March 31, 2013 to $734,000 from $933,000 in the three months ended March 31, 2012. We are compensated at negotiated prices which are generally consistent with what other third-parties would charge. The amount of clinical materials revenue we earn, and the related cost of clinical materials charged to research and development expense, is directly related to the number of clinical trials our collaborators are preparing or 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 the supply of clinical-grade material to our collaborators for process development and analytical purposes. As such, the amount of clinical materials revenue and the related cost of clinical materials charged to research and development expense may vary significantly from quarter to quarter and year to year.

Research and Development Expenses

Our research and development expenses relate to (i) research to evaluate new targets and to develop and evaluate new antibodies, linkers and cytotoxic agents, (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 which also includes raw materials.

Research and development expense for the three months ended March 31, 2013 increased $4.4 million to $21.3 million from $16.9 million for the three months ended March 31, 2012. The increase was primarily due to (i) increased antibody development and supply expenses; (ii) decreased overhead utilization absorbed by the manufacture of clinical materials on behalf of our collaborators; and (iii) increased salaries and related expenses due primarily to additional headcount, increased incentive compensation and increased stock compensation costs. The number of our research and development personnel increased to 241 as of March 31, 2013 compared to 212 at March 31, 2012. A more detailed discussion of research and development expense in the period follows.

We are unable to accurately estimate which potential product candidates, 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 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 that we intend to advance to

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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 design 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 to be ineffective or to cause unacceptable 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 impractical 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.

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,	
Research and Development Expense	**2013**	**2012**
Research	$ 4,369	$ 4,070
Preclinical and Clinical Testing	6,395	5,665
Process and Product Development	1,938	1,736
Manufacturing Operations	8,616	5,462
Total Research and Development Expense	$ 21,318	$ 16,933

Research: Research includes expenses primarily associated with activities to identify and evaluate new targets and to develop and evaluate new antibodies, linkers and cytotoxic agents for our products and in support of our collaborators. Such expenses primarily include personnel, contract services, facilities and lab supplies. Research expenses for the three months ended March 31, 2013 increased $299,000 compared to the three months ended March 31, 2012. This increase is primarily the result of an increase in salaries and related expenses. We expect research expenses for fiscal 2013 to be marginally higher than fiscal 2012.

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, regulatory activities, 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, 2013 increased $730,000 to $6.4 million compared to $5.7 million for the three months ended March 31, 2012. This increase is primarily the result of an increase in salaries and related expenses and an increase in clinical trial costs due primarily to increased costs incurred for the IMGN529 trial, as well as the IMGN853 trial which initiated patient enrollment in the first quarter of fiscal 2013. Partially offsetting these increases, contract service expense decreased related to less cost for *in vivo* studies conducted during the current period related to IMGN289, a potential new linker and a cytotoxic agent than incurred during the prior period. We expect preclinical and clinical testing expenses for fiscal 2013 to be significantly higher than fiscal 2012 due to increased activities to advance our wholly owned product candidates.

Process and Product Development: Process and product development expenses include costs for development of clinical and commercial manufacturing processes for our own and collaborator compounds. Such expenses include the costs of personnel, contract services and facility expenses. For the three months ended March 31, 2013, total development expenses increased $202,000 compared to the three months ended March 31, 2012. This increase is primarily the result of an increase in salaries and related expenses. We expect process and product development expenses for fiscal 2013 to be marginally higher than fiscal 2012.

Manufacturing Operations: Manufacturing operations expense includes costs to manufacture preclinical and clinical materials for our own and our collaborator's product candidates, and quality control and quality assurance activities and costs to support the operation and maintenance of our conjugate manufacturing facility. Such expenses include personnel, raw materials for our and our collaborators' preclinical studies and clinical trials, development costs with contract manufacturing organizations, manufacturing supplies, and facilities expense. For the three months ended March 31, 2013, manufacturing operations expense increased $3.1 million to $8.6 million compared to $5.5 million in the same period last year. The increase in the three months ended March 31, 2013 as compared to the three months ended March 31, 2012 is primarily the result of (i) an increase in antibody development and supply expense driven primarily by timing of supply required for our IMGN853 program; (ii) an increase in salaries and related expenses; and (iii) a decrease in overhead utilization absorbed by the manufacture of clinical materials on behalf of our

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collaborators. Partially offsetting these increases, contract service expense decreased due primarily to decreased third-party quality assurance support activities and decreased linker development activities and cost of clinical materials revenue decreased due to decreased sales of such clinical materials to our partners. We expect manufacturing operations expense for fiscal 2013 to be significantly higher than fiscal 2012 due primarily to increased third-party costs to produce finished drug product for clinical use.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2013 decreased $26,000 from the three months ended March 31, 2012. This decrease is primarily due to a decrease in professional service fees, particularly patent expenses and consulting fees, partially offset by an increase in salaries and related expenses, particularly stock compensation cost. We expect general and administrative expenses for fiscal 2013 to be marginally higher than fiscal 2012.

Other (Expense) Income, net

Other (expense) income, net for the three months ended March 31, 2013 and 2012 is included in the following table (in thousands):

Other (Expense) Income, net	Three Months Ended March 31, 2013	2012
Interest Income	$ 27	$ 18
Other (Expense) Income, net	(66)	15
Total Other (Expense) Income, net	$ (39)	$ 33

Comparison of Nine Months ended March 31, 2013 and 2012

Revenues

Our total revenues for the nine months ended March 31, 2013 and 2012 were $31.7 million and $13.4 million, respectively. The $18.3 million increase in revenues in the nine months ended March 31, 2013 from the same period in the prior year is attributable to an increase in research and development support revenue, license and milestone fees and clinical materials revenue, all of which are discussed below.

Research and development support revenue was $5.7 million for the nine months ended March 31, 2013 compared with $3.3 for the nine months ended March 31, 2012. These amounts primarily represent research funding earned based on actual resources utilized under our agreements with our collaborators shown in the table below. Also included in research and development support revenue are fees for 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 research and development support revenue we earn is directly related to the number of our collaborators and potential collaborators, the stage of development of our collaborators' product candidates and the resources our collaborators allocate to the development effort. As such, the amount of research and development support revenue may vary widely from quarter to quarter and year to year. Total revenue recognized from research and development support from each of our collaborative partners in the nine-month periods ended March 31, 2013 and 2012 is included in the following table (in thousands):

Research and Development Support	Nine Months Ended March 31, 2013	2012
Collaborative Partner:		
Amgen	$ 339	$ 818
Biotest	705	436
Lilly	583	171
Novartis	3,934	1,867
Other	109	41
Total	$ 5,670	$ 3,333

Revenues from license and milestone fees for the nine months ended March 31, 2013 increased $15.2 million to $23.4 million from $8.2 million in the same period ended March 31, 2012. Included in license and milestone fees for the nine months ended March 31, 2013 was a $10.5 million regulatory milestone achieved under our collaboration agreement with Roche and $11.1 million of license revenue earned upon the execution of a development and commercialization license by Novartis. Included in license and milestone fees for the nine months ended March 31, 2012 was a $3 million milestone payment related to the initiation of Phase II clinical testing of SAR3419 achieved under our collaboration agreement with Sanofi and two $1 million milestone payments related to Phase I clinical testing of AMG595 and AMG172 achieved under our license agreements with Amgen. The amount of license and

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milestone fees we earn is directly related to the number of our collaborators and potential collaborators, the collaborators' advancement of the product candidates, and the overall success in the clinical trials of the product candidates. As such, the amount of license and milestone fees may vary widely from quarter to quarter and year to year. Total revenue from license and milestone fees recognized from each of our collaborative partners in the nine-month periods ended March 31, 2013 and 2012 is included in the following table (in thousands):

License and Milestone Fees	Nine Months Ended March 31, 2013	2012
Collaborative Partner:		
Amgen	$ 742	$ 2,879
Bayer HealthCare	521	1,318
Biogen Idec	—	270
Biotest	19	97
Centocor	—	19
Novartis	11,090	—
Sanofi	500	3,628
Roche	10,500	—
Total	$ 23,372	$ 8,211

Clinical materials revenue increased $801,000 in the nine months ended March 31, 2013, to $2.7 million from $1.9 million in the nine months ended March 31, 2012. We are compensated at negotiated prices which are generally consistent with what other third-parties would charge. The amount of clinical materials revenue we earn, and the related cost of clinical materials charged to research and development expense, is directly related to the number of clinical trials our collaborators are preparing or 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 the supply of clinical-grade material to our collaborators for process development and analytical purposes. As such, the amount of clinical materials revenue and the related cost of clinical materials charged to research and development expense 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, 2013 increased $17.0 million to $66.7 million from $49.7 million for the nine months ended March 31, 2012. The increase was primarily due to (i) increased antibody development and supply expenses; (ii) increased clinical trial costs; (iii) decreased overhead utilization absorbed by the manufacture of clinical materials on behalf of our collaborators; and (vi) increased salaries and related expenses due primarily to additional headcount, increased bonus compensation, increased health insurance costs and higher stock compensation cost. A more detailed discussion of research and development expense in the period follows.

We are unable to accurately estimate which potential product candidates, 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 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 that 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 design 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 to be ineffective or to cause unacceptable 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 impractical 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.

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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,	
Research and Development Expense	**2013**	**2012**
Research	$ 12,958	$ 12,458
Preclinical and Clinical Testing	20,244	15,538
Process and Product Development	5,774	5,303
Manufacturing Operations	27,698	16,354
Total Research and Development Expense	$ 66,674	$ 49,653

Research: Research includes expenses primarily associated with activities to identify and evaluate new targets and to develop and evaluate new antibodies, linkers and cytotoxic agents for our products and in support of our collaborators. Such expenses primarily include personnel, contract services, facilities and lab supplies. Research expenses for the nine months ended March 31, 2013 increased $500,000 compared to the nine months ended March 31, 2012. This increase is primarily the result of an increase in salaries and related expenses. We expect research expenses for fiscal 2013 to be marginally higher than fiscal 2012.

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, regulatory activities, 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 nine months ended March 31, 2013 increased $4.7 million to $20.2 million compared to $15.5 million for the nine months ended March 31, 2012. This increase is primarily the result of an increase in clinical trial costs due primarily to site expansion and higher patient enrollment for the IMGN901 007 study, increased costs incurred for the IMGN853 trial which was initiated during the second half of fiscal 2012, and data management costs incurred to finalize the IMGN388 study, as well as an increase in salaries and related expenses. We expect preclinical and clinical testing expenses for fiscal 2013 to be significantly higher than fiscal 2012 due to increased activities to advance our wholly owned product candidates.

Process and Product Development: Process and product development expenses include costs for development of clinical and commercial manufacturing processes for our own and collaborator compounds. Such expenses include the costs of personnel, contract services and facility expenses. For the nine months ended March 31, 2013, total development expenses increased $471,000 compared to the nine months ended March 31, 2012. This increase is primarily the result of an increase in salaries and related expenses. We expect process and product development expenses for fiscal 2013 to be marginally higher than fiscal 2012.

Manufacturing Operations: Manufacturing operations expense includes costs to manufacture preclinical and clinical materials for our own and our collaborator's product candidates, and quality control and quality assurance activities and costs to support the operation and maintenance of our conjugate manufacturing facility. Such expenses include personnel, raw materials for our and our collaborators' preclinical studies and clinical trials, development costs with contract manufacturing organizations, manufacturing supplies, and facilities expense. For the nine months ended March 31, 2013, manufacturing operations expense increased $11.3 million to $27.7 million compared to $16.4 million in the same period last year. The increase in the nine months ended March 31, 2013 as compared to the nine months ended March 31, 2012 is primarily the result of (i) an increase in antibody development and supply expense driven by our IMGN901, IMGN853, IMGN529 and IMGN289 programs; (ii) a decrease in overhead utilization absorbed by the manufacture of clinical materials on behalf of our collaborators; (iii) an increase in salaries and related expenses; and (iv) an increase in fill/finish costs driven by increased activities performed for our internal programs. We expect manufacturing operations expense for fiscal 2013 to be significantly higher than fiscal 2012 due primarily to increased third-party costs to produce finished drug product for clinical use.

General and Administrative Expenses

General and administrative expenses for the nine months ended March 31, 2013 increased $1.4 million to $16.1 million compared to $14.7 million for the nine months ended March 31, 2012. This increase is primarily due to an increase in salaries and related expenses, particularly stock compensation cost, and an increase in patent expenses. We expect general and administrative expenses for fiscal 2013 to be marginally higher than fiscal 2012.

Other (Expense) Income, net

Other (expense) income, net for the nine months ended March 31, 2013 and 2012 is included in the following table (in thousands):

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Other (Expense) Income, net	Nine Months Ended March 31, 2013	2012
Interest Income	$ 112	$ 40
Other Income (Expense), net	20	(1)
Total Other (Expense) Income, net	$ 132	$ 39

LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2013	June 30, 2012
	(In thousands)	
Cash and cash equivalents	$ 206,103	$ 160,938
Working capital	198,893	150,016
Shareholders' equity	139,002	83,890

	Nine Months Ended March 31, 2013	2012
	(In thousands)	
Cash used for operating activities	$ (48,687)	$ (18,115)
Cash used for investing activities	(2,357)	(1,838)
Cash provided by financing activities	96,209	4,007

Cash Flows

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, license fees, milestones and research funding. As of March 31, 2013, we had approximately $206.1 million in cash and cash equivalents. Net cash used for operations was $48.7 million and $18.1 million for the nine months ended March 31, 2013 and 2012, respectively. The principal use of cash in operating activities for all periods presented was to fund our net loss.

Net cash used for investing activities was $2.4 million and $1.8 million for the nine months ended March 31, 2013 and 2012, respectively, and primarily represents cash outflows for capital expenditures. Capital expenditures, primarily for the purchase of new equipment and leasehold improvements, were $2.4 million and $1.8 million for the nine-month periods ended March 31, 2013 and 2012, respectively.

Net cash provided by financing activities was $96.2 million and $4.0 million for the nine months ended March 31, 2013 and 2012, respectively, which represents proceeds from the exercise of approximately 378,000 and 863,000 stock options, respectively. Also, pursuant to a public offering in the current period, we issued and sold 6,250,000 shares of our common stock resulting in net proceeds of $94.0 million.

We anticipate that our current capital resources and expected future collaborator payments under existing collaborations will enable us to meet our operational expenses and capital expenditures through fiscal year 2015. However, we cannot provide assurance that such future collaborative agreement funding will, in fact, be received. 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.

Contractual Obligations

We are contractually obligated to make potential future success-based regulatory milestone payments in conjunction with certain collaborative agreements. These payments are contingent upon the occurrence of certain future events and, given the nature of these events, it is unclear when, if ever, we may be required to pay such amounts. Further, the timing of any future payment is not reasonably estimable. During the current period, our license agreement with Janssen Biotech was terminated and, accordingly, we are no longer obligated to make $41.0 million of potential future success-based milestone and third-party payments under such agreement. As of March 31, 2013, the maximum amount that may be payable in the future under our current collaborative agreements is approximately $2.0 million, $1.4 million of which is reimbursable by a third party under a separate agreement.

There have been no other material changes to our contractual obligations during the current period from those disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2012.

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Forward-Looking Statements

This quarterly report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to analyses and other information which are based on forecasts of future results and estimates of amounts that are not yet determinable. There are a number of factors that could cause actual events or results to be significantly different from those described in the forward-looking statements. Forward-looking statements might include, but are not limited to, one or more of the following subjects:

- 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 services;
- 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, 2012. 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.

OFF-BALANCE SHEET ARRANGEMENTS

None.

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ITEM 3. ***Quantitative and Qualitative Disclosure about Market Risk***

Our market risks, and the ways we manage them, are summarized in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of our Annual Report on Form 10-K for the fiscal year ended June 30, 2012. Since then there have been no material changes to our market risks or to our management of such risks.

ITEM 4.*Controls and Procedures*

(a) *Disclosure Controls and Procedures*

The Company’s management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Company’s principal executive officer and principal financial officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures were adequate and effective.

(b) *Changes in Internal Controls*

There have not been any changes in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1A. ***Risk Factors***

You should carefully review and consider the information regarding certain factors that could materially affect our business, financial condition or future results set forth under Item 1A. (Risk Factors) in our Annual Report on Form 10-K for the fiscal year ended June 30, 2012. In addition to the factors disclosed in our 2012 Annual Report on Form 10-K, please note the following additional risk factors:

Our revenues and operating results will likely fluctuate and may become more difficult to forecast in future periods.

On February 22, 2013, the FDA granted marketing approval to Kadcyla. Kadcyla was developed by Genentech (a member of the Roche group) under a license we granted to Genentech in May 2000, pursuant to which we are entitled to receive milestone payments plus royalties on commercial sales of Kadcyla. Roche and its affiliates have also applied for marketing approval of Kadcyla in Europe and Japan. As a result of the start of commercialization of Kadcyla in the U.S. and the possible marketing approvals elsewhere, we expect an increasing proportion of our revenue and operating results to derive from royalties based on the commercial sales of Kadcyla. These royalty revenues may fluctuate considerably because they depend upon, among other things, the rate of growth of sales of Kadcyla as well as the mix of U.S.-based sales and ex-U.S.-based sales. Kadcyla is currently the only product with respect to which we are entitled to receive royalties that has received marketing approval.

The Genentech agreement provides for separate tiered royalty structures with respect to sales in two territories: 1) the U.S. and 2) the rest of the world. The royalty rate Genentech must pay on sales in each of these two territories increases on incremental sales in a given calendar year in the applicable territory above certain net sales thresholds. As a result of the tiered royalty structure, Genentech's average royalty rate should increase over the course of a calendar year as more Kadcyla is sold in that year. However, we recognize royalty revenues in the quarter in which they are received, which are based on Kadcyla sales in the preceding quarter. Accordingly, we anticipate that the average royalty rate for payments we receive from Genentech will generally increase between the second quarter of one calendar year (our fourth fiscal quarter) and the first calendar quarter of the next (our third quarter of the next fiscal year) .

We depend on our collaborative partners for the determination of royalty payments. We may not be able to detect errors and payment calculations may call for retroactive adjustments.

The royalty payments we receive are determined by our collaborative partners based on their reported sales. Each collaborative partner's calculation of the royalty payments is subject to and dependent upon the adequacy and accuracy of its sales and accounting functions, and errors may occur from time to time in the calculations made by a collaborative partner. Our agreement with Genentech provides us the right to audit the calculations and sales data for the associated royalty payments; however, such audits may occur many months following our recognition of the royalty revenue, may require us to adjust our royalty revenues in later periods and generally require expense on our part.

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ITEM 6. ***Exhibits***

Exhibit No.	Description
10.1*	First Amendment, effective as of March 29, 2013, to Multi-Target Agreement by and between the Registrant and Novartis Institutes for BioMedical Research, Inc.
31.1	Certification of Principal 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 Principal Executive Officer and Principal Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* *Portions of this Exhibit were omitted, as indicated by [***], and have been filed separately with the Secretary of the Commission pursuant to the Registrant's application requesting confidential treatment.*

† *Furnished, not filed.*

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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 6, 2013

By: /s/ Daniel M. Junius
Daniel M. Junius
President, Chief Executive Officer(Principal Executive Officer)

Date: May 6, 2013

By: /s/ Gregory D. Perry
Gregory D. Perry
Executive Vice President, Chief Financial Officer(Principal Financial and Accounting Officer)

FIRST AMENDMENT
TO
MULTI-TARGET AGREEMENT

This First Amendment to Multi-Target Agreement (the **"First Amendment"**) is entered into and made effective as of the later date of the two signatures below (the **"First Amendment Effective Date"**), by and between **ImmunoGen, Inc.**, a Massachusetts corporation (**"ImmunoGen"**), with its principal place of business at 830 Winter Street, Waltham, Massachusetts 02451, and **Novartis Institutes for BioMedical Research, Inc.**, a Delaware corporation (**"Novartis"**), with its principal place of business at 250 Massachusetts Avenue, Cambridge, Massachusetts 02139. ImmunoGen and Novartis are sometimes each hereinafter referred to individually as a **"Party"** and collectively as the **"Parties."**

WHEREAS, the Parties have executed a Multi-Target Agreement effective as of October 8, 2010 (the **"Multi-Target Agreement"**); and

WHEREAS, the Parties desire to amend the Multi-Target Agreement as set forth herein; and

WHEREAS, the capitalized terms used in this First Amendment and not otherwise defined herein shall have the same meaning ascribed to them in the Multi-Target Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

1. **Amendment to Definitions.** Section 1.32 of the Multi-Target Agreement is deleted in its entirety and replaced with the following:

1.32 **License Agreement** means a written license agreement executed by the Parties pursuant to Section 3.2(a) hereof in the form set forth in (a) **Schedule A-1** attached hereto, with respect to any Exclusive License that does not authorize Novartis to develop and commercialize [***] ADC or (b) **Schedule A-2** attached hereto, with respect to any Exclusive License that authorizes Novartis to develop and commercialize [***] ADC (the **"**[***] **License Agreement"**).

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

2. **New Definitions.** The following definitions are added to the end of Section 1 of the Multi-Target Agreement:

1.68 [***] means the Target denoted [***] (UniProtKB/Swiss Prot accession number [***]).

1.69 [***] means the Target denoted [***] UniProtKB/Swiss Prot accession number [***]).

1.70 [***] **ADC** means an Ab-Cytotoxic Product in which the Antibody is an [***].

1.71 [***] **Antibody** means an Antibody that specifically binds to [***], where the Antibody's primary intended mechanism of action can be to bind to cells that express [***] (whether or not [***]) or to cells that express [***] (whether or not [***]).

3. **Amendment to Section 3 of the Multi-Target Agreement.** The following new Section 3.6 is added following Section 3.5 of the Multi-Target Agreement:

3.6 [***] **License.** Anything contained in this Agreement to the contrary notwithstanding:

(a) If Novartis exercises its Reserve Option with respect to [***], it may elect to enter into either (i) a License Agreement in the form of **Schedule A-1** attached hereto (which does *not* authorize the development and commercialization of [***] ADCs) or (ii) the [***] License Agreement.

(b) If Novartis elects to enter into the [***] License Agreement in connection with the exercise of its Reserve Option with respect to [***], then (i) any Holding Option or Reserve Option, as the case may be, with respect to [***] then outstanding shall automatically be [***] and (ii) upon such [***], the [***] number of Holding Options that Novartis may take during the Term shall be [***] from [***] to [***]; provided that from and after such date none of such Holding Options may be to [***].

(c) If Novartis elects to enter into the [***] License Agreement upon the exercise of its Reserve Option for [***], then the licenses with respect to [***] contained therein shall [***] against the [***] of [***] that Novartis is entitled to take pursuant to Section 3.3 of the Agreement.

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

4. **Upfront Fee.** In consideration of the rights granted to Novartis under this First Amendment, Novartis hereby agrees to pay ImmunoGen an upfront fee (the **"First Amendment Upfront Fee"**) in the amount of Three Million Five Hundred Thousand U.S. Dollars ($3,500,000.00) payable in

accordance with Section 5.4 of the Multi-Target Agreement within thirty (30) days following the later of the First Amendment Effective Date and receipt of a corresponding invoice substantially in the form of Schedule B attached to the Multi-Target Agreement, which First Amendment Upfront Fee shall be non-refundable and, except as set forth in the [***] License Agreement, non-creditable.

5. **Schedule A** to the Multi-Target Agreement is hereby re-designated **Schedule A-1**, and **Schedule A-2** to the Multi-Target Agreement shall be as set forth in **Schedule A-2** attached to this First Amendment.

6. The Parties hereby confirm and agree that, except as expressly amended hereby, the Multi-Target Agreement remains in full force and effect. References in the Multi-Target Agreement to "Agreement" mean the Multi-Target Agreement as amended by this First Amendment. Anything contained in this First Amendment to the contrary notwithstanding, if Novartis elects to enter into a License Agreement in the form of **Schedule A-1** upon exercise of a Reserve Option for [***] prior to entering into the [***] License Agreement, then Novartis shall thereafter not be entitled to enter into the [***] License Agreement and this First Amendment shall be automatically null and void, provided that ImmunoGen shall promptly refund to Novartis the full amount of any First Amendment Upfront Payment previously paid by Novartis to ImmunoGen.

7. This First Amendment may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each Party and delivered to the other Party, it being understood that both Parties need not sign the same counterpart. If any signature is delivered by facsimile transmission or by e-mail delivery of a "pdf" format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or "pdf" signature page were an original thereof.

[Remainder of page intentionally left blank.]

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be executed by their duly authorized representatives as of the respective dates written below.

IMMUNOGEN, INC.		**NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.**	
By:	/s/ Peter Williams	By:	/s/ C. Klee
Name:	Peter Williams	Name:	Christian Klee
Title:	Vice President	Title:	VP & CFO
Date:	June 8, 2012	Date:	3/29/2013

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

SCHEDULE A-2

FORM OF [***] LICENSE AGREEMENT

[See Attached]

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

LICENSE AGREEMENT

This License Agreement (this **"Agreement"**) is made effective as of March 29, 2013(1) (the **"Effective Date"**) by and between **ImmunoGen, Inc.**, a Massachusetts corporation (**"ImmunoGen"**), with its principal place of business at 830 Winter Street, Waltham, Massachusetts 02451, and **Novartis Institutes for BioMedical Research, Inc.**, a Delaware corporation (**"Novartis"**), with its principal place of business at 250 Massachusetts Avenue, Cambridge, Massachusetts 02139. ImmunoGen and Novartis are sometimes each hereinafter referred to individually as a **"Party"** and collectively as the **"Parties."**

WHEREAS, the Parties have entered into a Multi-Target Agreement, pursuant to which ImmunoGen granted Novartis the right to obtain licenses to certain Technology and associated Patent Rights Controlled by ImmunoGen on an exclusive basis with respect to individual Targets; and

WHEREAS, pursuant to the Multi-Target Agreement, Novartis has exercised a Reserve Option (as defined in the Multi-Target Agreement), pursuant to which the Parties have agreed to enter into this Agreement setting forth the terms and conditions of an exclusive license from ImmunoGen to Novartis with respect to the Licensed Targets;

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

1.1 "Ab-Cytotoxic Product" means any compound that incorporates, is comprised of, or is otherwise derived from, a conjugate of any Antibody with a Cytotoxic Compound.

1.2 "Accounting Standards" means, with respect to ImmunoGen, US GAAP (United States Generally Accepted Accounting Principles) and, with respect to Novartis and its Affiliates, the IFRS (International Financial Reporting Standards), in each case, as generally and

(1) Insert date of receipt by ImmunoGen of a Reserve Option exercise notice with respect to the Licensed Target.

consistently applied throughout the Party's organization. Each Party shall promptly notify the other in the event that it changes the accounting principles pursuant to which its records are maintained, it being understood that only internationally recognized accounting principles may be used (*e.g.*, IFRS, US GAAP, etc).

1.3 "Adverse Event" means any untoward medical occurrence in a human clinical trial subject or in a patient who is administered a Licensed Product, whether or not having a causal relationship with such Licensed Product, including, without limitation, any unfavorable and unintended sign (including, without limitation, abnormal laboratory findings of clinical concern), symptom or disease temporally associated with the use of such Licensed Product.

1.4 "Affiliate" means, with respect to a Person, any entity or person that controls, is controlled by, or is under common control with that Person. For the purpose of this definition, "control" or "controlled" means, direct or indirect, ownership 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 interest in the case of any other type of legal entity; status as a general partner in any partnership; or any other arrangement whereby the entity or person controls or has the right to control the board of directors or equivalent governing body of a corporation or other entity or the ability to cause the direction of the management or policies of a corporation or other entity. The Parties acknowledge that in the case of entities organized under the laws of certain countries where the maximum percentage ownership permitted by law for a foreign investor is less than fifty percent (50%), such lower percentage shall be substituted in the preceding sentence, provided that such foreign investor has the power to direct the management and policies of such entity. In the case of Novartis, "Affiliates" shall also expressly be deemed to include the Novartis Institute for Functional Genomics, Inc., the Friedrich Miescher Institute for Biomedical Research and their respective Affiliates. A Person shall be deemed an Affiliate of another Person only so long as it satisfies the foregoing definition.

1.5 "Antibody" means an antibody, whether polyclonal or monoclonal, multiple or single chain, recombinant or naturally occurring, whole or fragment, and any variants, derivatives or constructs thereof, including but not limited to, antigen binding portions including Fab, Fab', F(ab')2, Fv, dAb and CDR fragments, single chain antibodies (scFv), chimeric antibodies, diabodies and polypeptides (including humanized versions thereof) that contain at

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

least a portion of an immunoglobulin that is sufficient to confer specific antigen binding to a polypeptide.

1.6 "Applicable Laws" means all federal, state, local, national and supra-national laws, statutes, rules and regulations, including any rules, regulations, guidelines or requirements of Regulatory Authorities, securities regulatory authorities, national securities exchanges or securities listing organizations that may be in effect from time to time during the Term and applicable to a particular activity hereunder.

1.7 "BLA" means a biologics license application (within the meaning of 21 C.F.R. 601.2) filed with the FDA seeking Regulatory Approval to market and sell any Licensed Product as a biologic in the United States for a particular Indication within the Field.

1.8 "Business Day" means any day other than a Saturday, Sunday or other day on which banking institutions in New York, New York, Boston, Massachusetts, or Basel, Switzerland are required to be closed or are actually closed with legal authorization.

1.9 "Calendar Quarter" means, with respect to the first such Calendar Quarter, the period beginning on the Effective Date and ending on the last day of the calendar quarter within which the Effective Date falls, and thereafter each successive period of three (3) consecutive months ending on March 31, June 30, September 30 and December 31.

1.10 **"Calendar Year"** means, with respect to the first such Calendar Year, the period beginning on the Effective Date and ending on December 31 of the calendar year within which the Effective Date falls, and thereafter each successive period of twelve (12) consecutive months commencing on January 1 and ending on December 31.

1.11 **"Challenge"** means any challenge to the [***] or [***] of any of the Licensed Patent Rights, including, without limitation, (a) filing a declaratory judgment action in which any of the Licensed Patent Rights is alleged to be invalid or unenforceable; (b) citing prior art pursuant to 35 U.S.C. §301 or filing a request for re-examination of any of the Licensed Patent Rights pursuant to 35 U.S.C. §302 or §311; or (c) filing or commencing any re-examination, opposition, cancellation, nullity or similar proceeding against any of the Licensed Patent Rights in any country.

1.12 **"Change of Control"** means any of the following events: (a) any Third Party becomes the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the Total Voting Power of all Voting Securities of ImmunoGen then outstanding, as a result of a single

transaction or a series of related transactions; (b) ImmunoGen consolidates with or merges into a Third Party, or any such Third Party consolidates with or merges into ImmunoGen, in either event pursuant to a transaction in which more than fifty percent (50%) of the Total Voting Power of all Voting Securities of the surviving entity then outstanding is not held by the parties holding at least fifty percent (50%) of the Total Voting Power of all Voting Securities of ImmunoGen outstanding immediately prior to such consolidation or merger; or (c) ImmunoGen conveys, transfers or leases all or substantially all of its assets to a Third Party.

1.13 **"Commercialization"** or **"Commercialize"** means, with respect to any Licensed Product, any and all activities with respect to such Licensed Product relating to commercialization in the Field in the Territory, including pre-launch and launch activities, pricing and reimbursement activities, marketing, manufacturing for commercial sale, promoting, detailing, distributing, offering for sale and selling such Licensed Product, importing or exporting such Licensed Product for sale, conducting additional human clinical trials, reporting of Adverse Events and interacting with Regulatory Authorities regarding any of the foregoing. When used as a verb, "Commercialize" means to engage in Commercialization and "Commercialized" has a corresponding meaning.

1.14 **"Confidential Information"** means (a) with respect to Novartis, the identification of the Licensed Targets, all information and Technology related to Target-Binding Antibodies and otherwise included in any Regulatory Filings made, and Regulatory Approvals received, by Novartis with respect to Licensed Products; and (b) with respect to each Party, all information and Technology which is disclosed by or on behalf of such Party (in such capacity, the **"Disclosing Party"**) to the other Party (in such capacity, the **"Receiving Party"**) hereunder or to any of the Receiving Party's employees, consultants, subcontractors or Affiliates, except to the extent that the Receiving Party can demonstrate by written record or other suitable evidence that such information, (i) as of the date of disclosure is known to the Receiving Party or its Affiliates other than by virtue of a prior confidential disclosure by or on behalf of the Disclosing Party to the Receiving Party or its Affiliates; (ii) as of the date of disclosure is in, or subsequently enters, the public domain through no fault or omission of the Receiving Party or its Affiliates or their respective employees, consultants or subcontractors; (iii) is obtained by the Receiving Party from a Third Party without breach of any duty and without restriction on disclosure to or from the

Disclosing Party; or (iv) is independently developed by or for the Receiving Party without reference to or reliance upon any Confidential Information of the Disclosing Party.

1.15 **"Confidentiality Agreement"** means that certain Mutual Confidential Disclosure Agreement effective February 15, 2008 by and between ImmunoGen and Novartis.

1.16 **"Control"** or **"Controlled"** means, with respect to any Patent Rights, Technology or Proprietary Materials, the possession by a Party of the ability to grant a license or sublicense of such Patent Rights or Technology and the rights thereto or to supply such Proprietary Materials as contemplated in this Agreement without violating the terms of any arrangement or agreement between such Party or its Affiliates and any Third Party.

1.17 **"Cytotoxic Compound"** means MAY Compounds and/or IGN Compounds.

1.18 **"Development"** and **"Develop"** means, with respect to any Licensed Product, all activities with respect to such Licensed Product relating to research and development in connection with seeking, obtaining or maintaining any Regulatory Approval for such Licensed Product in the Field in the Territory, including, without limitation, all preclinical research and development activities, all human clinical studies (including, without limitation, clinical trial design and operations), test method development and stability testing, regulatory toxicology studies, formulation, all activities relating to developing the ability to manufacture any Licensed Product or any component thereof (including, without limitation, process development, manufacturing scale-up, development-stage manufacturing and quality assurance/quality control development), statistical analysis and report writing, preparing and filing Drug Approval Applications, reporting of Adverse Events, and all regulatory affairs related to the foregoing. When used as a verb, "Developing" means to engage in Development and "Developed" has a corresponding meaning.

1.19 **"Drug Approval Application"** means, with respect to a Licensed Product in a particular country or region, an application for Regulatory Approval to market and sell such Licensed Product in such country or region including, without limitation: (a) an NDA or sNDA; (b) a BLA or supplement BLA; (c) a counterpart of an NDA, sNDA, BLA or supplement BLA, including any MAA, in any country or region in the Territory; and (d) all supplements and amendments to any of the foregoing.

1.20 **"Excluded Target"** has the meaning ascribed to such term in the Multi-Target Agreement.

1.21 **"FDA"** means the United States Food and Drug Administration and any successor agency or authority thereto.

1.22 **"FDCA"** means the United States Food, Drug and Cosmetic Act, as amended.

1.23 **"**[***] **ADC"** means any Licensed Product in which the Antibody component is an [***] Antibody.

1.24 **"**[***] **Antibody"** means an Antibody that specifically binds to [***] and that is not an [***] Antibody. An [***] Antibody shall not be deemed to be an [***] Antibody if such Antibody binds to [***] with [***] that is [***] to have a [***] as part of an [***] directed to cells that express [***].

1.25 **"**[***] **ADC"** means any Licensed Product in which the Antibody component is an [***] Antibody.

1.26 **"**[***] **Antibody"** means an Antibody that specifically binds to [***], where the Antibody's primary intended mechanism of action can be to bind to cells that express [***] (whether or not [***]) or to cells that express [***] (whether or not [***]).

1.27 **"**[***] **ADC"** means any Licensed Product in which the Antibody component is an [***] Antibody.

1.28 **"**[***] **Antibody"** means an Antibody that specifically binds to [***] and that is not an [***] Antibody. An [***] Antibody shall not be deemed to be an [***] Antibody if such Antibody binds to [***] with [***] that is [***] to have a [***] as part of an [***] directed to cells that express [***].

1.29 **"Field"** means all human and veterinary therapeutic, prophylactic and diagnostic uses.

1.30 **"First Commercial Sale"** means the first sale of a Licensed Product, by or under the authority of Novartis, an Affiliate of Novartis, or their Sublicensees to a Third Party in a country following Regulatory Approval of such Licensed Product in that country or, if no such Regulatory Approval or similar approval is required, the date upon which such Product is first commercially launched in such country; provided that First Commercial Sale shall not include [***].

1.31 **"Generic Equivalent"** means with respect to any Licensed Product in a given country, [***] that (a) contains [***] as such Licensed Product or (b) is a [***].

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

1.32 **"GLP"** means all good laboratory practices under Title 21 of the United States Code of Federal Regulations, as amended from time to time.

1.33 **"GMP"** means all good manufacturing practices under Title 21 of the United States Code of Federal Regulations, as amended from time to time.

1.34 **"IGN Compound"** means any and all [***], whether produced by a botanical source, natural fermentation, chemical synthesis or otherwise, including, without limitation, all analogs, variants, fragments or derivatives of any of the foregoing, in each case owned or Controlled by ImmunoGen.

1.35 **"Improvements"** means any enhancement, improvement or modification to the Licensed Intellectual Property which is an (a) improvement to any [***], (b) improvement to methods of making any [***], (c) improvement to a [***] for making [***] (including, for example, [***] or [***] that create improvements in the [***] of such [***]), or (d) improvement to [***] or [***] useful for [***] a [***] to an [***], or (e) improvements to [***].

1.36 **"IND"** means (a) an Investigational New Drug Application (as defined in the FDCA and regulations promulgated thereunder) or any successor application or procedure required to initiate clinical testing of a Licensed Product in humans in the United States; (b) a counterpart to an Investigational New Drug Application that is required in any other country or region in the Territory before beginning clinical testing of a Licensed Product in humans in such country or region; and (c) all supplements and amendments to any of the foregoing.

1.37 **"Indication"** means any indication, disease or condition which can be treated, prevented, cured or the progression of which can be delayed. For purposes of clarity and not limitation, (a) distinctions between indications, diseases or conditions with respect to a Licensed Product shall be made by reference to the World Health Organization International Classification of Diseases and Related Health Publications, version 10 (including any updates or successors thereto) and (b) any indication, disease or condition that requires the [***] of a [***] in order to include such human indication, disease or condition in the [***] will be considered to be a separate Indication for purposes of this Agreement.

1.38 **"Initiation"** means, with respect to any clinical study, the first date that a human subject is dosed in such clinical study.

1.39 **"Joint Improvements"** means Improvements conceived or first reduced to practice jointly by (a) one or more employees of, or others obligated to assign inventions to,

ImmunoGen or any Affiliate of ImmunoGen, *and* (b) one or more employees of, or others obligated to assign inventions to, Novartis or any Affiliate of Novartis.

1.40 **"Joint Program Technology"** means any Program Technology (other than Joint Improvements) conceived or first reduced to practice jointly by (a) one or more employees of, or other persons obligated to assign inventions to, ImmunoGen or any Affiliate of ImmunoGen, *and* (b) one or more employees of, or other persons obligated to assign inventions to, Novartis or any Affiliate of Novartis.

1.41 **"Licensed Intellectual Property"** means the Licensed Patent Rights and the Licensed Technology.

1.42 **"Licensed Patent Rights"** means any Patent Rights that are owned or Controlled by ImmunoGen as of the Effective Date or become owned or Controlled by ImmunoGen during the Term (including ImmunoGen's interest in any Patent Rights claiming Joint Program Technology and Joint Improvements) that include one or more claims that cover Licensed Technology; provided, however, that Licensed Patent Rights shall expressly exclude [***].

1.43 **"Licensed Product"** means any product that incorporates, is comprised of, or is otherwise derived from, a conjugate of a Target-Binding Antibody Controlled by Novartis with a Cytotoxic Compound.

1.44 **"Licensed Target"** means each of the Targets set forth in **Schedule A** attached hereto and incorporated herein by reference, and **"Licensed Targets"** refers to both such Targets individually and collectively.

1.45 **"Licensed Technology"** means any and all Technology that is owned or Controlled by ImmunoGen as of the Effective Date or becomes owned or Controlled by ImmunoGen during the Term (including ImmunoGen's interest in any Joint Program Technology and Joint Improvements) that is necessary or useful for Novartis to exercise the license granted to it pursuant to Section 2.1(a) hereof; provided, however, that Licensed Technology shall expressly exclude any Proprietary Antibody Rights.

1.46 **"Loss of Market Exclusivity"** with respect to any Licensed Product in any country, shall be deemed to have occurred only if: (a) one or more Generic Equivalent(s) are being marketed by a Third Party in such country; and (b) Net Sales of such Licensed Product in that country during any Calendar Quarter following introduction of the Generic Equivalent(s)

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

have [***] or more in that country from the [***] Net Sales of such Licensed Product in such country over the last [***] Calendar Quarters ending prior to the introduction of such Generic Equivalent(s) (the **"Baseline Net Sales"**) and such [***] in Net Sales is attributable to the [***] or [***] in such country of a Generic Equivalent of such Licensed Product by a Third Party, in each case, in such country in any Calendar Quarter; provided that such Loss of Market Exclusivity shall be deemed to exist [***] of such Generic Equivalent(s) persist in such country.

1.47 **"MAA"** means an application filed with the relevant Regulatory Authorities 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.

1.48 **"Major EU Countries"** means [***].

1.49 **"Marketing Approval"** means, with respect to a Licensed Product in a Major EU Country, approval by the applicable Regulatory Authority of both (a) a Drug Approval Application for such Licensed Product in such country, and (b) [***] and [***] for such Licensed Product to permit the [***] for such Licensed Product from [***] or [***] in such country.

1.50 **"MAY Compound"** means any and all maytansinoid compounds (including, without limitation, maytansinol, ansamitocins, DM1 and DM4), whether produced by a botanical source, natural fermentation, chemical synthesis or otherwise, and shall include, without limitation, all variants, fragments or derivatives of any of the foregoing, in each case owned or Controlled by ImmunoGen.

1.51 **"MHLW"** means the Japanese Ministry of Health, Labour and Welfare.

1.52 **"Multi-Target Agreement"** means that certain Multi-Target Agreement effective as of October 8, 2010 by and between ImmunoGen and Novartis, as the same may be amended from time to time.

1.53 **"NDA"** means 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.

1.54 **"Net Sales"** means the net sales recorded by Novartis or any of its Affiliates or Sublicensees (but not distributors and wholesalers) for any Licensed Product sold to Third Parties other than Sublicensees in *bona fide*, arm's length transactions, as determined in accordance with Novartis' Accounting Standards as consistently applied, less a deduction of two

percent (2%) for direct expenses related to the sales of the Licensed Product, distribution and warehousing expenses and uncollectible amounts on previously sold products. The deductions booked on an accrual basis by Novartis and its Affiliates under its Accounting Standards to calculate the recorded net sales from gross sales include, without limitation, the following:

(a) normal trade and cash discounts;

(b) amounts repaid or credited by reasons of defects, rejections, recalls or returns;

(c) rebates and chargebacks to customers and Third Parties (including, without limitation, Medicare, Medicaid, Managed Healthcare and similar types of rebates);

(d) costs of free goods provided;

(e) amounts provided or credited to customers through coupons and other discount programs;

(f) delayed ship order credits, discounts or payments related to the impact of price increases between purchase and shipping dates;

(g) fee for service payments to customers for any non-separable services (including compensation for maintaining agreed inventory levels and providing information); and

(h) other reductions or specifically identifiable amounts deducted for reasons similar to those listed above in accordance with Novartis' Accounting Standards.

With respect to the calculation of Net Sales:

(i) Net Sales only include the value charged or invoiced on the first arm's length sale to a Third Party and sales between or among Novartis and its Affiliates and Sublicensees shall be disregarded for purposes of calculating Net Sales;

(ii) If a Licensed Product is delivered to the Third Party before being invoiced (or is not invoiced), Net Sales will be calculated at the time all the revenue recognition criteria under Novartis Accounting Standards are met;

(iii) In the event that the Licensed Product is sold as a bundled product that consists of Licensed Product together with another therapeutically active ingredient or product, or screening or diagnostic product, for the same Indication (a **"Combination"**), the Net Sales will be calculated by multiplying the Net Sales of the Combination (as defined using the Net Sales definition above) by the fraction, A/(A+B) where A is the weighted (by sales volume)

average sale price in the relevant country of the Licensed Product, and B is the weighted average sale price (by sales volume) in that country of the product(s) containing the other component(s) in finished form. Regarding prices comprised in the weighted average price when sold separately referred to above, if these are available for different dosages from the dosages of Licensed Product and other components that are included in the Combination, then the Parties shall mutually agree on the appropriate proportional adjustment to such prices in calculating the royalty-bearing Net Sales of the Combination. If the weighted average sale price cannot be determined for the Licensed Product or other component(s), the calculation of Net Sales for a Combination will be [***] based on the [***], such [***] to be [***] in [***] without [***].

1.55 "Novartis Improvements" means Improvements conceived or first reduced to practice by one or more employees of or others obligated to assign inventions to Novartis or any of its Affiliates or Permitted Third Party Service Providers in connection with the Development and Commercialization of any Licensed Product or otherwise based on, or resulting from, such employees' or others' [***] to or [***] of [***] or any [***] furnished by or on behalf of ImmunoGen to Novartis in connection with this Agreement.

1.56 "Novartis Standard Exchange Rate Methodology" means, with respect to amounts invoiced in U.S. Dollars, all such amounts shall be expressed in U.S. Dollars. With respect to amounts invoiced in a currency other than U.S. Dollars, all such amounts shall be expressed both in the currency in which the amount was invoiced and in the U.S. Dollar equivalent. The U.S. Dollar equivalent shall be calculated using Novartis' then-current standard exchange rate methodology, which is in accordance with applicable Accounting Standards, applied in its external reporting (which is ultimately based on official rates such as those published by the European Central Bank) for the conversion of foreign currency sales into U.S. Dollars.

1.57 "Patent Rights" means the rights and interests in and to any and all issued patents and pending patent applications (including inventor's certificates, applications for inventor's certificates, statutory invention registrations, applications for statutory invention registrations, utility models and any foreign counterparts thereof) 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.

1.58 **"Person"** means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision, department or agency of a government.

1.59 **"Personal Information"** means any information that can be used to identify, describe, locate or contact an individual, including but not limited to (a) name or initials; (b) home or other physical address; (c) telephone number; (d) email address or online identifier associated with the individual; (e) social security number or other similar government identifier; (f) employment, financial or health information; (g) information specific to an individual's physical, physiological, mental, economic, racial, political, ethnic, ideological, cultural or social identity; (h) photographs; (i) dates relating to the individual (except years alone); (j) financial account numbers; (k) genetic material or information; (l) business contact information and (m) any other information relating to an individual that, alone or in combination, with any of the above, can be used to identify an individual.

1.60 **"Phase I Clinical Study"** means, as to a particular Licensed Product, an initial clinical study in humans with the purpose of assessing the Licensed Product's safety, tolerability, toxicity, pharmacokinetics or other pharmacological properties.

1.61 **"Phase II Clinical Study"** means, as to a particular Licensed Product (a) for an oncology product, a clinical study in humans that is intended to obtain information on the Licensed Product's activity for an Indication at a prescribed (or otherwise limited) dose and administration schedule, as well as additional information on the Licensed Product's safety and toxicity, or (b) for a non-oncology product, a dose ranging clinical study in humans to evaluate further the efficacy and safety of the Licensed Product in the targeted patient population and to define the optimal dosing regimen. Without limiting the generality of the foregoing, a clinical study shall be deemed to be a "Phase II Clinical Study" hereunder if such study has been designated by the sponsor as a Phase II clinical trial on www.clinicaltrials.gov (or any successor website maintained by the U.S. National Institutes of Health (or any successor agency of the U.S. Government)).

1.62 **"Phase III Clinical Study"** means, as to a particular Licensed Product, a clinical study in humans that is prospectively designed to assess the safety and effectiveness of such Licensed Product in a manner sufficient to file a Drug Approval Application for the Indication under investigation in the study. Without limiting the generality of the foregoing, a clinical study shall be deemed to be a "Phase III Clinical Study" hereunder if such study has been designated by the sponsor as a Phase III clinical trial on www.clinicaltrials.gov (or any successor website maintained by the U.S. National Institutes of Health (or any successor agency of the U.S. Government)).

1.63 **"Preclinical Materials"** means any Licensed Product, Cytotoxic Compound, linker or other materials supplied by ImmunoGen to Novartis pursuant to Section 4.2 hereof for use in conducting research activities and testing (other than human clinical testing) with respect to a Licensed Product. For purposes of clarity, "Preclinical Materials" does not include any Drug Substance that may be manufactured by ImmunoGen for use in GLP toxicology studies (which will require a separate written agreement).

1.64 **"Program Technology"** means any Technology conceived or first reduced to practice in connection with the Development or Commercialization of any Licensed Product. Program Technology also includes any "Program Technology" (as defined in the Multi-Target Agreement) that is necessary or useful for Novartis to exercise the license granted to it pursuant to Section 2.1(a) hereof.

1.65 **"Proprietary Antibody Rights"** means all Technology (and associated Patent Rights) owned or Controlled by ImmunoGen during the Term constituting or claiming (a) the [***] or [***] of an Antibody that was generated or in-licensed by ImmunoGen, whether or not patentable (a **"Proprietary Antibody"**), or (b) the [***] or [***] of an [***] where the Antibody is a Proprietary Antibody. For purposes of clarity, "Proprietary Antibody Rights" does not include any Program Technology that relates to Antibodies directed to the Licensed Targets or any Patent Rights claiming such Program Technology.

1.66 **"Proprietary Materials"** means any tangible chemical, biological or physical research materials that are furnished by or on behalf of one Party to the other Party in connection with this Agreement, regardless of whether such materials are specifically designated as proprietary by the transferring Party. For purposes of clarity, any [***] furnished by

ImmunoGen to Novartis or an Affiliate or Sublicensee of Novartis or any of their Permitted Third Party Service Providers shall be deemed to be ImmunoGen's Proprietary Materials.

1.67 **"Regulatory Approval"** means any and all approvals (including pricing and reimbursement approvals), product and establishment licenses, registrations and authorizations of any kind of any Regulatory Authority necessary for the development, preclinical 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. The term "Regulatory Approval" shall include, without limitation, any approval by a Regulatory Authority of any NDA, BLA, MAA or other Drug Approval Application.

1.68 **"Regulatory Authority"** means the FDA or any counterpart to the FDA outside the United States, or other national, supra-national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity with authority over the distribution, importation, exportation, manufacture, production, use, storage, transport, clinical testing or sale of a Licensed Product.

1.69 **"Regulatory Filings"** means, collectively: (a) all INDs, NDAs, BLAs, establishment license applications, drug master files, applications for designation as an "Orphan Product" under the Orphan Drug Act, for "Fast Track" status under Section 506 of the FDCA (21 U.S.C. § 356) or for a Special Protocol Assessment under Section 505(b)(4)(B) and (C) of the FDCA (21 U.S.C. § 355(b)(4)(B)) or all other similar filings (including MAAs and counterparts to any of the foregoing in any country or region in the Territory) as may be required by any Regulatory Authority for the Development or Commercialization of a Licensed Product in the Territory; (b) all supplements and amendments to any of the foregoing; and (c) all data and other information contained in, and correspondence relating to, any of the foregoing.

1.70 **"Serious Adverse Event"** means an Adverse Event occurring at any dose of a drug that (a) results in death or poses a threat to life; (b) requires or prolongs hospitalization; (c) results in persistent or significant disability or incapacity; (d) is medically significant; or (e) results in a congenital anomaly or birth defect. In the case of other significant events, medical and scientific judgment should be exercised in deciding whether expedited reporting is appropriate. Such events may be important medical events that may not be immediately life-threatening or result in death or hospitalization but which may jeopardize the patient or may

require intervention to prevent one of the other outcomes listed in the definition above. Such events should usually be considered Serious Adverse Events.

1.71 **"Specific Ab-Cytotoxic Product"** means an Ab-Cytotoxic Product incorporating a Target-Binding Antibody owned or Controlled by Novartis.

1.72 **"Sublicensee"** means any Third Party to which Novartis or one of its Affiliates grants a sublicense of the rights granted to Novartis and its Affiliates pursuant to this Agreement.

1.73 **"Target"** means a protein described by [***] that is bound by an Antibody used to create an Ab-Cytotoxic Product.

1.74 **"Target-Binding Antibody"** means any of an [***] Antibody, an [***] Antibody and an [***] Antibody. For purposes of clarity, except with respect to an [***] Antibody, "Target-Binding Antibody" does [***].

1.75 **"Technology"** means, collectively, all inventions, discoveries, improvements, trade secrets and proprietary methods or materials, whether or not patentable, including, without limitation, macromolecular sequences, data, formulations, processes, techniques, know-how and results (including negative results).

1.76 **"Technology Transfer Materials"** has the meaning ascribed to such term in the Multi-Target Agreement.

1.77 **"Territory"** means all countries and jurisdictions of the world.

1.78 **"Third Party"** means any Person other than ImmunoGen, Novartis and their respective Affiliates.

1.79 **"Third Party Target Specific Rights"** means all Patent Rights in-licensed by ImmunoGen from a Third Party after the effective date of the Multi-Target Agreement claiming (a) the [***] or [***] specifically of either of the Licensed Targets, or (b) the [***] or [***] of an [***] or [***] binding to specifically either of the Licensed Targets.

1.80 **"Total Voting Power"** means at any time the total combined voting power in the general election of directors of ImmunoGen of all the Voting Securities then outstanding.

1.81 **"Valid Claim"** means any claim (a) 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) has not been disclaimed or otherwise dedicated to the public by ImmunoGen, and (v) is not lost through an interference proceeding and any appeals therefrom; or (b) in [***] within the Licensed Patent Rights that [***]. Anything contained in this Agreement to the contrary notwithstanding, a claim [***] within the Licensed Patent Rights shall remain a Valid Claim for all purposes under this Agreement, notwithstanding [***].

1.82 **"Voting Securities"** means, at any time, shares of any class of capital stock of ImmunoGen which are then entitled to vote generally in the election of directors of ImmunoGen.

Additional Definitions. In addition, each of the following definitions shall have the respective meanings set forth in the section of the Agreement indicated below:

Definition	Section
Active Development	3.3(b)
Agreement	Recitals
Alliance Manager	3.1(a)
Applicant	7.5(a)
Applicant Response	7.5(c)
Base Conversion Fee	5.1(b)(i)
Baseline Net Sales	1.46
Biosimilar Notice	7.5(a)
BPCIA	7.5(a)
Challenge Jurisdiction	5.3(e)
Challenged Patent Rights	5.3(e)
Challenge-Related Royalty Increase	5.3(e)
Clawback Amount	5.3(e)
Combination	1.54
Conversion Fee	5.1(b)(ii)
Conversion Request	2.1(a)(ii)
Conversion Response	2.1(a)(ii)
Disclosing Party	1.14

Disclosure Letter	9.1(b)
Dispute	11.12
Effective Date	Recitals
[***]	Schedule A
[***]	Schedule A
ImmunoGen	Recitals
ImmunoGen Indemnitees	10.1(a)
Indemnified Party	10.2
Indemnifying Party	10.2
Infringed Patent List	7.5(e)
Infringement	7.4(a)
Infringement Notice	7.4(a)
JDC	3.2(a)
Losses	10.1(a)
Material Breach	8.2(b)
Negotiation Period	7.5(e)
Novartis	Recitals
Novartis Indemnitees	10.1(b)
Novartis Response	7.5(d)
Other Required Information	7.5(b)
Party/Parties	Recitals
Permitted Third Party Service Providers	2.1(a)
Proposed Biosimilar Product	7.5(a)
Proposed Patent List	7.5(b)
Proprietary Antibody	1.65
Receiving Party	1.14
Rejection Notice	5.4
Royalty Term	5.5
Term	8.1
Third Party Claims	10.1(a)

Third Party Patent Rights	5.3(b)
Third Party Payments	5.3(b)
Upfront Fee	5.1(a)
Wind-Down Period	8.3(a)

2. GRANT OF RIGHTS

2.1 License Grants.

(a) Licenses to Novartis.

(i) Subject to the terms and conditions of this Agreement, ImmunoGen hereby grants to Novartis and its Affiliates an *exclusive*, non-transferable (except in accordance with Section 11.8 hereof), royalty-bearing license, including the right to grant sublicenses as described in Section 2.1(b) hereof, under the Licensed Intellectual Property to Develop, have Developed, Commercialize and have Commercialized Licensed Products that specifically bind to [***] in the Field in the Territory, where the Antibody component of any such Licensed Product may be either an [***] Antibody or an [***] Antibody.

(ii) Subject to the terms and conditions of this Agreement, ImmunoGen hereby grants to Novartis and its Affiliates a *non-exclusive*, non-transferable (except in accordance with Section 11.8 hereof), royalty-bearing license, including the right to grant sublicenses as described in Section 2.1(b) hereof, under the Licensed Intellectual Property to Develop, have Developed, Commercialize and have Commercialized Licensed Products that specifically bind to [***] in the Field in the Territory, but only to the extent that the Antibody component of such Licensed Product is an [***] Antibody. Novartis may at any time during the term of the Multi-Target Agreement provide written notice to ImmunoGen requesting the grant by ImmunoGen of an exclusive license with respect to Licensed Products that specifically bind to [***] (the **"Conversion Request"**). ImmunoGen shall provide a written response (the **"Conversion Response"**) to Novartis within [***] Business Days of ImmunoGen's receipt of the Conversion Request indicating whether or not, as of the date of ImmunoGen's receipt of the Conversion Request, [***] is an Excluded Target. If ImmunoGen timely provides a Conversion Response to Novartis indicating that [***] is not an Excluded Target, or if ImmunoGen fails to timely provide a Conversion Response, then ImmunoGen shall be deemed to have granted Novartis and its Affiliates an exclusive, non-transferable (except in accordance with Section 11.8

hereof), royalty-bearing license, including the right to grant sublicenses as described in Section 2.1(b) hereof, under the Licensed Intellectual Property to Develop, have Developed, Commercialize and have Commercialized Licensed Products that specifically bind to [***] in the Field in the Territory, where the Antibody component of any such Licensed Product may be either an [***] Antibody or an [***] Antibody. During the term of the Multi-Target Agreement, ImmunoGen will provide Novartis with written notice of its intention to take any action that would make [***] an [***] prior to taking such action, and shall take no such action during the period beginning on the date ImmunoGen provides such notice and ending [***] days after the date of Novartis' receipt of such notice.

(iii) Novartis shall have the right to engage one or more Affiliates or Third Parties (the latter being referred to herein as **"Permitted Third Party Service Providers"**) as subcontractors to perform designated functions in connection with its activities under this Agreement, provided that (A) Novartis shall [***] and (B) Novartis shall [***].

(b) Right to Sublicense. Novartis and its Affiliates shall have the right to grant sublicenses under the license rights granted to them under Section 2.1(a) hereof with respect to any Licensed Product to any Sublicensee, provided, that: (i) each such sublicense shall be consistent with the terms and conditions of this Agreement; (ii) Novartis shall [***]; (iii) Novartis shall [***]; and (iv) Novartis shall [***].

2.2 Retained Rights and Covenants.

(a) Retained Rights. Subject to the other terms of this Agreement (including, without limitation, Section 2.2(b) hereof), ImmunoGen retains the right to use the Licensed Technology and practice the Licensed Patent Rights (i) to perform its responsibilities under this Agreement (including, without limitation, the manufacture of Preclinical Materials and Licensed Product in bulk drug substance form as contemplated by Section 4 hereof); (ii) to develop, have developed, commercialize, have commercialized, make, have made, use, have used, sell, have sold, offer for sale, import, have imported, export and have exported [***] that [***] a Licensed Target while the [***] with respect to such Licensed Target [***] (and to grant licenses to any Third Party to do the same); and (iii) for any and all uses [***]. Notwithstanding the foregoing, no rights or licenses are granted to ImmunoGen or its Affiliates pursuant to this Section 2.2(a) under any intellectual property rights owned or Controlled by Novartis or its Affiliates. For the avoidance of doubt and subject to the last sentence of Section 2.1(a)(ii) hereof, ImmunoGen

retains the right to use the Licensed Technology and practice the Licensed Patent Rights to develop, have developed, commercialize, have commercialized, make, have made, use, have used, sell, have sold, offer for sale, import, have imported, export and have exported [***] (including, without limitation, any [***]) that binds to [***] while the [***] (and to grant licenses to any Third Party to do the same).

(b) Covenants. Notwithstanding anything to the contrary contained in Section 2.2(a) or 2.4 hereof, ImmunoGen hereby agrees that, during the period that the exclusive license granted under Section 2.1(a) hereof [***] remains in effect, it shall not [***]; provided that the foregoing shall not restrict ImmunoGen's right to [***]. For the avoidance of doubt and subject to the last sentence of Section 2.1(a)(ii) hereof, the foregoing covenant shall not apply to [***] that bind to [***] while the license with respect to [***] is [***].

2.3 Use of Licensed Technology. In connection with any Licensed Technology transferred to Novartis pursuant to this Agreement and except as otherwise provided in a separate written agreement between ImmunoGen and Novartis, Novartis hereby agrees that (a) it shall not use such Licensed Technology for any purpose other than exercising its rights and performing its obligations hereunder; (b) it shall use such Licensed Technology only in compliance with all Applicable Laws; (c) it shall not transfer any such Licensed Technology to any Affiliate or Third Party without the prior written consent of ImmunoGen, except as expressly permitted hereby; and (d) except for the rights expressly set forth herein, Novartis is not granted any other rights, title or interest in or to such Licensed Technology as a result of such transfer by ImmunoGen.

2.4 Improvement License to ImmunoGen. Novartis hereby grants to ImmunoGen a non-exclusive, fully paid, irrevocable, royalty-free, worldwide license, with the right to grant sublicenses, under Novartis' interest in any Novartis Improvements and Joint Improvements, including, without limitation, any Patent Rights therein, (a) to manufacture Preclinical Materials and Licensed Product in bulk drug substance form as contemplated by Section 4 hereof; (b) to develop, have developed, commercialize, have commercialized make, have made, use, have used, sell, have sold, offer for sale, import, have imported, export and have exported any [***] that [***] a Licensed Target while the exclusive license granted under Section 2.1(a) hereof remains in effect with respect to such Licensed Target and (c) to otherwise exploit such Improvement for any and all uses [***]. For the avoidance of doubt and subject to the last sentence in Section 2.1(a)(ii) hereof, ImmunoGen may exercise the rights granted to it under this Section 2.4

with respect to any [***] that binds to [***] while the [***] (and grant sublicenses to any Third Party to do the same). [***] shall be effective in any given case only if [***].

2.5 Specific Ab-Cytotoxic Products. Nothing in this Agreement shall constitute a grant or an obligation to grant by Novartis or any of its Affiliates to ImmunoGen or its Affiliates of any right, title, interest or license to any Specific Ab-Cytotoxic Product or to any Antibody owned or Controlled by Novartis related thereto or contained therein.

3. DEVELOPMENT AND COMMERCIALIZATION OF LICENSED PRODUCTS

3.1 Alliance Management.

(a) Appointment of Alliance Managers. Promptly after the Effective Date, the Parties shall each appoint a person who shall oversee contact between the Parties for all matters related to this Agreement and the Parties' respective activities hereunder (the **"Alliance Managers"**). The Alliance Managers may, but are not required to be, members of the JDC, but in all events the Alliance Managers shall have the right to attend all meetings of the JDC and may bring to the attention of the JDC, any matters or issues either of them reasonably believes should be discussed by such committee. Each Party may replace its Alliance Manager at any time by written notice to the other Party.

(b) Responsibilities. The Alliance Managers shall have the responsibility of creating and maintaining a constructive work environment between the Parties for all matters related to this Agreement and the Parties' respective activities hereunder. Without limiting the generality of the foregoing, the Alliance Managers shall:

(i) identify and bring to the attention of their respective managements any disputes arising between the Parties related to this Agreement or the Parties' respective activities hereunder in a timely manner, including, without limitation, any asserted occurrence of a Material Breach by a Party, and function as the point of first referral in the resolution of each dispute;

(ii) provide a single point of communication between the Parties with respect to this Agreement and the Parties' respective activities hereunder from the Effective Date until the termination or expiration of this Agreement;

(iii) plan and coordinate efforts and external communications by or between the Parties with respect to this Agreement and the Parties' respective activities hereunder;

(iv) take such steps as may be required to ensure that meetings of the JDC occur as set forth in this Agreement, that procedures are followed with respect to such meetings (including, without limitation, the giving of proper notice and the preparation and approval of minutes) and that relevant action items resulting from such meetings are appropriately carried out or otherwise addressed; and

(v) undertake such other responsibilities as the Parties may mutually agree in writing.

3.2 Joint Development Committee.

(a) Mandate and Establishment of Committee. Promptly after the Effective Date, the Parties shall form a joint development committee (the **"JDC"**) to serve as a forum for coordination and communication between the Parties with respect to the Development of Licensed Products, and to assist Novartis 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) nor more than five (5) each) for membership on the JDC. Each Party may change its representative(s) as it deems appropriate by written notice to the other Party. From time to time the JDC may establish one or more sub-teams comprised of an equal number of representatives from both Parties to undertake specific responsibilities of the JDC, which sub-teams shall be governed in the same manner and subject to the relevant requirements set forth herein for the JDC. Novartis may dissolve the JDC upon achievement of the first approval of a Drug Approval Application by the applicable Regulatory Authority for any Licensed Product or upon [***].

(b) Chair of Committee; Meetings. The chair of the JDC shall be one of the Novartis representatives on the JDC, as designated by Novartis. The JDC shall meet on a quarterly basis or other schedule agreed upon by the Parties, unless the Parties mutually agree in advance of any scheduled meeting that there is no need for such meeting. In such instance, the next JDC meeting shall also be scheduled as agreed upon by the Parties. The location of meetings of the JDC shall alternate between ImmunoGen's offices and Novartis' offices, unless otherwise agreed by the Parties. As agreed upon by the Parties, JDC meetings may be face-to-

face or may be conducted through teleconferences or videoconferences, provided that at least two (2) JDC meetings during any Calendar Year shall be conducted face-to-face. In addition to its JDC 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 its own costs and expenses, including travel and lodging expense, that may be incurred by JDC representatives or other attendees at JDC meetings, as a result of such meetings hereunder. Minutes of each JDC meeting will be issued to members of the JDC by the Alliance Manager (or his or her designee) of one of the Parties on an alternating basis within [***] days after each meeting, and such minutes shall be reviewed and modified as mutually required to obtain approval of such minutes promptly thereafter.

3.3 Development and Commercialization.

(a) Responsibility. On and after the Effective Date, Novartis shall have sole responsibility for the Development and Commercialization of Licensed Products in the Field in the Territory, including, without limitation: (i) the conduct of all research and preclinical Development activities (including, without limitation, the assessment of alternative designs for the Licensed Products, the selection of the final Target-Binding Antibodies, Cytotoxic Compounds and linkers to be used in the Licensed Products and the selection of the Licensed Products to be Developed, all preclinical and IND-enabling studies (including, without limitation, toxicology testing), any pharmaceutical development work on formulations and process development relating to any such Licensed Products); (ii) all activities related to human clinical trials; (iii) all activities relating to the manufacture and supply of Target-Binding Antibodies, Cytotoxic Compounds, linkers and Licensed Products, to the extent such activities relate to the Development and Commercialization of Licensed Products (including, without limitation, all required process development and scale-up work with respect thereto); and (iv) all Commercialization activities relating to any Licensed Product (including, without limitation, marketing, promotion, sales, distribution, import and export activities and any post-marketing trials and safety surveillance). Without limiting the generality of the foregoing, Novartis shall have full control and authority and sole responsibility for (A) making all Regulatory Filings for Licensed Products and filing all Drug Approval Applications and otherwise seeking all Regulatory Approvals regarding such matters and (B) reporting of all Adverse Events to Regulatory Authorities if and to the extent required by Applicable Laws. All activities relating

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

to Development and Commercialization of Licensed Products under this Agreement shall be undertaken at Novartis' sole cost and expense, except as otherwise expressly provided in this Agreement.

(b) Due Diligence. Novartis will use, and will cause any Sublicensee to use, commercially reasonable efforts to Develop Licensed Products and to undertake investigations and actions required to obtain appropriate Regulatory Approvals necessary to market Licensed Products, in the Field and in the Territory and, if approved, to Commercialize Licensed Products, such [***] to be in accordance with the efforts and resources Novartis would use for a compound owned by it or to which it has rights, and that is of [***] at a [***] as the applicable Licensed Product, taking into account the [***] of such Licensed Product, the [***] and [***] of such Licensed Product, the [***] requirements involved in its Development, Commercialization and Regulatory Approval, the [***] and [***] to [***] and [***] such Licensed Product [***], and other relevant factors including, without limitation, technical, legal, scientific or medical factors. In determining whether Novartis is using the efforts described in this Section 3.3(b) hereof to Develop a Licensed Product, the Parties shall consider, among other things, whether such Licensed Product is in Active Development. **"Active Development"** shall mean that at any given time Novartis or an Affiliate, Sublicensee or Permitted Third Party Service Provider shall be diligently engaging in one or more of the following Development activities for a given Licensed Product: [***]. Anything contained in this Agreement to the contrary notwithstanding, the obligations under this Section 3.3(b) shall cease upon achievement of the [***] of a [***] by the applicable [***] for any Licensed Product. During any period that the license with respect to [***] is [***], Novartis' obligations under this Section 3.3(b) shall apply [***] to Licensed Products that bind to [***]; provided, however, that Novartis' [***] diligence obligations with respect to Licensed Products that [***] may [***] be met by the Development of [***] ADC in a manner that meets such obligations.

(c) Compliance. Novartis shall use commercially reasonable efforts to perform its obligations to Develop Licensed Products in good scientific manner and in compliance in all material respects with all Applicable Laws, provided that, with respect to each activity so performed that will or would reasonably be expected to be submitted to a Regulatory Authority in support of an Regulatory Filing, Novartis shall comply in all material respects with the regulations and guidance of the FDA that constitute GLP or GMP (or, if and as appropriate

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

under the circumstances, other comparable regulation and guidance of any applicable Regulatory Authority in any country or region in the Territory).

3.4 Updates and Reports; Notification of Milestones; Exchange of Adverse Event Information; Product Recalls.

(a) Updates and Reports. [***], Novartis shall provide ImmunoGen with brief written reports, which ImmunoGen may request no more frequently than once per Calendar Year, until satisfaction of Novartis' obligations under Section 3.3(b) hereof, which shall summarize Novartis' efforts to Develop and Commercialize the Licensed Products in the Field in the Territory in sufficient detail to establish that a Licensed Product is in Active Development, identify the Drug Approval Applications that Novartis and its Affiliates and Sublicensees have filed, sought or obtained in the prior [***]-

month period, and any they reasonably expect to make, seek or attempt to obtain in the following [***]-month period. The Parties agree that the minutes of the JDC meetings may serve as reports hereunder, to the extent such minutes adequately address the above subject matter.

(b) Notification of Milestone Achievement. Novartis 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 5.2 hereof, which shall in any event be no later than [***] days after Novartis becomes aware of the occurrence of such event, and shall provide ImmunoGen with prompt written notice of the occurrence of the First Commercial Sale of any Licensed Product in any country. In the event that, notwithstanding the fact that Novartis has not given any such notice, ImmunoGen believes any such milestone event has occurred, it shall so notify Novartis in writing, and shall provide to Novartis the data and information demonstrating that the conditions for payment have been achieved. Within [***] Business Days of its receipt of such notice, the Parties shall confer to review the data and information and shall agree in good faith whether or not the conditions for payment have been achieved.

(c) Adverse Event Reports. In addition to the updates described in Section 3.2(a) hereof, Novartis shall provide ImmunoGen with all Adverse Event information and medical complaint information relating to Licensed Products as such information is compiled or prepared by Novartis in the ordinary course of business in connection with the Development or Commercialization of any Licensed Product, in accordance with the terms of a

pharmacovigilance agreement to be negotiated in good faith by the Parties and, in any event, within the time frames consistent with reporting obligations under Applicable Laws. Novartis shall hold the global safety database for all Licensed Products. Novartis shall be responsible for reporting all Adverse Events to Regulatory Authorities worldwide. Novartis shall be responsible for the core safety information to be included in the Investigators' Brochure and Core Data Sheet. To the extent that it may apply to a Licensed Product, ImmunoGen agrees to provide Novartis with Serious Adverse Event and product complaint information relating to any product containing an Ab-Cytotoxic Product that is compiled and prepared by ImmunoGen or any Third Party collaborator in the ordinary course of business in connection with the development, commercialization or sale of any such product, in accordance with the terms of the pharmacovigilance agreement; provided, however, that the foregoing shall not require ImmunoGen to violate any agreements with or confidentiality obligations owed to any Third Party.

(d) Correspondence for Licensed Products. To the extent reasonably practicable and subject to any Third Party confidentiality obligations, Novartis shall provide ImmunoGen with copies of any material documents or correspondence pertaining to ImmunoGen's manufacture of Preclinical Materials or any Licensed Product and prepared for submission to any Regulatory Authority and any material documents or other correspondence received from any Regulatory Authority pertaining to ImmunoGen's manufacture of Preclinical Materials or any Licensed Product. ImmunoGen shall complete its review within [***] Business Days after receipt of the proposed submission. When requested in writing, ImmunoGen shall use commercially reasonable efforts to provide reasonable assistance to Novartis in obtaining Regulatory Approvals for Licensed Product. Notwithstanding the foregoing, Novartis shall have the sole responsibility for, and ImmunoGen agrees that Novartis shall be the sole owner of, any Regulatory Approval for the Licensed Product.

(e) Product Recalls. In the event any Regulatory Authority issues or requests a recall or takes similar action with respect to a Licensed Product that Novartis reasonably believes is attributable to or otherwise relates to the Licensed Intellectual Property, or in the event either Party reasonably believes that an event, incident or circumstance has occurred that may result in the need for such a recall, such Party shall promptly notify the other Party thereof by telephone, facsimile or email. Following such notification, Novartis shall decide and have

control of whether to conduct a recall or market withdrawal (except in the event of a recall or market withdrawal mandated by a Regulatory Authority, in which case it shall be required) or take such other corrective action in any country and the manner in which any such recall, market withdrawal or corrective action shall be conducted, provided that Novartis shall keep ImmunoGen regularly informed regarding any such recall, market withdrawal or corrective action. Novartis shall bear all expenses of any such recall, market withdrawal or corrective action, including, without limitation, expenses of notification, destruction and return of the affected Licensed Product and any refund to customers of the amounts paid for such Licensed Product.

(f) Confidential Information. All reports, updates, Adverse Event reports, product complaints and other information provided by the Disclosing Party to the Receiving Party under this Agreement (including under this Section 3.4), shall be considered Confidential Information of the Disclosing Party, subject to the terms of Section 6 hereof.

3.5 Technology Transfer. The transfer of Technical Transfer Materials from ImmunoGen to Novartis in connection with Novartis' Development of Licensed Products hereunder is addressed in the Multi-Target Agreement. Upon reasonable request by Novartis, ImmunoGen shall use commercially reasonable efforts to provide Novartis with technical advice to assist Novartis in its use of the Technical Transfer Materials in connection with the Development of Licensed Products hereunder.

4. SUPPLY AND MANUFACTURING OBLIGATIONS

4.1 Supply of Materials. Novartis shall be responsible, at its sole cost, for manufacturing or having manufactured, all materials (including, without limitation, all Target-Binding Antibodies, Cytotoxic Compounds, linkers and Licensed Products) to enable it to Develop and Commercialize Licensed Products (including as required for any preclinical, clinical and commercial use of Licensed Products, including process development and scale-up). Notwithstanding the foregoing, Novartis shall promptly notify ImmunoGen whenever Novartis or an Affiliate or Sublicensee has, directly or indirectly, engaged any Third Party to provide any MAY Compound for use, or potential use, in the manufacture of any Licensed Product or any of its components.

4.2 Supply of Preclinical Materials by ImmunoGen. Notwithstanding anything to the contrary in Section 4.1 hereof, during the Term, Novartis may request ImmunoGen to supply Novartis with such quantities of Preclinical Materials as may be reasonably requested by Novartis in order to conduct all preclinical Development activities [***] relating to Licensed Products. With respect to any Cytotoxic Compound obtained by ImmunoGen from a Third Party and supplied to Novartis (in either conjugated or unconjugated form), ImmunoGen shall charge, and Novartis agrees to pay, [***] for such Cytotoxic Compound; provided that ImmunoGen shall [***] to Novartis to [***]. Any other Preclinical Materials that are supplied by ImmunoGen will be subject to [***]. In connection with such supply, Novartis hereby agrees that (a) it shall not use the Preclinical Materials in any human subject; and (b) it shall use the Preclinical Materials in compliance with all Applicable Laws. Novartis shall be entitled to transfer Preclinical Materials to any Affiliate, Sublicensee or Permitted Third Party Service Provider under terms obligating such Affiliate, Sublicensee or Permitted Third Party Service Provider not to transfer or use such Preclinical Materials except in compliance with the foregoing clauses (a) and (b) of the preceding sentence.

4.3 Process Development Activities; Supply of Drug Substance. If, during the Term, Novartis requests that ImmunoGen conduct (a) process development, (b) analytical method development, or (c) manufacturing and/or supply of Licensed Product in bulk drug substance form for any GLP toxicology studies, clinical studies, or commercial scale-up, but excluding pivotal studies and commercial supply, then the Parties shall negotiate in good faith the terms of a written master services and supply agreement pursuant to which the Parties would from time to time negotiate separate written work orders for each of the activities to be performed thereunder.

5. FINANCIAL TERMS

5.1 Upfront Fee; Conversion Fee; Credit of First Amendment Upfront Fee.

(a) Upfront Fee. In consideration of the grant of the license described in Section 2.1(a)(i) hereof, Novartis hereby agrees to pay ImmunoGen an upfront fee (the **"Upfront Fee"**) in the amount of One Million U.S. Dollars ($1,000,000.00) payable in accordance with Section 5.6(e) hereof within [***] days after the Effective Date and receipt of a corresponding

invoice substantially in the form attached hereto as **Schedule B**, which Upfront Fee shall be non-refundable and non-creditable.

(b) Conversion Fee. In consideration of the conversion of the non-exclusive license described in Section 2.1(a)(ii) hereof with respect to [***] to an exclusive license, Novartis hereby agrees to pay ImmunoGen a conversion fee in connection with such conversion, calculated as follows:

(i) If conversion occurs [***], the conversion fee (the **"Base Conversion Fee"**) shall be [***]; provided, however, that if ImmunoGen has [***], then the Base Conversion Fee shall be [***].

(ii) If conversion occurs [***], then the conversion fee shall be the sum of (A) the [***] plus (B) an amount equal to [***]. For illustrative purposes only, if conversion occurs [***] and Novartis has [***], then the conversion fee would be [***]. The Base Conversion Fee, as the same may be adjusted pursuant to this Section 5.1(b)(ii), is referred to herein as the **"Conversion Fee."**

(iii) The Conversion Fee is payable in accordance with Section 5.6(e) hereof within [***] days after the conversion of the non-exclusive license described in Section 2.1(a)(ii) hereof with respect to [***] to an exclusive license is effective and receipt of a corresponding invoice in substantially in the form attached hereto as **Schedule B**, which Conversion fee shall be non-refundable and non-creditable.

(c) Credit of First Amendment Upfront Fee. During the term of the Multi-Target Agreement, Novartis may provide written notice to ImmunoGen of its intention to [***] [***] of all [***] ADCs. As a result of the giving of such notice on a timely basis, ImmunoGen agrees to credit the amount of the First Amendment Upfront Fee against the [***] to [***] pursuant to Section 5.2 hereof; provided, however, that if Novartis provides such notice to ImmunoGen after Novartis has converted the non-exclusive license with respect to [***] to an exclusive license in accordance with Section 2.1(a)(ii) hereof, then the credit with respect to the First Amendment Upfront Fee described above shall not be available. After providing written notice to ImmunoGen of its intention to [***] of all [***] ADCs, (i) the scope of the licenses described in Section 2.1 hereof shall [***] unless and until Novartis shall have converted the non-exclusive license with respect to [***] into an exclusive license in accordance with Section 2.1(a)(ii) hereof and (ii) the non-exclusive license granted in Section 2.1(a)(ii), if it has

not theretofore been converted into an exclusive license pursuant to Section 2.1(a)(ii) hereof, shall immediately terminate.

5.2 Milestone Payments for Licensed Products. In further consideration of the grant of the license by ImmunoGen hereunder, and subject to the other terms of this Agreement, Novartis will make the following payments to ImmunoGen in accordance with Section 5.6(e) hereof within [***] days

after the first occurrence of each of the milestones set forth below and receipt of a corresponding invoice substantially in the form attached hereto as **Schedule B**:

I. [***] **ADCs**

Development Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]

Regulatory Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Sales Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

If (i) the milestone described in [***] above occurs before the milestone described in [***], *and* before or contemporaneously with the milestone described in [***] above, the milestone payment payable upon the occurrence of clause (d) above shall be increased from [***] to [***], and no milestone payment will be payable with respect to any subsequent [***], and

(ii) the milestone described in [***] above occurs before the milestones described in [***] above, the milestone payment payable upon the occurrence of [***] above shall be increased from [***] to [***], and no milestone payment will be payable with respect to any subsequent [***]. It is hereby acknowledged and agreed that any milestone payment described in this clause I shall be [***], with respect to [***], regardless of how many times [***]. All milestone payments shall be nonrefundable and, except as set forth in clause V of this Section 5.2, noncreditable. Novartis shall notify ImmunoGen of the achievement of each milestone hereunder as provided in Section 3.4(b) hereof.

II. [***] **ADCs**

Development Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]

Regulatory Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Sales Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

If (i) the milestone described in [***] above occurs before the milestone described in [***], *and* before or contemporaneously with the milestone described in [***] above, the milestone payment payable upon the occurrence of [***] above shall be increased from [***] to

[***], and no milestone payment will be payable with respect to any subsequent [***], and (ii) the milestone described in [***] above occurs before the milestones described in [***] above, the milestone payment payable upon the occurrence of [***] above shall be increased from [***] to [***], and no milestone payment will be payable with respect to any subsequent [***]. It is hereby acknowledged and agreed that any milestone payment described in this clause II shall be [***], with respect to [***], regardless of how many times [***]. All milestone payments shall be nonrefundable and, except as set forth in clause V of this Section 5.02, noncreditable. Novartis shall notify ImmunoGen of the achievement of each milestone hereunder as provided in Section 3.4(b) hereof.

III. [***] **ADCs (while** [***] **license is** [***]**)**

Development Milestones	Milestone Payment
(a) Initiation of first Phase I Clinical Study for an [***] ADC	$ 5.0 Million
[***]	[***]
[***]	[***]

Regulatory Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Sales Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

If (i) the milestone described in [***] above occurs before the milestone described in [***], *and* before or contemporaneously with the milestone described in [***] above, the milestone payment payable upon the occurrence of [***] above shall be increased from [***] to [***], and no milestone payment will be payable with respect to any subsequent [***], and (ii) the milestone described in [***] above occurs before the milestones described in [***] above, the milestone payment payable upon the occurrence of [***] above shall be increased from [***] to [***], and no milestone payment will be payable with respect to any subsequent [***]. It is hereby acknowledged and agreed that any milestone payment described in this clause III shall be [***], with respect to [***], regardless of how many times [***]. All milestone payments shall be nonrefundable and, except as set forth in clause V of this Section 5.02, noncreditable. Novartis shall notify ImmunoGen of the achievement of each milestone hereunder as provided in Section 3.4(b) hereof.

IV. [***] **Licensed Products (while** [***] **license is** [***]**)**

Development Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]

Regulatory Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Sales Milestones	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

If (i) the milestone described in [***] above occurs before the milestone described in [***], *and* before or contemporaneously with the milestone described in [***] above, the milestone payment payable upon the occurrence of [***] above shall be increased from [***] to [***], and no milestone payment will be payable with respect to any subsequent [***], and (ii) the milestone described in [***] above occurs before the milestones described in [***] above, the milestone payment payable upon the occurrence of [***] above shall be increased from [***] to [***], and no milestone payment will be payable with respect to any subsequent [***]. It is hereby acknowledged and agreed that any milestone payment described in this clause IV shall be [***], with respect to [***], regardless of how many times [***]. All milestone payments shall be nonrefundable and, except as set forth in clause V of this Section 5.02, noncreditable. Novartis shall notify ImmunoGen of the achievement of each milestone hereunder as provided in Section 3.4(b) hereof.

V. **Credits and Offsets**

(a) [***] ADC and [***] Development and Regulatory Milestones. If an [***] ADC achieves a milestone event described in [***] or [***] above, then no milestone payment shall be payable with respect to any subsequent achievement of the [***] by any [***] ADC or any [***] ADC. For illustrative purposes, if the [***], then no milestone payments are payable with respect to any subsequent [***].

(b) [***] ADC Development and Regulatory Milestones.

(i) If an [***] ADC achieves a milestone event described in [***] above while the license for [***] is [***], and an [***] ADC has previously achieved the [***], then no milestone payments are payable with respect to such achievement of the [***] by the [***] ADC. For illustrative purposes, if the [***], then no milestone payment is payable with respect to any [***] while the license for [***] is [***]. If an [***] achieves a milestone event described in [***] above while the license for [***] is [***], and an [***] ADC has previously achieved the [***], then the milestone payment otherwise payable upon the achievement of such event by the [***] ADC will be reduced by an amount equal to [***]. For illustrative purposes, if [***] by the FDA for the [***] of an [***] ADC occurs, and the subsequent [***] by the FDA

for the [***] of an [***] ADC occurs while the license for [***] is [***], then the milestone payment payable in connection with such event shall be reduced from [***] to [***].

(ii) If an [***] ADC achieves a milestone event described in [***] above while the license for [***] is [***], and an [***] ADC or an [***] ADC has previously achieved the [***], then the milestone payment otherwise payable upon achievement of such event by the [***] ADC will be reduced by an amount equal to [***], as the case may be. For illustrative purposes, if the [***], and the subsequent [***] occurs while the license for [***] is [***], then the milestone payment payable in connection with such event shall be reduced from [***] to [***].

(c) [***].

(i) If the [***] for which an [***] ADC obtains approval of a [***] by the FDA is [***], then (A) the milestone payable in connection with such event shall be reduced (x) from [***] to [***] if such event occurs while the license for [***] is [***] or (y) from [***] to [***] if such event occurs while the license for [***] is [***], and (B) a new milestone shall be payable in connection with [***] by the FDA for the [***] of an [***] ADC in the amount of (x) [***] if such new milestone event occurs while the license for [***] is [***] or (y) [***] if such new milestone event occurs while the license for [***] is [***]. If such new milestone payment is payable, Novartis shall notify ImmunoGen of the achievement of such milestone as provided in Section 3.4(b) hereof.

(ii) If the [***] for which an [***] ADC obtains [***] in [***] Major European Countries is [***], then (A) the milestone payable in connection with such event shall be reduced (x) from [***] to [***] if such event occurs while the license for [***] is [***] or (y) from [***] to [***] if such event occurs while the license for [***] is [***], and (B) a new milestone shall be payable in connection with [***] in [***] Major European Countries for the [***] of an [***] ADC in the amount of (x) [***] if such new milestone event occurs while the license for [***] is [***] or (y) [***] if such new milestone event occurs while the license for [***] is [***]. If such new milestone is payable, Novartis shall notify ImmunoGen of the achievement of such milestone as provided in Section 3.4(b) hereof.

(iii) If the [***] for a [***] ADC by the MHLW is solely for [***], then (A) the milestone payable in connection with such event shall be reduced (x) from [***] to

[***] if such event occurs while the license for [***] is [***] or (y) from [***] to [***] if such event occurs while the license for [***] is [***].

(iv) All adjustments to any particular milestone payment described in this Section 5.2 (both upward and downward) shall be calculated on a cumulative basis.

5.3 Payment of Royalties; Royalty Rates; Accounting for Royalties and Records.

(a) Royalty Payments. On a Licensed Product-by-Licensed Product and country-by-country basis, Novartis shall pay to ImmunoGen the following royalties based on Annual Net Sales of such Licensed Product sold by Novartis, its Affiliates and its Sublicensees, on an incremental basis in each Calendar Year during the Royalty Term, at the following rates:

For Worldwide Net Sales of a Licensed Product in a Calendar Year	Royalty Rate (% of Annual Net Sales)
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

(b) Third Party Royalty Offset. Subject to Sections 5.3(f) and 5.4 hereof, if, with respect to a Calendar Quarter, Novartis incurs any payments to one or more Third Parties under any license (including, without limitation, the payment incurred for a fully paid-up license) of such Third Party's Patent Rights (**"Third Party Patent Rights"**) that Novartis determines, [***], are (i) [***] to [***] or [***] the [***] (if such [***] is included [***]) or [***] of any Licensed Product or (ii) [***] necessary (A) to [***] the [***] (if [***] is included [***]) or [***] of any Licensed Product, or (B) to [***] a Licensed Product's [***] to its [***] (if the [***] of or the [***] for such Licensed Product is included within the Licensed Intellectual Property) (collectively, **"Third Party Payments"**), then Novartis shall have the right to reduce the royalties otherwise due to ImmunoGen pursuant to Section 5.3(a), 5.3(d) or 5.3(e) hereof (but not the royalties otherwise due to ImmunoGen pursuant to Section 5.3(c) hereof) with respect to Net Sales of such Licensed

Products in the country(ies) covered by such Third Party license in such Calendar Quarter by an amount equal to [***] of the amount of such Third Party Payments. If, after the Effective Date, Novartis wishes to license any Third Party Patent Rights pursuant to

subsection (ii) above, then prior to taking a license for such Third Party Patent Rights, the Parties shall [***] in [***] the basis for Novartis' determination. Nothing in this Agreement shall restrict Novartis' right to license any Third Party Patent Rights; provided, however, that if ImmunoGen in good faith disputes Novartis' determination that any Third Party Payments thereunder are properly subject to the royalty offset set forth in this Section 5.3(b), then such matter will be addressed under the dispute resolution provisions of Section 11.12 hereof.

(c) Valid Claim Coverage.

(i) No Patent Coverage. Subject to Section 5.3(f) hereof, the royalty rates set forth in Sections 5.3(a), 5.3(d) and 5.3(e) hereof shall apply, on a country-by-country basis and Licensed Product-by-Licensed Product basis, to Net Sales of Licensed Products only where such Licensed Product (or its use, sale, offer for sale or importation) in such country is covered by a Valid Claim within the Licensed Patent Rights. Subject to the other terms of this Agreement (except for Section 5.3(b) hereof, which shall not apply), on a country-by-country and Licensed Product-by-Licensed Product basis where and as of and when the royalty rates under Sections 5.3(a), 5.3(d) and 5.3(e) hereof do not apply as a result of this Section 5.3(c)(i) hereof, the royalties payable with respect to Net Sales of such Licensed Product sold by Novartis, its Affiliates and its Sublicensees in such country shall be reduced by [***] of the royalties otherwise owed to ImmunoGen pursuant to Section 5.3(a) or 5.3(e) hereof, as applicable, without giving effect to any royalty reduction provided in Section 5.3(d) hereof, using the methodology outlined in **Schedule C** attached hereto. The Parties hereby acknowledge and agree that such royalties shall be in consideration of the commercial advantage, know-how and background information gained from the Licensed Technology.

(ii) Applicability of Royalty Rates. For purposes of clarity, (A) if a Licensed Product (or its manufacture, use, sale, offer for sale or importation) is covered by a Valid Claim in a country within the Territory such that royalties are paid by Novartis pursuant to Section 5.3(a), 5.3(d) or 5.3(e) hereof and, prior to the expiration of the Royalty Term for such Licensed Product in such country, the Licensed Product (and its manufacture, use, sale, offer for sale or importation) is no longer covered by a Valid Claim in such country, Novartis shall pay ImmunoGen a royalty at the rate set forth in Section 5.3(c)(i) hereof for the portion of the Royalty Term during which no such Valid Claim exists in such country; and (B) if a Licensed Product (or its manufacture, use, sale, offer for sale or importation) is not covered by a Valid

Claim in a country within the Territory such that royalties are paid by Novartis pursuant to Section 5.3(c)(i) hereof and, prior to the expiration of the Royalty Term for such Licensed Product in such country, the Licensed Product (or its manufacture, use, sale, offer for sale or importation) becomes covered by a Valid Claim within the Licensed Patent Rights in such country, Novartis shall pay ImmunoGen a royalty at the rates set forth in Section 5.3(a), 5.3(d) or 5.3(e) hereof, as applicable, for that portion of the Royalty Term during which such Valid Claim exists in such country.

(d) Loss of Market Exclusivity. Subject to Section 5.3(f) hereof, if, with respect to a Calendar Quarter, Novartis, its Affiliates or Sublicensees experiences a Loss of Market Exclusivity for a Licensed Product in any country, then Novartis shall have the right to reduce the royalties otherwise due to ImmunoGen pursuant to Section 5.3(a) or 5.3(e) hereof (but not the royalties otherwise due to ImmunoGen under Section 5.3(c) hereof) with respect to Net Sales in such country of such Licensed Products in such Calendar Quarter as described below, in each case using a methodology similar to that outlined in **Schedule C** attached hereto. In calculating royalty reductions pursuant to this Section 5.3(d), the applicable WARR (as defined in **Schedule C**) shall be multiplied by a percentage which is equal to a fraction, the numerator of which is the actual Net Sales of the Licensed Product in the country for the applicable Calendar Quarter during the period of Loss of Market Exclusivity, and the denominator of which is the Baseline Net Sales of the Licensed Product in such country; provided, however, that (i) if the percentage referred to above is greater than [***], no reductions shall be made pursuant to this Section 5.3(d) with respect to Net Sales of the Licensed Product in such country for such Calendar Quarter; and (ii) such percentage shall never be less than [***], regardless of whether Net Sales of such Licensed Product in such country for such Calendar Quarter are less than [***] of the applicable Baseline Net Sales.

(e) Effect of Challenge. In further consideration of the grant by ImmunoGen of the license hereunder and except to the extent the following is unenforceable under the Applicable Laws of a particular jurisdiction where a patent application within the Licensed Patent Rights is pending or a patent within the Licensed Patent Rights is issued, if Novartis or any Affiliate or Sublicensee of Novartis initiates a Challenge or induces or assists a Third Party in initiating or prosecuting a Challenge (the Licensed Patent Rights subject to such Challenge being referred to herein as the **"Challenged Patent Rights"**), then during the period that such

Challenge is pending, the royalty rates set forth in Section 5.3(a) hereof shall be increased by an additional [***] of annual Net Sales (the **"Challenge-Related Royalty Increase"**) in the country(ies) in which the Challenged Patent Rights were issued (each, a **"Challenge Jurisdiction"**) commencing on the date of such initiation or the date Novartis, its Affiliates or Sublicensees first induces or provides assistance to such Third Party, as applicable, but only with respect to Net Sales of Licensed Products in the applicable Challenge Jurisdictions. If, following the conclusion of such Challenge in the Challenge

Jurisdiction, any Valid Claim within the Challenged Patent Rights covers any Licensed Product in such Challenge Jurisdiction, then the Challenge-Related Royalty Increase shall [***] with respect to Net Sales of Licensed Products in the Challenge Jurisdiction and Novartis shall reimburse ImmunoGen for its costs and expenses (including, without limitation, reasonable attorneys' and experts' fees and expenses of litigation) incurred in responding to the Challenge within [***] days of receiving invoice(s) therefor from ImmunoGen substantially in the form of **Schedule B** attached hereto, which shall set forth in reasonable detail the basis for the charges for which ImmunoGen is seeking reimbursement. If, following the conclusion of the Challenge, no Valid Claim within the Challenged Patent Rights in the Challenge Jurisdiction covers any Licensed Product (or its manufacture, use, sale, offer for sale or importation), then ImmunoGen shall reimburse Novartis for all amounts paid with respect to the Challenge-Related Royalty Increase actually paid by Novartis to ImmunoGen with respect to the Challenge Jurisdiction (the **"Clawback Amount"**) as follows: (1) Novartis shall be entitled to credit [***] percent ([***]%) of each royalty payment due under Section 5 hereof as they become due from and after the date of the conclusion of such Challenge in such Challenge Jurisdiction against the Clawback Amount until reimbursed in full, and (2) any unreimbursed portion of the Clawback Amount outstanding at the conclusion of the Royalty Term in all countries in the Territory shall be paid to Novartis within [***] days after receipt by ImmunoGen of an invoice from Novartis therefor.

(f) Minimum Royalty Rate. Anything contained in this Agreement to the contrary notwithstanding, none of the reductions to royalties provided in Sections 5.3(b), 5.3(c) and 5.3(d) hereof, shall, individually or in the aggregate, reduce the royalties payable with respect to Net Sales of any Licensed Product sold by Novartis, its Affiliates and its Sublicensees in any country during the Royalty Term by more than [***] of the royalties otherwise owed to

ImmunoGen pursuant to Section 5.3(a) or 5.3(e), as applicable, without giving effect to any royalty reduction provided in Section 5.3(b), 5.3(c) or 5.3(d) hereof.

5.4 Third Party Target Specific Rights. Within [***] Business Days after the Effective Date, ImmunoGen shall notify Novartis in writing of the existence of any Third Party Target Specific Rights within the Licensed Patent Rights, and shall provide Novartis with a copy of the license agreement covering such Third Party Target Specific Rights. Anything contained in this Agreement to the contrary notwithstanding, Novartis shall be solely responsible for all [***] and [***] payments associated with such Third Party Target Specific Rights to the extent they become payable as a result of ImmunoGen's grant to Novartis and its Affiliates of the license pursuant to Section 2.1 hereof or the Development and Commercialization of Licensed Products hereunder (retroactive back to the Effective Date and without any right of offset pursuant to Section 5.3(b) hereof) unless, within [***] Business Days after Novartis' receipt of such notice, Novartis notifies ImmunoGen that it is unwilling to assume the financial obligations associated with such Third Party Target Specific Rights as described above (a **"Rejection Notice"**). If Novartis delivers a Rejection Notice to ImmunoGen, then ImmunoGen may [***] under any such Third Party Target Specific Rights, and will notify Novartis if it elects to [***] such [***]. Novartis shall be solely responsible, at its own expense, for securing any rights under the Third Party Target Specific Rights after delivery of a Rejection Notice. For purposes of clarity, notwithstanding Novartis' delivery of a Rejection Notice pursuant to this Section 5.4, the remaining terms and conditions of this Agreement shall remain in full force and effect.

5.5 Royalty Term. Novartis shall pay royalties with respect to each Licensed Product on a country-by-country and Licensed Product-by-Licensed Product basis until the last of (a) [***] years from the First Commercial Sale of such Licensed Product in such country or (b) the expiration of the last to expire Valid Claim within the Licensed Patent Rights which covers the Licensed Product (or its manufacture, use, sale, offer for sale or importation) in such country (the **"Royalty Term"**).

5.6 Payment Terms.

(a) Reserved.

(b) Payment of Royalties; Royalty Reports. Within [***] days after each Calendar Quarter during the term of this Agreement following the First Commercial Sale of a Licensed Product, Novartis will provide to ImmunoGen a written report or reports showing each

of: (i) the gross sales (if available) and the Net Sales in each country's currency of each Licensed Product in the Territory during the reporting period by Novartis and its Affiliates and Sublicensees; (ii) the applicable exchange rate to convert from each country's currency to U.S. Dollars under Section 5.6(c) hereof; (iii) the applicable royalty rate(s) under this Agreement, and (iv) the royalties payable, in U.S. Dollars, which shall have accrued hereunder with respect to such Net Sales. After receipt of such report, ImmunoGen shall submit an original invoice to Novartis substantially in the form of **Schedule B** attached hereto with respect to the royalty amount due to ImmunoGen. Novartis shall make any royalty payments owed to ImmunoGen in U.S. Dollars, quarterly within [***] days following the receipt of the applicable invoice from ImmunoGen.

(c) Accounting. All payments hereunder shall be made in U.S. dollars. Royalties shall be calculated based on Net Sales in U.S. Dollars, with conversion of Net Sales in each country to U.S. Dollars according to the Novartis Standard Exchange Rate Methodology.

(d) No Set-Off; Tax Withholding. All payments made by Novartis to ImmunoGen hereunder shall be made without set-off or counterclaim and free and clear of any taxes, duties, levies, fees or charges, except for withholding taxes, if any. Novartis shall make any applicable withholding payments due on behalf of ImmunoGen and shall provide ImmunoGen with reasonable proof of payment of such withholding taxes, together with an accounting of the calculations of such taxes, within [***] days after such payment is remitted to the proper authority. Any withheld tax remitted by Novartis to the proper authority shall be treated as having been paid by Novartis to ImmunoGen for all purposes of this Agreement. The Parties will cooperate reasonably in completing and filing documents required under the provisions of any Applicable Laws in connection with the making of any required withholding tax payment, or in connection with any claim to a refund of or credit for any such payment.

(e) Wire Transfers. All payments hereunder shall be made to ImmunoGen in U.S. Dollars by bank wire transfer in immediately available funds to the account designated by ImmunoGen in the invoice for such payments; provided, however, that payment by means of a [***] and delivered to the address for ImmunoGen provided in accordance with Section 11.1 hereof shall not be deemed a breach of this Section 5.4(b); and provided, further, that the date of payment by [***] funds shall be the date of ImmunoGen's [***].

5.7 Overdue Payments. Subject to the other terms of this Agreement, any payments hereunder not paid within the applicable time period set forth herein shall bear interest from the due date until paid in full, at a rate per annum equal to the lesser of (a) [***] or (b) the maximum interest rate permitted by applicable law in regard to such payments, calculated on the number of days such payments are paid after the date such payments are due; provided, that with respect to any disputed payments, no interest payment shall be due until such dispute is resolved and the interest which shall be payable thereon shall be based on the finally-resolved amount of such payment, calculated from the original date on which the disputed payment was due through the date on which payment is actually made. Such payments when made shall be accompanied by all interest so accrued. Such interest and the payment and acceptance thereof shall not negate or waive the right of ImmunoGen to any other remedy, legal or equitable, to which it may be entitled because of the delinquency of the payment.

5.8 Records Retention; Audit.

(a) Records Retention. Commencing as of the date of First Commercial Sale of the first Licensed Product, Novartis and its Affiliates and 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 Novartis or its Affiliates or Sublicensees, as the case may be, of each Licensed Product, in sufficient detail to allow the accuracy of the royalties to be confirmed.

(b) Audit. Subject to the other terms of this Section 5.8(b), at the request of ImmunoGen, upon at least [***] days prior written notice to Novartis, but no more often than [***] per Calendar Year and not [***] with respect to records covering any specific period of time, and at its sole expense (except as otherwise provided herein), Novartis shall permit an internationally recognized independent accounting firm reasonably selected by ImmunoGen and reasonably acceptable to Novartis to inspect (during regular business hours) at such place or places where such records are customarily kept the relevant records required to be maintained by Novartis and its Affiliates and Sublicensees under Section 5.8(a) hereof. At ImmunoGen's request, the independent accounting firm shall be entitled to audit the [***] years of Novartis' records solely for purposes of verifying the items set forth in Section 5.8(a) hereof. Before beginning its audit, the independent accounting firm shall enter into a confidentiality agreement with both Parties substantially similar to the provisions of Section 6 hereof limiting the disclosure and use of such information by such independent accounting firm to authorized

representatives of the Parties and the purposes germane to this Section 5.8 with the limitation that the independent accounting firm shall have the right to disclose to ImmunoGen only its conclusions regarding any payments owed under this Agreement. The independent accounting firm shall provide its audit report and basis for any determination to Novartis at the time such report is provided to ImmunoGen. Novartis and ImmunoGen shall each have the right to request a further determination by such independent accounting firm as to matters which such Party disputes within [***] days following receipt of such report. The Party initiating a dispute will provide the other Party and the independent accounting firm with a reasonably detailed statement of the grounds upon which it disputes any findings in the audit report and the independent accounting firm shall undertake to complete such further determination within [***] days after the dispute notice is provided, which determination shall be limited to the disputed matters and provided to both Parties. The Parties shall use reasonable efforts, through the participation of finance representatives of both Parties, to resolve any dispute arising in relation to the audit by good faith discussion. The results of any such audit, reflecting the independent accounting firm's determination of any disputed matters, shall be binding on both Parties. ImmunoGen agrees to treat the results of any such independent accounting firm's review of Novartis' records under this Section 5.8(b) as Confidential Information of Novartis subject to the terms of Section 6 hereof. If any such audit reveals a deficiency in the calculations resulting from any underpayment by Novartis, Novartis shall promptly pay to ImmunoGen the amount remaining to be paid [***], and if such underpayment is by [***], Novartis shall pay the reasonable costs and expenses of the of the independent accounting firm in conducting the audit. In addition, if an audit reveals that Novartis has overpaid, ImmunoGen shall [***] refund the amount overpaid.

6. TREATMENT OF CONFIDENTIAL INFORMATION

6.1 Confidentiality.

(a) Confidentiality Obligations. ImmunoGen and Novartis each recognizes that the other Party's Confidential Information constitutes highly valuable assets of such other Party. ImmunoGen and Novartis each agrees that, subject to Section 6.1(b) hereof, during the Term and for an additional [***] years thereafter, (i) it will not disclose, and will cause its Affiliates (and, in the case of Novartis, its Sublicensees and Permitted Third Party Service

Providers) not to disclose, any Confidential Information of the other Party and (ii) it will not use, and will cause its Affiliates (and, in the case of Novartis, its Sublicensees and Permitted Third Party Service Providers) not to use, any Confidential Information of the other Party, in either case, except as expressly permitted hereunder. Without limiting the generality of the foregoing, each Party shall take such action, and shall cause its Affiliates (and, in the case of Novartis, its Sublicensees and Permitted Third Party Service Providers) to take such action, to preserve the confidentiality of the other Party's Confidential Information as such Party would customarily take to preserve the confidentiality of its own Confidential Information and shall, in any event, use at least reasonable care to preserve the confidentiality of the other Party's Confidential Information.

(b) Limited Disclosure. Each Receiving Party shall be entitled to disclose the Disclosing Party's Confidential Information to employees, consultants, subcontractors and Affiliates of the Receiving Party (and, in the case of Novartis, its Sublicensees and Permitted Third Party Service Providers) to enable the Receiving Party to exercise its rights or to carry out its responsibilities under this Agreement, provided that such disclosure shall only be made to persons who are bound by written obligations as described in Section 6.1(c) hereof. In addition, the Receiving Party may disclose the Disclosing Party's Confidential Information to the extent such disclosure (i) is reasonably necessary to file, prosecute or maintain patents or patent applications, or to file, prosecute or defend litigation related to patents or patent applications in accordance with this Agreement, or (ii) as required by Applicable Laws, provided that in the case of any disclosure under this clause (ii), the Receiving Party shall (A) if practicable, provide the Disclosing Party with reasonable advance notice of and an opportunity to comment on any such required disclosure, (B) if requested by the Disclosing Party, cooperate in all reasonable respects with the Disclosing Party's efforts to obtain confidential treatment or a protective order with respect to any such disclosure, at the Disclosing Party's expense, and (C) use good faith efforts to incorporate the comments of the Disclosing Party in any such disclosure or request for confidential treatment or a protective order.

(c) Employees, Consultants and Subcontractors. ImmunoGen and Novartis each hereby represents and warrants that all of its employees, consultants and subcontractors, and all of the employees, consultants and subcontractors of its Affiliates, who participate in the activities contemplated by this Agreement or who otherwise have access to Confidential

Information of the other Party are or will, prior to their participation or access, be bound by written obligations to maintain such Confidential Information in confidence and not to use such information except as expressly permitted hereunder. Each Party agrees to use, and to cause its Affiliates (and, in the case of Novartis, its Sublicensees and Permitted Third Party Service Providers) to use, reasonable efforts to enforce such obligations.

6.2 Publicity. The Parties acknowledge that the terms of this Agreement constitute the Confidential Information of each Party and may not be disclosed except as permitted by Section 6.1(b) hereof. In addition, either Party may disclose the terms of this Agreement(a) on a need-to-know basis to such Party's legal, accounting and financial advisors and (b) as reasonably necessary in connection with any actual or potential (i) debt or equity financing of such Party or (ii) purchase by any Third Party of all the outstanding capital stock or all or substantially all of the assets of such Party or any merger or consolidation involving such Party; provided that ImmunoGen shall not disclose the identity of the Licensed Targets under this clause (b) and ImmunoGen shall not disclose the amount of the Upfront Fee, the Conversion Fee, the specific milestone events, the milestone payments (individually or in the aggregate), or the royalty rates set forth in Section 5 hereof (except to the extent any of the foregoing have been previously disclosed as otherwise permitted under this Agreement) under clause (b)(ii) above; and provided, further that in each case the Person to whom the terms of this Agreement is to be disclosed agrees in writing to maintain the confidentiality of such information with terms at least as protective as those contained in Section 6.1(a) hereof. Anything contained in this Agreement to the contrary notwithstanding, upon the execution of this Agreement, the Parties shall mutually agree to a press release with respect to this Agreement and, once such press release is approved for disclosure by both Parties, either Party may make subsequent and repeated public disclosure of the contents thereof without further approval of the other Party. After issuance of such press release, neither Party shall publish, present or otherwise disclose publicly any material related to events arising under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided that notwithstanding the foregoing, (A) neither Party will be prevented from complying with any duty of disclosure it may have pursuant to Applicable Laws; and (B) Novartis shall be permitted to publish such material in scientific journals or present such material at scientific conferences in accordance with Section 6.3 hereof. Either Party may make subsequent and repeated disclosure of the contents of

any disclosures permitted by the preceding sentence without the prior written consent of the other Party.

6.3 Publications and Presentations. The Parties acknowledge that scientific publications and presentations must be strictly monitored to prevent any adverse effect from premature publication or dissemination of results of the activities hereunder. ImmunoGen agrees that, except as required by Applicable Laws, it shall not publish or present, or permit to be published or presented, the results of the Development and Commercialization of a Licensed Product to the extent such results refer to, derive from or otherwise relate to the Licensed Intellectual Property without the prior review by and approval of Novartis. Novartis shall provide ImmunoGen the opportunity to review each of Novartis' proposed abstracts, manuscripts or presentations (including, without limitation, information to be presented verbally) that contain ImmunoGen's Confidential Information or disclose any unpatented Licensed Technology at least [***] days prior to its intended presentation or submission for publication, and Novartis agrees, upon written request from ImmunoGen given within such [***]-day period, not to submit such abstract or manuscript for publication or to make such presentation until ImmunoGen is given up to [***] days from the date of such written request to seek appropriate patent protection for any unpatented Licensed Technology disclosed in such publication or presentation that it reasonably believes may be patentable. Once such abstracts, manuscripts or presentations have been reviewed and, where applicable, approved by each Party, the same abstracts, manuscripts or presentations do not have to be provided again to the other Party for review for a later submission or publication. Each Party also shall have the right to require that any of its Confidential Information that is disclosed in any such proposed publication or presentation be deleted prior to such publication or presentation. In any permitted publication or presentation by a Party, the other Party's contribution shall be duly recognized, and co-authorship shall be determined in accordance with customary industry standards.

6.4 Integration. As to the subject matter of this Agreement, this Section 6 supersedes any confidential disclosure agreements between the Parties, including, without limitation, the Confidentiality Agreement and the confidentiality provisions of the Multi-Target Agreement. Any confidential information of a Party disclosed under the Confidentiality Agreement or the Multi-Target Agreement relating to the subject matter of this Agreement shall

be treated as Confidential Information of such Party hereunder, subject to the terms of this Section 6.

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

7.1 Ownership of Intellectual Property; Disclosure. Except as otherwise expressly provided herein, all inventions and discoveries governed by this Agreement shall be owned based on inventorship, as inventorship is determined in accordance with United States patent law.

(a) Solely-Owned Technology. Anything contained in this Agreement to the contrary notwithstanding, as between the Parties (i) ImmunoGen shall be the sole owner of the Licensed Intellectual Property (other than the Joint Program Technology and Joint Improvements included therein), and (ii) Novartis shall be the sole owner of Novartis Improvements and any Patent Rights claiming Novartis Improvements.

(b) Jointly-Owned Technology. All Joint Program Technology and Joint Improvements shall be jointly owned by ImmunoGen and Novartis. The Parties shall also jointly own any Patent Rights claiming such Joint Program Technology and Joint Improvements.

(c) Disclosure. Each Party shall provide to the other Party any invention disclosure related to any Joint Program Technology or Joint Improvements within [***] days after such Party receives such disclosure from its employees or others obligated to assign or license inventions to such Party or any Affiliate of such Party.

7.2 Patent Filing, Prosecution and Maintenance.

(a) Licensed Patent Rights. ImmunoGen, acting through patent counsel or agents of its choice, shall be responsible, at its sole cost and expense and in its sole discretion, for the preparation, filing, prosecution and maintenance of all Licensed Patent Rights (other than Licensed Patent Rights claiming Joint Program Technology or Joint Improvements).

(b) Novartis Inventions. Novartis, acting through patent counsel or agents of its choice, shall be responsible, at its sole cost and expense and in its sole discretion, for the preparation, filing, prosecution and maintenance of all Patent Rights specifically claiming any Antibody Controlled by Novartis or its Affiliates, a Specific Ab-Cytotoxic Product or any other

Novartis inventions (including Novartis Improvements but excluding any Licensed Patent Rights).

(c) Joint Program Technology and Joint Improvements.

(i) Novartis, acting through patent counsel and agents of its choice, shall be responsible, at its sole cost and expense and in its sole discretion, for the preparation, filing, prosecution and maintenance of all Patent Rights claiming Joint Program Technology.

(ii) ImmunoGen, acting through patent counsel and agents of its choice, shall be responsible, at its sole cost and expense and in its sole discretion, for the preparation, filing, prosecution and maintenance of all Patent Rights claiming Joint Improvements.

(iii) The Party undertaking the responsibility for the filing, prosecution and maintenance of any Patent Rights claiming Joint Program Technology or Joint Improvements will keep the other Party reasonably informed of the status of such filing, prosecution and maintenance, including, without limitation, by using commercially reasonable efforts to provide the other 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 other Party has a reasonable opportunity to review and comment.

(d) Cooperation. Each Party agrees to cooperate reasonably with the other Party in the preparation, filing, prosecution and maintenance of any Patent Rights pursuant to this Section 7.2. Such cooperation includes, but is not limited to, executing all papers and instruments, or requiring employees or others to execute such papers or instruments, so as to effectuate the ownership of such Patent Rights and to enable the filing, prosecution, maintenance and extension thereof in any country or region. In addition, the Parties shall reasonably cooperate with each other in obtaining patent term restoration or supplemental protection certificates or their equivalents in any country in the Territory where applicable to the Licensed Patent Rights.

7.3 Abandonment.

(a) Licensed Patent Rights; Joint Improvements. If ImmunoGen decides to abandon or allow to lapse, or otherwise determines to not prosecute, any of the Licensed Patent Rights or Patent Rights claiming Joint Improvements for which it is the filing party under Sections 7.2(a) and 7.2(c)(ii) hereof in any country or region in the Territory, ImmunoGen shall inform Novartis of such decision promptly and, in any event, so as to provide Novartis a reasonable amount of time to meet any applicable deadline to establish or preserve such Patent Rights in such country or region. Novartis shall have the right to assume responsibility for continuing the prosecution of such Patent Rights in such country or region and paying any required fees to maintain such Patent Rights in such country or region or defending such Patent Rights, in each case at Novartis' sole expense and through patent counsel or agents of its choice. Novartis shall not become an assignee of such Licensed Patent Rights or of ImmunoGen's interest in such Patent Rights claiming Joint Improvements as a result of its assumption of such responsibility. Upon transfer of ImmunoGen's responsibility for prosecuting, maintaining and defending any of the Licensed Patent Rights or Patent Rights claiming Joint Improvements under this Section 7.3(a) hereof, ImmunoGen shall promptly deliver to Novartis copies of all necessary files related to such Patent Rights with respect to which responsibility has been transferred and shall take all actions and execute all documents reasonably necessary for Novartis to assume such prosecution, maintenance and defense.

(b) Novartis Improvements; Joint Program Technology. If Novartis decides to abandon or allow to lapse, or otherwise determines to not prosecute, any of the Patent Rights claiming Novartis Improvements or Patent Rights claiming Joint Program Technology for which Novartis is the filing party under Sections 7.2(b) and 7.2(c)(i) hereof in any country or region in the Territory, Novartis shall inform ImmunoGen of such decision promptly and, in any event, so as to provide ImmunoGen a reasonable amount of time to meet any applicable deadline to establish or preserve such Patent Rights in such country or region. ImmunoGen shall have the right to assume responsibility for continuing the prosecution of such Patent Rights in such country or region and paying any required fees to maintain such Patent Rights in such country or region or defending such Patent Rights, in each case at ImmunoGen's sole expense and through patent counsel or agents of its choice. ImmunoGen shall not become an assignee of Novartis' interest in such Patent Rights claiming Novartis Improvements or Joint Program Technology as a

result of its assumption of such responsibility. Upon transfer of Novartis' responsibility for prosecuting, maintaining and defending any of the Patent Rights claiming Novartis Improvements or Joint Program Technology, Novartis shall promptly deliver to ImmunoGen copies of all necessary files related to such Patent Rights with respect to which responsibility has been transferred and shall take all actions and execute all documents reasonably necessary for ImmunoGen to assume such prosecution, maintenance and defense of such Novartis Improvements or Joint Program Technology.

7.4 Third Party Infringement.

(a) If either Party becomes aware of any possible infringement of, or submission by any Third Party of an abbreviated new drug application under the Hatch-Waxman Act that is covered by, any Licensed Patent Rights that cover a Licensed Product or any Novartis Improvement (an **"Infringement"**), that Party shall promptly notify the other Party and provide it with all details of such Infringement of which it is aware (each, an **"Infringement Notice"**).

(b) ImmunoGen shall have the first right and option, but not the obligation, to eliminate such Infringement with respect to Licensed Patent Rights (other than Patent Rights claiming Joint Program Technology) that cover Licensed Products by reasonable steps, which may include the institution of legal proceedings or other action. All costs, including, without limitation, attorneys' fees, relating to such legal proceedings or other action shall be borne by ImmunoGen. If ImmunoGen does not take commercially reasonable steps to eliminate the Infringement within [***] days from any Infringement Notice (or [***] days in the case of an Infringement under the Hatch-Waxman Act), then Novartis shall have the right and option to do so at its expense, provided that if ImmunoGen has commenced negotiations with an alleged infringer for elimination of such Infringement within such [***]-day (or, if applicable, such [***]-day) period, then ImmunoGen shall have an additional [***] days (or in the case of an infringement under the Hatch-Waxman Act, [***]) to conclude its negotiations before Novartis may take steps to eliminate such Infringement.

(c) Novartis shall have the first right and option, but not the obligation, to eliminate such Infringement with respect to Patent Rights claiming Joint Program Technology by reasonable steps, which may include the institution of legal proceedings or other action. All costs, including, without limitation, attorneys' fees, relating to such legal proceedings or other action shall be borne by Novartis. If Novartis does not take commercially reasonable steps to

eliminate the Infringement within [***] days from any Infringement Notice (or [***] days in the case of an Infringement under the Hatch-Waxman Act), then ImmunoGen shall have the right and option to do so at its expense, provided that if Novartis has commenced negotiations with an alleged infringer for elimination of such Infringement within such [***]-day (or, if applicable, such [***]-day) period, then Novartis shall have an additional [***] days (or in the case of an infringement under the Hatch-Waxman Act, [***]) to conclude its negotiations before ImmunoGen may take steps to eliminate such Infringement.

(d) Neither Party shall settle any Infringement claim or proceeding under this Section 7.4 without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(e) Each Party shall have the right to participate, and be represented by counsel that it selects, in any legal proceedings or other action instituted under this Section 7.4 by the other Party. If a Party with the right to initiate legal proceedings under this Section 7.4 to eliminate Infringement lacks

standing to do so and the other Party has standing to initiate such legal proceedings, such Party with standing shall initiate such legal proceedings at the request and expense of the other Party.

(f) In any action, suit or proceeding instituted under this Section 7.4, the Parties shall cooperate with and assist each other in all reasonable respects. Upon the reasonable request of the Party initiating such action, suit or proceeding, the other Party shall join such action, suit or proceeding and shall be represented using counsel of its own choice, at the requesting Party's expense.

(g) Any amounts recovered by either Party pursuant to Section 7.4 hereof, whether by settlement or judgment, shall be first applied [***], in connection therewith; provided that [***] may cause any such amounts, or proportionate percentages thereof, to be applied [***] to the extent required by the terms of any written agreement with [***]. Any remainder which is allocable to the Licensed Product will be shared as follows: [***] shall be paid an amount equal to [***], and the [***] portion of such recovery which is [***] shall be paid to [***].

7.5 Response to Biosimilar Applicants.

(a) Notice; Preliminary Discussions. In the event Novartis receives notice or a copy of any application, submission or notice (a **"Biosimilar Notice"**), whether or not under

any Applicable Laws (including under the Biologics Price Competition and Innovation Act of 2009 (the **"BPCIA"**) and/or the United States Patient Protection and Affordable Care Act) applicable to the approval or manufacture of any biosimilar or follow-on biologic product for which a Licensed Product is a "reference product," as such term is used in the BPCIA (a **"Proposed Biosimilar Product"**), including any notification of an intent to commercially market a Proposed Biosimilar Product, Novartis shall promptly provide ImmunoGen with written notice, which notice shall identify the Third Party applicant (the **"Applicant"**), and include a copy of the Biosimilar Notice.

(b) Preparation of Proposed Patent List. Not later than [***] days from the date of receipt by Novartis of the Biosimilar Notice, Novartis shall prepare and provide ImmunoGen with a list (the **"Proposed Patent List"**) of (i) those patents within the Licensed Patent Rights, if any, that Novartis reasonably believes would be infringed by the manufacture and/or sale of the Proposed Biosimilar Product and (ii) those patents within the Licensed Patent Rights, if any, that Novartis would be willing to sublicense to such Applicant in accordance with the terms of this Agreement, and with such other information pertaining to the Licensed Patent Rights as would be required to be provided to the Applicant under the BPCIA or other Applicable Law (the **"Other Required Information"**). Within [***] days following the date of receipt by ImmunoGen of the Proposed Patent List and Other Required Information, ImmunoGen and Novartis shall discuss in good faith the Proposed Patent List and the Other Required Information and Novartis shall consider in good faith ImmunoGen's proposals for changes to the Proposed Patent List and the Other Required Information. Within [***] days following Novartis' receipt of the Biosimilar Notice, Novartis shall provide the Applicant with a copy of the Proposed Patent List and the Other Required Information; provided, however, that the Proposed Patent List provided to Applicant shall include any patent within the Licensed Patent Rights specified in writing by ImmunoGen for inclusion, absent manifest error.

(c) Disclosure of Applicant's Response. Within [***] days from the date of receipt by Novartis of a response relating to the Licensed Patent Rights, if any, from the Applicant to the Proposed Patent List and Other Required Information, including any response required by the BPCIA (the **"Applicant Response"**), Novartis shall provide ImmunoGen with a copy of the portions of such Applicant Response pertaining to the Licensed Patent Rights, if any.

(d) Preparation of Novartis Response. Not later than [***] days from the date of receipt by Novartis of an Applicant Response for which Novartis is required to provide notice to ImmunoGen pursuant to Section 7.5(c), Novartis shall prepare and provide ImmunoGen with a draft of the portions of a response pertaining to the Licensed Patent Rights (the **"Novartis Response"**) that (i) describes on a claim-by-claim basis, how each patent within the Licensed Patent Rights on the Proposed Patent List would be infringed by the Proposed Biosimilar Product, and (ii) responds to Applicant's claims that the patents within the Licensed Patent Rights on the Proposed Patent List are invalid or unenforceable. As soon as practicable following the date of receipt by ImmunoGen of the Novartis Response, ImmunoGen and Novartis shall discuss in good faith Novartis' statements in the Novartis Response and Novartis shall consider in good faith ImmunoGen's proposals for changes to the Novartis Response. As soon as possible following such good faith discussions, and in any event not later than [***] days following Novartis' receipt of the Applicant Response, Novartis shall provide the Applicant with a copy of the portions of the Novartis Response relating to the Licensed Patent Rights; provided, however, that the Novartis Response provided to Applicant shall include responsive information with respect to any patent within the Licensed Patent Rights specified in writing by ImmunoGen for inclusion, absent manifest error.

(e) Negotiation; ImmunoGen Rights. As soon as possible following the date on which Novartis provides Applicant with a copy of the Novartis Response for which Novartis is required to provide a copy pursuant to Section 7.5(d), Novartis shall commence good faith negotiations with Applicant for a period of not more than [***] days (the **"Negotiation Period"**) in an effort to reach agreement on the patents on the Proposed Patent List that will be the subject of a patent infringement litigation (the **"Infringed Patent List"**); provided, however, that if the Proposed Patent List [***], then Novartis shall [***].

(f) Claims, Suits and Proceedings. If Novartis and Applicant reach agreement on the Infringed Patent List and such list includes a patent within the Licensed Patent Rights, Novartis shall have the first right and option, but not the obligation, to file a claim for Infringement with respect to such Licensed Patent Rights against the Applicant within [***] days thereafter; provided, that Novartis hereby acknowledges and agrees that if Novartis does

not file a claim for Infringement with respect to such Licensed Patent Rights within such [***] day period, ImmunoGen shall have the right and option, but not the obligation, to take such actions

as it determines to be reasonable necessary to preserve its rights in the Licensed Patent Rights and eliminate the infringement thereof threatened by Applicant, including, without limitation, by initiating an infringement action against Applicant. If Novartis and Applicant fail to reach agreement on the Infringed Patent List, Novartis shall (i) provide Applicant with a copy of the patents within the Licensed Patent Rights, if any, on the Proposed Patent List that will be the subject of a patent Infringement litigation and (ii) have the first right and option, but not the obligation, to file a claim for Infringement of such Licensed Patent Rights against the Applicant within [***] days thereafter; provided, however, that if the Proposed Patent List [***], then Novartis shall [***]; and provided further, that Novartis hereby acknowledges and agrees that if Novartis does not file a claim for Infringement within such [***]-day period, ImmunoGen shall have the right and option, but not the obligation, to take such actions as it determines to be reasonable necessary to preserve its rights in the Licensed Patent Rights and eliminate the infringement of such Licensed Patent Rights threatened by Applicant, including, without limitation, by initiating an infringement action against Applicant to eliminate such Infringement. Solely with respect to patents within the Licensed Patent Rights, all costs, including, without limitation, attorneys' fees, relating to such legal proceedings or other action shall be borne by (A) ImmunoGen if such legal proceeding or other action is brought by ImmunoGen and (B) Novartis if such legal proceeding or other action is brought by Novartis. Novartis shall not be permitted to settle any claim, suit or proceeding with the Applicant under this Section 7.5 with respect to the Licensed Patent Rights without the prior written consent of ImmunoGen, which consent shall not be unreasonably withheld, conditioned or delayed. Each Party shall have the right to participate, and be represented by counsel that it selects, in any legal proceedings or other action instituted under this Section 7.5 by the other Party. If a Party with the right to initiate legal proceedings under this Section 7.5 lacks standing to do so and the other Party has standing to initiate such legal proceedings, such Party with standing shall initiate such legal proceedings at the request and expense of the other Party. In any action, suit or proceeding instituted under this Section 7.5, the Parties shall cooperate with and assist each other in all reasonable respects. Upon the reasonable request of the Party initiating such action, suit or proceeding, the other Party shall join such action, suit or proceeding and shall be represented using counsel of its own choice, at the requesting Party's expense. Any amounts recovered by either Party pursuant to this Section 7.5(f) with respect to the Licensed Patent Rights, whether by

settlement or judgment, shall be allocated in accordance with the provisions of Section 7.4(g) hereof.

(g) Compliance with Applicable Law. Without limiting the foregoing, Novartis agrees to take such actions with respect to Licensed Patent Rights as may required under the BPCIA and regulations thereunder, and any other Applicable Laws pertaining to the approval or sale of biosimilars or follow-on biologic products, as are permitted to persons having rights to a reference product in order to object to or prevent the sale of a Proposed Biosimilar Product.

(h) Changes in Applicable Law. The Parties have agreed to the provisions of this Section 7.5 on the basis of the BPCIA and other applicable laws and regulations in effect as of the Effective Date. If there are any material changes to the BPCIA or other Applicable Laws that would affect these provisions, the Parties will discuss amendments to this Section 7.5 in good faith.

7.6 Defense of Claims. If any action, suit or proceeding is brought or threatened against either Party or an Affiliate or Sublicensee alleging infringement of the Technology or Patent Rights of a Third Party by reason of use by Novartis or an Affiliate or Sublicensee of the Licensed Intellectual Property in the Development or Commercialization of any Licensed Product, the Party first receiving notice of such actual or threatened action, suit or proceeding shall notify the other Party promptly, and the Parties shall as soon as practicable thereafter confer in good faith regarding the best response.

7.7 Trademarks. All Licensed Products shall be sold under one or more trademarks selected and owned by Novartis or its Affiliates and their respective Sublicensees in the Territory. As between the Parties, Novartis or its Affiliates shall control the preparation (including, but not limited to name creation, clearance and filing), selection, adoption, prosecution, enforcement and maintenance of applications related to all such trademarks in the Territory, at its sole cost and expense and at its sole discretion. ImmunoGen shall notify Novartis or its Affiliates promptly upon learning of any actual, alleged or threatened infringement of a trademark 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. As between the Parties, all of the costs, expenses and legal fees in bringing, maintaining and prosecuting any action to maintain, protect or defend any trademark owned by Novartis or its Affiliates and their

respective Sublicensees hereunder, and any damages or other recovery, shall be Novartis' or its Affiliates sole responsibility, and taken in Novartis' or its Affiliates' sole discretion.

8. TERM AND TERMINATION

8.1 Term; Expiration. The term of this Agreement shall commence on the Effective Date and shall expire on a Licensed Product-by-Licensed Product and a country-by-country basis upon the expiration of the Royalty Term applicable to a Licensed Product in each such country, subject to earlier

termination in accordance with Section 8.2 hereof (the **"Term"**). Provided this Agreement has not been terminated prior thereto by ImmunoGen under Section 8.2(b) or 8.2(c) hereof or by Novartis under Section 8.2(a) hereof, following the expiration of the Royalty Term applicable to a Licensed Product in a country in accordance with Section 5.5 hereof, Novartis and its Affiliates shall have a fully paid-up, irrevocable, freely transferable and sublicensable license under the relevant Licensed Intellectual Property, to make, have made, use, have used, sell, have sold, offer for sale, import and have imported such Licensed Product in such country.

8.2 Termination. Subject to the other terms of this Agreement:

(a) Voluntary Termination by Novartis. Novartis shall have the right to terminate this Agreement at any time upon not less than [***] days' prior notice to ImmunoGen.

(b) Termination for Breach. Either Party may terminate this Agreement, effective upon written notice to the other Party, upon any breach by the other Party of any material obligation or condition of this Agreement (a **"Material Breach"**) that remains uncured [***] days ([***] days if the breach is a failure by Novartis to make any payment required hereunder) after the non-breaching Party first gives written notice of such breach to the other Party describing such Material Breach in reasonable detail; provided, however, that if the nature of the asserted breach (other than a breach for non-payment) is such that more than [***] days are reasonably required to cure, then the cure period shall be extended for a period not to exceed an additional [***] days so long as the Party seeking to cure the asserted breach is diligently pursuing such cure to completion. Anything contained in this Agreement to the contrary notwithstanding and subject to the proviso of this sentence, if the allegedly breaching Party (i) disputes either (A) whether a Material Breach has occurred or (B) whether the Material Beach has been timely cured, and (ii) provides written notice of that Dispute to the other Party within

the above time periods, then the matter will be addressed under the dispute resolution provisions of Section 11.12 hereof, and the Party asserting the breach may not terminate this Agreement until it has been determined under Section 11.12 hereof that the allegedly breaching Party is in Material Breach of this Agreement, and such breaching Party further fails to cure such breach within [***] days (or such longer or shorter period as determined by the arbiter of such dispute resolution) after the conclusion of the dispute resolution procedure; provided, however, that the foregoing shall not apply to any breach for non-payment of any payments required hereunder. Anything contained in this Agreement to the contrary notwithstanding, 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.

(c) Termination for Insolvency. To the extent allowed by Applicable Laws, if either Party files for protection under bankruptcy laws, makes an assignment for the benefit of creditors, appoints or suffers the appointment of a receiver or trustee over its property, files a petition under any bankruptcy or insolvency act or has any such petition filed against it which is not discharged within [***] days of the filing thereof, then the other Party may terminate this Agreement effective immediately upon written notice to such Party. In connection therewith, 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. If either Party undergoes a voluntary dissolution or winding-up of its affairs, then the other Party may terminate this Agreement effective immediately upon written notice to such Party.

8.3 Consequences of Termination. Upon termination of this Agreement by either Party under Section 8.2 hereof, the following provisions shall apply:

(a) Termination by ImmunoGen under Section 8.2(b) or 8.2(c) or by Novartis under Section 8.2(a). If this Agreement is terminated by ImmunoGen under Section 8.2(b) or 8.2(c) hereof or by Novartis under Section 8.2(a) hereof, then (i) the license granted by ImmunoGen to Novartis and its Affiliates pursuant to Section 2.1 hereof shall immediately terminate; (ii) Novartis shall immediately cease, and shall cause its Affiliates and Sublicensees (subject to the next sentence) immediately to cease, any and all Development and Commercialization of Licensed Products in the Territory; and (iii) each Party shall promptly return or destroy all Confidential Information of the other Party, provided that each Party may

retain, subject to Section 6 hereof, (A) one (1) copy of the Confidential Information of the other Party in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder and (B) any Confidential Information of the other Party contained in laboratory notebooks or databases. Notwithstanding the foregoing, (1) unless ImmunoGen specifies in writing to the contrary, no such termination of this Agreement shall be construed as a termination of any valid sublicense to any Third Party Sublicensee hereunder, and thereafter each such Sublicensee shall be considered a direct licensee of ImmunoGen, provided that (x) such Sublicensee is then in full compliance with all terms and conditions of its sublicense, (y) all accrued payment obligations to ImmunoGen have been paid, and (z) such Sublicensee agrees no later than [***] Business Days after the effective date of such termination to assume all obligations of Novartis under this Agreement, and (2) Novartis, its Affiliates and Sublicensees shall have the right, for six (6) consecutive months following the effective date of such termination, or such longer period (if any) to which the Parties mutually agree in writing (the **"Wind-Down Period"**), to sell or otherwise dispose of all Licensed Products then on hand, subject to the payment of royalties and the other terms of this Agreement. After the Wind-Down Period, Novartis shall immediately cease, and shall cause its Affiliates and Sublicensees (subject to the preceding sentence) to cease, any and all Development and Commercialization of Licensed Products in the Territory.

(b) Termination by Novartis under Section 8.2(b) and 8.2(c). If this Agreement is terminated by Novartis under Section 8.2(b) or 8.2(c) hereof, then (i) the license granted by ImmunoGen to Novartis pursuant to Section 2.1 hereof shall survive on a country-by-country and Licensed Product-by-Licensed Product basis until the expiration of the Royalty Term for each such Licensed Product in each such country, subject to Novartis' continued payment of all milestone, royalty and other payments under and in accordance with this Agreement with respect thereto, provided, however, that Novartis shall [***] be obligated to pay to ImmunoGen [***] of each milestone and royalty payment otherwise due under Section 5 hereof as they become due from and after the date of termination; and (ii) each Party shall promptly return or destroy all Confidential Information of the other Party, provided that

each Party may retain, subject to Section 6 hereof, (A) one (1) copy of the Confidential Information of the other Party in its archives for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder and (B) any Confidential Information of the other

Party contained in its laboratory notebooks or databases. Notwithstanding the foregoing and subject to Section 6 hereof, Novartis may retain and use ImmunoGen's Confidential Information solely in connection with the exercise of its rights set forth in clause (i) of the preceding sentence.

8.4 Remedies. Except as otherwise expressly set forth in this Agreement, the termination provisions of this Section 8 are in addition to any other relief and remedies available to either Party at law.

8.5 Surviving Provisions. Notwithstanding any provision herein to the contrary, the rights and obligations of the Parties set forth in Sections 2.3, 2.4, 2.5, 5.2, 5.6, 5.7, 5.8, 6, 7, 8.1, 8.3, 8.4, 8.5, 9.3, 10 and 11 hereof 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, Novartis shall remain liable for all payment obligations accruing hereunder prior to the effective date of termination.

9. REPRESENTATIONS AND WARRANTIES

9.1 ImmunoGen Representations. ImmunoGen represents and warrants to Novartis 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; and

(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.

Except as set forth in a written disclosure letter (the **"Disclosure Letter"**) delivered by ImmunoGen to Novartis within [***] Business Days after the Effective Date (which shall be deemed Confidential Information of ImmunoGen), ImmunoGen also represents and warrants to Novartis that:

(i) to ImmunoGen's knowledge, as of the Effective Date none of the issued patents within the Licensed Patent Rights is invalid or unenforceable;

(ii) to ImmunoGen's knowledge (without having conducted, or having any duty to conduct, any inquiry), as of the Effective Date, use of the Licensed Intellectual Property pursuant to the license granted to Novartis and its Affiliates hereunder does not infringe the issued patents of any Third Party;

(iii) as of the Effective Date, ImmunoGen has received no notice from a Third Party claiming that the use of the Licensed Intellectual Property pursuant to the license granted hereunder to Novartis and its Affiliates will infringe the issued patents of any such Third Party; and

(iv) as of the Effective Date, there is no pending or, to ImmunoGen's knowledge (without having conducted, or having any duty to conduct, any inquiry), threatened, litigation that alleges that the use of the Licensed Intellectual Property pursuant to the license granted hereunder to Novartis and its Affiliates would infringe or misappropriate any intellectual property rights of any Third Party.

9.2 Novartis Representations. Novartis 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 Novartis corporate action; and

(b) this Agreement is a legal and valid obligation binding upon Novartis 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 Novartis is a party or by which it is bound.

9.3 Warranty Disclaimers.

(a) Nothing in this Agreement is or shall be construed as a warranty or representation by ImmunoGen (i) as to the validity or scope of any patent application or patent within the Licensed Patent Rights or (ii) that anything made, used, sold or otherwise disposed of under the license granted in this Agreement is or will be free from infringement of patents, copyrights, and other rights of Third Parties.

(b) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY TECHNOLOGY, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT, AND EACH PARTY HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

9.4 Covenant. Subject to Section 5.4 hereof, ImmunoGen agrees to use [***] to maintain the right, to (a) use the Licensed Technology and Licensed Patent Rights existing as of the Effective Date as is necessary to fulfill its obligations under this Agreement; and (b) grant the license under the Licensed Patent Rights granted pursuant to this Agreement.

10. INDEMNIFICATION; LIABILITY

10.1 Indemnification.

(a) Novartis Indemnity. Novartis shall indemnify, defend and hold harmless ImmunoGen, its Affiliates, their respective directors, officers, employees, consultants and agents, and their respective successors, heirs and assigns (the **"ImmunoGen Indemnitees"**), against all liabilities, damages, losses and expenses (including, without limitation, reasonable attorneys' fees and expenses of litigation) (collectively, **"Losses"**) incurred by or imposed upon the ImmunoGen Indemnitees, or any of them, as a direct result of any Third Party claims, suits, actions, demands or judgments, including, without limitation, personal injury and product liability matters (collectively, **"Third Party Claims"**), arising out of (i) the Material Breach of this Agreement by Novartis; (ii) the Development or Commercialization (including, without limitation, the production, manufacture, promotion, import, sale or use by any Person) of any Licensed Product by Novartis or any of its Affiliates, Sublicensees, distributors or agents; or (iii) the gross negligence or willful misconduct of Novartis; except in each case to the extent any such Third Party Claim or Losses result from a Material Breach of this Agreement by, or the gross negligence or willful misconduct of, ImmunoGen; provided that with respect to any such Third Party Claim for which ImmunoGen also has an obligation to any Novartis Indemnitee

pursuant to Section 10.1(b) hereof, Novartis shall indemnify each ImmunoGen Indemnitee for its Losses to the extent of Novartis' responsibility, relative to ImmunoGen (or to Persons for whom the ImmunoGen is legally responsible), for the facts underlying the Third Party Claim.

(b) ImmunoGen Indemnity. ImmunoGen shall indemnify, defend and hold harmless Novartis, its Affiliates, their respective directors, officers, employees, consultants and agents, and their respective successors, heirs and assigns (the **"Novartis Indemnitees"**), from and against any Losses incurred by or imposed upon the Novartis Indemnitees, or any of them, as a direct result of any Third Party Claims arising out of (i) the Material Breach of this Agreement by ImmunoGen; or (ii) the gross negligence or willful misconduct of ImmunoGen; except in each case to the extent any such Third Party Claim or Losses result from a Material Breach of this Agreement by, or the gross negligence or willful misconduct of, Novartis, or the Development or Commercialization of any Licensed Product by Novartis or any of its Affiliates, Sublicensees, distributors or agents; provided that with respect to any such Third Party Claim for which Novartis also has an obligation to any ImmunoGen Indemnitee pursuant to Section 10.1(a) hereof, ImmunoGen shall indemnify each Novartis Indemnitee for its Losses to the extent of ImmunoGen's responsibility, relative to Novartis (or to Persons for whom Novartis is legally responsible), for the facts underlying the Third Party Claim.

10.2 Conditions to Indemnification. A Person seeking indemnification under Section 10.1 hereof (the **"Indemnified Party"**) in respect of a Third Party Claim shall give prompt notice of such Third Party Claim to the Party from which recovery is sought (the **"Indemnifying Party"**) and shall permit the Indemnifying Party to assume direction and control of the defense of the Third Party Claim, provided that the Indemnifying Party shall (a) act reasonably and in good faith with respect to all matters relating to the defense or settlement of such Third Party Claim as the defense or settlement relates to the Indemnified Party, and (b) shall not settle or otherwise resolve such Third Party Claim without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed); provided that the Indemnifying Party may, without the Indemnified Party's prior written consent, agree or consent to any settlement or other resolution of such Third Party Claim which requires solely money damages paid by the Indemnifying Party, and which includes as an unconditional term thereof the giving by such claimant or plaintiff to the Indemnified Party of a release from all liability in respect of such Third Party Claim.

10.3 Insurance Proceeds. Any indemnification payment hereunder shall be made net of any insurance proceeds which the Indemnified Party is entitled to recover; provided, however, that if, following the payment to the Indemnified Party of any amount under this Section 10, such Indemnified Party becomes entitled to recover any insurance proceeds in respect of the claim for which such indemnification payment was made, the Indemnified Party shall promptly pay an amount equal to the amount of such proceeds (but not exceeding the amount of such indemnification payment) to the Indemnifying Party.

10.4 Limited Liability. [***], 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 (1) ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY DAMAGES RESULTING FROM LOSS OF PROFITS OR LOSS OF BUSINESS), OR (2) COSTS OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES, EVEN IF EITHER PARTY IS INFORMED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF THE REMEDIES PROVIDED FOR IN THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

11. MISCELLANEOUS

11.1 Notices. All notices and communications shall be in writing and delivered personally or by courier or mailed via certified mail, return receipt requested, postage prepaid, addressed as follows:

If to ImmunoGen: ImmunoGen, Inc.
830 Winter Street
Waltham, MA 02451
Attn: Vice President, Business Development
Fax: [***]

with a copy to: ImmunoGen, Inc.
830 Winter Street
Waltham, MA 02451
Attn: Alliance Management
Fax: [***]

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

If to Novartis: Novartis Institutes for BioMedical Research, Inc.
250 Massachusetts Avenue
Cambridge, MA 02139
Attn: General Counsel
Fax: [***]

Except as otherwise expressly provided in this Agreement or mutually agreed in writing, any notice, communication or document (excluding payment) required to be given or made shall be deemed given or made and effective upon actual receipt or, if earlier, (a) one (1) Business Day after deposit with a nationally recognized overnight express courier with charges prepaid, or (b) five (5) Business Days after mailed by certified mail, postage prepaid, in each case addressed to the receiving Party at its address stated above or to such other address as such Party may designate by written notice given in accordance with this Section 11.1.

11.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to any choice of law principle that would dictate the application of the law of another jurisdiction.

11.3 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior or contemporaneous agreements or understandings, negotiations or correspondence between the Parties, written or oral (including, without limitation, the Confidentiality Agreement) concerning the subject matter hereof.

11.4 Amendment and Waiver. This Agreement may be amended, modified or changed only by a written instrument executed by the Party to be bound. No term of this Agreement will be deemed to have been waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claiming to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, or waiver of, or excuse for, any other different or subsequent breach.

11.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Except as set forth in Section 10 hereof, no Third Party (including, without limitation, employees of either Party) shall have or acquire any rights by reason of this Agreement.

11.6 Purpose and Scope. The Parties hereto understand and agree that this Agreement is limited to the activities, rights and obligations as expressly set forth herein.

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Nothing in this Agreement shall be construed to establish any agency, employment, partnership, joint venture, franchise or similar or special relationship between the Parties. Neither Party shall have the right or authority to assume or create any obligations or to make any representations, warranties or commitments on behalf of the other Party, whether express or implied, or to bind the other Party in any respect whatsoever. 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.

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

11.8 Assignment. Neither Party may assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed, except that such consent shall not be required in connection with any assignment to an Affiliate of the assigning Party, or to a Third Party in connection with a sale or transfer of the business to which this Agreement relates, or to any successor Person resulting from any merger or consolidation of such Party with or into such Person, provided that the assignee shall have agreed in writing to assume all of the assignor's obligations hereunder, and provided, further, that the other Party shall be notified promptly after such assignment has been effected. Any such

assignment shall not relieve the assigning Party of any liabilities or obligations owed to the other Party hereunder, including, without limitation, in the case of Novartis, the payment of any amounts described in Section 5 hereof.

11.9 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, provided that financial inability in and of itself shall not be considered to be a force majeure event. 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.

11.10 Interpretation. 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. In addition, unless the context otherwise requires, wherever used in this Agreement: (i) the singular shall include the plural, the plural the singular; (ii) the use of any gender shall be applicable to all genders; (iii) the word "or" is used in the inclusive sense (and/or); (iv) the words "include" or "including" shall be construed as incorporating, also, "but not limited to" or "without limitation;" (v) the words "hereof," "herein," "hereby" and derivative or similar words refer to this Agreement; and (vi) all references to "will" are interchangeable with the word "shall" and shall be understood to be imperative or mandatory in nature.

11.11 Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction, or declared under any law, rule or regulation of any government having jurisdiction over the Parties hereto, to be illegal, invalid or unenforceable, then such provision will, to the extent permitted by the court or government, not be voided, but will instead be construed to give effect to the intentions of the Parties to the maximum extent permissible under applicable law, and the remainder of this Agreement will remain in full force and effect in accordance with its terms.

11.12 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 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, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Patent Rights (hereinafter, a **"Dispute"**). In the event of the occurrence of any such Dispute, the Parties shall, by written notice to the other Party, have such Dispute referred to their respective senior officers designated below, for attempted resolution by good faith negotiations commencing promptly after such notice is received. Said designated senior officials of the Parties are as follows:

For Novartis:	Designated officer with full 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 11.12 are in addition to any other relief or remedies available to either Party at law or equity.

11.13 Patent Disputes. Anything contained in this Agreement to the contrary notwithstanding, with respect to any dispute, controversy or claim between the Parties that involves the validity, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Patent Rights (a) that are issued in the United States shall be subject to actions before the United States Patent and Trademark Office and/or submitted exclusively to the federal court located in [***]; and (b) that are issued in any other country (or region) shall be brought before an appropriate regulatory or administrative body or court in that country (or region), and the Parties hereby consent to the jurisdiction and venue of such courts and bodies.

11.14 Interim Equitable Relief. Anything contained in this Agreement to the contrary notwithstanding, if a Party reasonably requires relief on a more expedited basis than would be possible pursuant to the procedures set forth in Section 11.12 hereof, such Party may seek a temporary injunction or other interim equitable relief in a court of competent jurisdiction pending the resolution of the Dispute in accordance with Section 11.12 hereof. Any such remedies will be in addition to all other remedies available by law or at equity to the injured Party.

11.15 Reserved.

11.16 Reserved.

11.17 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.

11.18 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each Party and delivered to the other Party, it being understood that both Parties need not sign the same counterpart. If any signature is delivered by facsimile transmission or by e-mail delivery of a "pdf" format data file, such

signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or "pdf" signature page were an original thereof.

11.19 Privacy of Personal Information.

(a) In the course of performance of this Agreement, ImmunoGen may acquire the Personal Information of individuals from various sources and countries. ImmunoGen will, and will cause its Affiliates and agents to, process all Personal Information it acquires under or in connection with this Agreement in compliance with all applicable data protection laws, including but not limited to the data protection laws of the European Union, European Economic Area, Switzerland, the United States and various localities therein. ImmunoGen acknowledges that the requirements under such data protection laws may exceed the requirements applicable to confidential information set forth in Section 6 hereof. Novartis may, on reasonable prior notice, audit ImmunoGen's compliance with such data protection laws.

(b) This Agreement contains the Personal Information of one or more individuals. This Agreement, and the Personal Information contained herein, from time to time may be transferred to, stored or otherwise processed in the United States or other countries that have privacy and data protection laws that differ from, or are not as stringent as, those where the Agreement was executed or where the individual(s) resides. The Personal Information disclosed in this Agreement will be used for the purposes of administration and enforcement of this Agreement and/or other actual or potential legal and business transactions involving the Parties. Storage or processing of Personal Information disclosed in this Agreement may be electronic and/or off line. Execution and delivery of this Agreement constitutes the representation by each Party to this Agreement that if required by the privacy laws applicable to such individuals, the individuals identified herein by such Party have been notified of and have consented to, the transfer, storage, and processing of such Personal Information, as described in this paragraph.

(c) Anything contained in this Agreement to the contrary notwithstanding, Novartis acknowledges and agrees that any breach by ImmunoGen of the representations, warranties and covenants set forth in this Section 11.19 shall not constitute a Material Breach.

11.20 Corporate Citizenship. Novartis gives preference to third parties who share Novartis' societal and environmental values, as set forth in the Novartis Policy on Corporate Citizenship and Novartis Corporate Citizenship Guideline #5, both of which are attached as **Schedule D** and incorporated herein by reference. Accordingly, ImmunoGen represents and warrants that this Agreement will be performed in material compliance with all Applicable Laws and regulations, including, without limitation, laws and regulations relating to health, safety and the environment, fair labor practices and unlawful discrimination. Anything contained in this

Agreement to the contrary notwithstanding, Novartis acknowledges and agrees that any breach by ImmunoGen of the representations, warranties and covenants set forth in this Section 11.20 shall not constitute a Material Breach, and that Novartis' sole remedy in connection with any such breach shall be its right to terminate this Agreement pursuant to Section 8.2(a) hereof.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

IMMUNOGEN, INC.		**NOVARTIS INSTITUTES FOR BIOMEDICAL RESEARCH, INC.**	
By:	/s/ Peter Williams	By:	/s/ C. Klee
Name:	Peter Williams	Name:	Christian Klee
Title:	Vice President	Title:	VP & CFO
Date:	3/29/2013	Date:	3/29/2013

SCHEDULE A

LICENSED TARGETS

[***] (UniProtKB/Swiss Prot accession number [***]) (**"**[***]**"**)
[***] (UniProtKB/Swiss Prot accession number [***]) (**"**[***]**"**)

Portions of the exhibit, indicated by the mark "[***]," were omitted and have been filed separately with the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

EXHIBIT 31.1

CERTIFICATIONS

I, Daniel 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 6, 2013

/s/ Daniel M. Junius
Daniel M. Junius
President, Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Gregory D. Perry, 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 6, 2013

/s/ Gregory D. Perry
Gregory D. Perry
Executive Vice President, Chief Financial Officer
(Principal Financial and Accounting 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, 2013 (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 6, 2013

/s/ DANIEL M. JUNIUS

Daniel M. Junius
President, Chief Executive Officer
(Principal Executive Officer)

Dated: May 6, 2013

/s/ GREGORY D. PERRY

Gregory D. Perry
Executive Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer)